Vista Land & Lifescapes, Inc.

Lower Ground Floor, Building B, Evia Lifestyle Center
Vista City, Daang Hari, Almanza II
Las Piñas City, Philippines
www.vistaland.com.ph

Registration in the Philippines and Offer of 30,000,000 Perpetual, Cumulative, Non-Participating, Non-Voting, Redeemable, and Non-Convertible Series 2 Preferred Shares

with an Oversubscription Option of up to 20,000,000 Series 2 Preferred Shares

consisting of:
Series 2A Preferred Shares
with a Dividend Rate of 7.9892% p.a.

Series 2B Preferred Shares
with a Dividend Rate of 8.4000% p.a.

at an Offer Price of ₱100.00 per Series 2 Preferred Share

to be listed and traded on the
Main Board of The Philippine Stock Exchange, Inc.

Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners

[1] BDO Capital [2] Chinabank Capital [3] SB CAPITAL A Subsidiary of Security Bank

Selling Agent
PSE Trading Participants

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION.

The date of this Prospectus is September 13, 2024.

[1] BDO Capital & Investment Corporation is a subsidiary of BDO Unibank, Inc. BDO Unibank, Inc. is among the lenders of various bank loans to be repaid from the net proceeds of the Offer.
[2] China Bank Capital Corporation is the wholly-owned investment banking subsidiary of China Banking Corporation. China Banking Corporation is among the lenders of various bank loans and holders of corporate notes to be repaid from the net proceeds of the Offer. In addition, China Banking Corporation, through its Trust and Asset Management Group, is the facility agent for the aforementioned corporate notes, and China Bank Capital Corporation acted as one of the mandated lead arrangers and bookrunners for the said corporate notes issuance.
[3] SB Capital Investment Corporation is a subsidiary of Security Bank Corporation. Security Bank Corporation is among the lenders of various bank loans and holders of corporate notes to be repaid from the net proceeds of the Offer. In addition, Security Bank Corporation, through its Trust and Asset Management Group, is the facility agent for the aforementioned corporate notes, and SB Capital Investment Corporation acted as one of the mandated lead arrangers and bookrunners for the said corporate notes issuance.

Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B, Evia Lifestyle Center
Vista City, Daang Hari, Almanza II
Las Piñas City, Philippines
Telephone Number: (632) 3226-3552
www.vistaland.com.ph

This prospectus (the "**Prospectus**") relates to the registration and offer and sale in the Philippines (the "**Offer**") within the Offer Period (as hereinafter defined) of up to 50,000,000 perpetual, cumulative, non-participating, non-voting, redeemable, and non-convertible Series 2 Preferred Shares with a par value of ₱0.10 per share (the "**Offer Shares**"), by Vista Land & Lifescapes, Inc. ("**Vista Land**", "**VLL**", the "**Company**", or the "**Issuer**"), a corporation duly organized and existing under Philippine law. The Offer Shares shall consist of a base offer of 30,000,000 Series 2 Preferred Shares (the "**Base Offer**" and the shares under the Base Offer, the "**Base Offer Shares**"), with an oversubscription option of up to 20,000,000 Series 2 Preferred Shares (the "**Oversubscription Option**" and the shares under the Oversubscription Option, the "**Oversubscription Option Shares**"), at an offer price of ₱100.00 per Offer Share (the "**Offer Price**") to be offered in two (2) subseries: 7.9892% per annum Series 2A Preferred Shares (the "**Series 2A Preferred Shares**") and 8.4000% per annum Series 2B Preferred Shares (the "**Series 2B Preferred Shares**").

As of the date of this Prospectus, the authorized capital stock of the Issuer is ₱18,000,000,000.00 (the "**Authorized Capital Stock**"), divided as follows: (a) 17,900,000,000 Common Shares with ₱1.00 par value per share (the "**Common Shares**"); (b) 8,000,000,000 Series 1 Preferred Shares with ₱0.01 par value per share (the "**Series 1 Preferred Shares**"); and (c) 200,000,000 Series 2 Preferred Shares with ₱0.10 par value per share (the "**Series 2 Preferred Shares**").

On May 31, 2024, the Company filed an application with the Philippine Securities and Exchange Commission ("**SEC**") to register the Offer Shares under the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799). On August 8, 2024, the Issuer obtained pre-effective clearance in respect of such application and upon compliance with the pre-effective conditions from the SEC, an order of registration is expected to be issued by the SEC for the Offer Shares. A listing application was submitted to The Philippine Stock Exchange, Inc. ("**PSE**") on May 31, 2024 and was officially filed on June 10, 2024 upon payment of the listing fee. However, there is no assurance that such a listing will actually be achieved either before or after the issue date of the Offer Shares or whether such a listing will materially affect the liquidity of the Offer Shares on the secondary market. Furthermore, the PSE approval for listing is permissive only and does not constitute a recommendation or endorsement of the Offer Shares by the PSE. The PSE assumes no responsibility for the correctness of any statements made or opinions expressed in this Prospectus. The PSE makes no representation as to its completeness and expressly disclaims any liability whatsoever for any loss arising from reliance on the entire or any part of this Prospectus. As a listed company, Vista Land regularly disseminates such updates and information in its disclosures to the SEC and the PSE.

BDO Capital & Investment Corporation, China Bank Capital Corporation, and SB Capital Investment Corporation (the "**Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners**") have agreed to distribute and sell the Offer Shares at the Offer Price, pursuant to an Underwriting Agreement with the Company dated September 13, 2024.

The Issuer, in consultation with the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, shall have the discretion to allocate the Offer between the two (2) subseries at the end of the Offer Period based on the results of bookbuilding.

The Company expects to raise gross proceeds from the Offer amounting to up to ₱5,000,000,000.00, with estimated net proceeds of ₱4,936,264,577.00 (in case of full exercise of the Oversubscription Option) or ₱3,000,000,000.00, with estimated net proceeds of ₱2,953,284,577.00 (in case of no exercise of the Oversubscription Option), after deducting fees, commissions and expenses relating to the issuance of the Offer Shares. The net proceeds of the Offer shall be used for refinancing and general corporate purposes. For a more detailed discussion on the use of proceeds, see *"Use of Proceeds"* of this Prospectus.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall receive an underwriting fee equivalent to 0.85% of the gross proceeds of the Offer. This shall be inclusive of fees to be paid to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners and the commissions to be paid to the Trading Participants of the PSE (each, a "**Trading Participant**" or "**Selling Agent**"), which shall be equivalent to 0.125%

of the total proceeds of the sale of the Trading Participant Offer Shares by the Trading Participants. The estimated underwriting fee shall be ₱42,500,000.00 (in case of full exercise of the Oversubscription Option) or ₱25,500,000.00 (in case of no exercise of the Oversubscription Option). Please see "*Use of Proceeds*" and "*Plan of Distribution*" of this Prospectus.

Upon listing with the PSE on October 4, 2024 ("**Listing Date**"), the Offer Shares will be traded under the symbols "VLL2A" for the Series 2A Preferred Shares and "VLL2B" for the Series 2B Preferred Shares.

As of the date of this Prospectus, the Company has 12,698,007,676 outstanding common shares and 3,300,000,000 outstanding Series 1 Preferred Shares. Following the Offer, assuming the Oversubscription Option is exercised in full, the Company will have 12,698,007,676 outstanding common shares, 3,300,000,000 outstanding Series 1 Preferred Shares, and 50,000,000 Series 2 Preferred Shares. The holders of the Offer Shares do not have identical rights and privileges with holders of existing common shares of the Company.

The Company reserves the right to withdraw any offer and sale of the Offer Shares at any time before the commencement of the Offer Period, and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners reserve the right to reject any application to purchase the Offer Shares in whole or in part and to allot to any prospective purchaser less than the full amount of the Offer Shares sought by such purchaser. If an offer of the Offer Shares is withdrawn or discontinued, the Company shall subsequently notify the SEC and the PSE. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, any participating underwriter, co-manager and selling agent for any offer of the Offer Shares may acquire for their own account all or a portion of the Offer Shares.

Before the execution of the underwriting agreement, the Offer may be withdrawn at any time. The Offer may also be withdrawn at any time (i) after the execution of the underwriting agreement and before the commencement of the Offer Period, and (ii) on or after the commencement of the Offer Period and prior to the Listing Date, due to the occurrence of any of the events due to conditions beyond the Company's and/or Joint Lead Underwriters' control referred to in the section *"Withdrawal of the Offer"*.

The distribution of this Prospectus and the offer and sale of the Offer Shares may, in certain jurisdictions, be restricted by law. This Prospectus does not constitute an offer to sell or a solicitation of any offer to buy any securities of the Company in any jurisdiction, to or from any person to whom it is unlawful to make such offer in such jurisdiction. The Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Each investor in the Offer Shares must comply with all laws applicable to it and must obtain the necessary consent, approvals or permission for its purchase or subsequent offer and sale of the Offer Shares under the laws and regulations in force in any jurisdiction to which it is subject. None of the Company or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners will have any responsibility therefor.

Dividends may be declared at the discretion of the Board of Directors and will depend upon the future results of operations and general financial condition and capital requirements of the Company; its ability to receive dividends and other distributions and payments from its subsidiaries; foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations (both at the parent and subsidiary levels) and other factors the Board of Directors may deem relevant. The date of declaration of cash dividends on the Offer Shares will be subject to the discretion of the Board of Directors to the extent permitted by law. The declaration and payment of dividends (except stock dividends) do not require any further approval from the shareholders of the Company. For a more detailed discussion on dividends and the dividend policy of the Company, see "*Dividends and Dividend Policy*" of this Prospectus.

The Offer Shares may be issued in various subseries. As and if cash dividends are declared by the Board of Directors in accordance with the enabling resolutions for the Offer Shares ("**Enabling Resolutions**") and as set out in this Prospectus, cash dividends shall be at a fixed rate of 7.9892% per annum for the Series 2A Preferred Shares and 8.4000% for the Series 2B Preferred Shares (each, the "**Initial Dividend Rate**" for the relevant subseries), calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period (as defined below).

Subject to limitations on the payment of cash dividends as described in the section on the *"Summary of the Offer"*, dividends on the Offer Shares will be payable quarterly in arrears starting January 4, 2025 and every April 4, July 4, October 4, and January 4 of each year (each a "**Dividend Payment Date**") being the last date of each three (3)-month period (a "**Dividend Period**") following the Listing Date. The dividends on the Offer Shares will be calculated on a 30/360-day basis. If the Dividend Payment Date is not a Banking Day, dividends will be paid on the next succeeding Banking Day, without adjustment as to the amount of dividends to be paid.

The Board of Directors will not declare and pay cash dividends on any Dividend Payment Date where (a) payment of the cash dividend would cause the Company to breach any of its financial covenants or (b) the profits available to the Company to distribute as cash dividends are not sufficient to enable the Company to pay in full both the cash dividends on the Offer Shares and the dividends on all other classes of the shares of the Company that are scheduled to be paid on or before the same date as the cash dividends on the Offer Shares and that have an equal right to dividends as the Offer Shares, subject to the order of priority in the payment of dividends if the unrestricted retained earnings available are, in the opinion of the Issuer's Board of Directors, insufficient to cover all dividend payments due on other classes of shares having an equal or priority right to dividends. Please see "*Conditions for the Declaration and Payment of Cash Dividends – Summary of the Offer*" of this Prospectus.

Unless the Offer Shares are redeemed by the Issuer on, in respect of the Series 2A Preferred Shares, the 4th anniversary of the Listing Date (the "**Series 2A Step-Up Date**"); in respect of the Series 2B Preferred Shares, the 7th anniversary of the Listing Date (the "**Series 2B Step-Up Date**"), or on the next Business Day in case the relevant step-up date falls on a non-Business Day, the dividends on each subseries will be adjusted as follows:

- For the Series 2A Preferred Shares, the higher of the (a) applicable Initial Dividend Rate; or (b) the simple average of the seven (7)-year PHP BVAL reference rate (or if the seven (7)-year BVAL is not available or cannot be determined, any such successor rate as determined by the Bankers Association of the Philippines ("**BAP**") or the Bangko Sentral ng Pilipinas ("**BSP**")), as published on the website of PDS, or if unavailable, the Philippine Dealing & Exchange Corp. ("**PDEx**") page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for each of the three (3) consecutive Business Days immediately preceding and ending on (and including) the Series 2A Step-Up Date, plus 3.00%.

- For the Series 2B Preferred Shares, the higher of the (a) applicable Initial Dividend Rate; or (b) the simple average of the fifteen (15)-year PHP BVAL reference rate (or if the fifteen (15)-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP), as published on the website of PDS, or if unavailable, the PDEx page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for each of the three (3) consecutive Business Days immediately preceding and ending on (and including) the Series 2B Step-Up Date, plus 3.00%.

Dividends on the Offer Shares will be cumulative. If for any reason the Issuer's Board of Directors does not declare dividends on the Offer Shares for a Dividend Period, the Issuer will not pay dividends on the Dividend Payment Date for the Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Offer Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Offer Shares prior to such Dividend Payment Date. See *"Description of the Offer Shares"*.

As and if approved by the Board of Directors, the Company may redeem in whole (but not in part), any subseries of the Offer Shares as follows:

(a) in respect of Series 2A Preferred Shares, on the 4th anniversary of the Listing Date (the "**Series 2A First Optional Redemption Date**") or on any Dividend Payment Date thereafter (each of the Series 2A First Optional Redemption Date and the Dividend Payment Dates thereafter, a "**Series 2A Optional Redemption Date**"); and

(b) in respect of Series 2B Preferred Shares, on the 7th anniversary of the Listing Date (the "**Series 2B First Optional Redemption Date**") or on any Dividend Payment Date thereafter (each of the Series 2B First Optional Redemption Date and the Dividend Payment Dates thereafter, a "**Series 2B Optional Redemption Date**");

(each Series 2A Optional Redemption Date and Series 2B Optional Redemption Date, an "**Optional Redemption Date**"), after giving not more than 60 nor less than 30 days' prior written notice to the intended date of redemption, at a redemption price equal to the relevant Offer Price of the Offer Shares plus all dividends due them on such Optional Redemption Date as well as all arrears of dividends after deduction of transfer costs customarily chargeable to shareholders, as applicable, to effect the redemption (the "**Redemption Price**"). Such notice to redeem shall be deemed irrevocable upon issuance thereof.

For the avoidance of doubt, on the applicable Optional Redemption Date, the Issuer has the option to redeem, in whole but not in part, any or all of the subseries.

In the event an Optional Redemption Date which the Issuer has chosen as the date to redeem any or all of the subseries falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the Redemption Price and the amount of dividends to be paid.

The Issuer may also redeem the Offer Shares, in whole but not in part, at any time prior to any Optional Redemption Date if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing, having given not more than 60 nor less than 30 days' written notice prior to the intended date of redemption. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the Redemption Price which shall be paid within five (5) Business Days of the exercise of the right to redeem the Offer Shares; provided that if the Accounting Event or Tax Event is specific to a subseries, then the foregoing optional redemption may be exercised only with respect to such subseries.

Each Offer Share has a liquidation right equal to the Offer Price of the Offer Share plus an amount equal to any dividends declared but unpaid in respect of the previous dividend period and any accrued and unpaid dividends for the then current dividend period to (and including) the date of commencement of the Company's winding up or the date of any such other return of capital, as the case may be (the "**Liquidation Right**").

Upon listing of the Offer Shares on the Main Board of the PSE, the Company may purchase the Offer Shares which are then currently tradable at any time in the open market or by public tender or by private contract at any price through the PSE without any obligation to purchase or redeem the other outstanding preferred shares of the Company. The Offer Shares so purchased may be redeemed (pursuant to their terms and conditions as set out in the Prospectus) and cancelled or kept as treasury shares, as applicable.

All payments in respect of the Offer Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Government of the Republic of the Philippines (the "**Government**"), including, but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that the holders of Offer Shares will receive the full amount of the relevant payment which otherwise would have been due and payable, provided, however, that the Issuer shall not be liable for (a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Offer Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Offer Shares or on the liquidating distributions as may be received by a holder of the Offer Shares; (c) any expanded value added tax which may be payable by any holder of the Offer Shares on any amount to be received from the Issuer under the terms and conditions of the Offer Shares; (d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend payable to any holder of the Offer Shares or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Offer Shares by any holder of the Offer Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

In the event payments in respect of the Offer Shares become subject to additional withholding or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer ("**Tax Event**"), the Issuer, having given not more than 60 nor less than 30 days' written notice, may redeem the Offer Shares at any time in whole but not in part, at the Offer Price plus all accrued and unpaid dividends, if any; provided that if the Tax Event is specific to a subseries, then the foregoing optional redemption may be exercised only with respect to such subseries. ("**Redemption by reason of Tax Event**"). See *"Summary of the Offer"* and *"Description of the Offer Shares"*.

Documentary stamp tax for the issuance of the Offer Shares and the documentation, if any, shall be for the account of the Issuer.

In the event an opinion of any recognized person authorized to perform auditing services in the Government has stated that there is more than an insubstantial risk that the funds raised through the issuance of the Offer Shares may no longer be recorded as equity pursuant to the Philippine Financial Reporting Standards ("**PFRS**"), or such other accounting standards which succeed PFRS, as adopted by the Government, applied by VLL in the preparation of its consolidated financial statements for the relevant financial year and such event cannot be avoided by VLL taking reasonable measures available to it ("**Accounting Event**"), the Issuer having given not more than 60 nor less than 30 days' written notice, may redeem the Offer Shares in whole, but not in part at the Redemption Price; provided that if the Accounting Event is specific to a subseries, then the foregoing optional redemption may be exercised only with respect to such subseries. ("**Redemption by reason of an Accounting Event**"). See *"Summary of the Offer"* and *"Description of the Offer Shares"*.

Vista Land confirms that this Prospectus contains all material information relating to the Company and its subsidiaries, as well as all material information on the issue and offer of the Offer Shares as may be required by the applicable laws of the Republic of the Philippines. To the best of the Company's knowledge, no facts have been omitted that would make any statement in this Prospectus misleading in any material respect.

Neither the delivery of this Prospectus nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof. The Company, and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners have exercised the required due diligence in ascertaining that all material representations contained in this Prospectus, and any amendment or supplement thereto, are true and correct and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading in any material respect.

No representation, warranty, or undertaking, express or implied, is made by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, as to the accuracy, adequacy, reasonableness, or completeness of the information and materials contained herein (excluding any and all information pertaining to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners) or any other information provided by the Company herein in connection with the Offer, and no responsibility or liability is accepted by any of them unless any of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners is at fault or grossly negligent in the conduct of its duty of due diligence.

No dealer, salesman or other person has been authorized by Vista Land or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to give any information or to make any representation concerning the Offer Shares other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by Vista Land or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

Unless otherwise indicated, all information in this Prospectus is as of the date hereof. Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company and its subsidiaries since such date. Market data and certain industry forecasts used throughout this Prospectus were obtained from internal surveys, market research, publicly available information, and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts, and market research, while believed to be reliable, have not been independently verified. The Company does not make any representation, undertaking or other assurance as to the accuracy or completeness of such information or that any projections will be achieved. Any reliance placed on any projections or forecasts is a matter of commercial judgment. Certain agreements are referred to in this Prospectus in summary form. Any such summary does not purport to be a complete or accurate description of the agreement and prospective investors are expected to independently review such agreements in full.

The contents of this Prospectus are not to be considered as definitive legal, business or tax advice. This Prospectus is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Issuer, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or their respective affiliates or legal advisers that any recipient of this Prospectus should purchase the Offer Shares.

The price of securities, such as the Offer Shares, can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. An investment in the Offer Shares described in this Prospectus involves a certain degree of risk. A prospective purchaser of the Offer Shares should carefully consider several risk factors relating to the Company's business and operations, risks relating to the Philippines and risks relating to the Offer Shares, as set out in "*Risk Factors*" of this Prospectus, in addition to the other information contained in this Prospectus, in deciding whether to invest in the Offer Shares. The risk disclosure discussion does not purport to disclose all the risks and other significant aspects of investing in the Offer Shares. A person contemplating an investment in the Offer Shares should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities. Investing in the Offer Shares involves a higher degree of risk compared to debt instruments.

The Company, through its subsidiaries, owns land. Under the Philippine Constitution and Philippine statutes, such activities are reserved for Philippine Nationals. Considering the foregoing, for as long as the Company or any of its subsidiaries own land in the Philippines, or continue to conduct property development in the Philippines, foreign ownership in the Company shall be limited to a maximum of: (i) 40% of the capital stock of the Company which is outstanding and entitled to vote; and (ii) 40% of the total outstanding capital stock of the Company, whether or not entitled to vote.

Accordingly, the Company shall disallow the issuance or the transfer of Offer Shares to persons other than Philippine Nationals and shall not record transfers in its books if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign ownership discussed above. Philippine National, as defined under the Foreign Investment Act, means a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and the entitlement to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and the entitlement to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals.

Vista Land is organized under the laws of the Philippines. Its registered business office is at the Lower Ground Floor, Building B, Evia Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City, Philippines with telephone number: (+632) 3226 3552. The Company has been listed on The Philippine Stock Exchange, Inc. since 2007 under ticker symbol "VLL." Its corporate website is http://www.vistaland.com.ph. The information in the website is not incorporated by reference into this Prospectus.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CURRENT.

VISTA LAND & LIFESCAPES, INC.

By:

MANUEL PAOLO A. VILLAR
President and Chief Executive Officer

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI CITY) S.S.

Before me, a notary public for and in the city named above, personally appeared Manuel Paolo A. Villar, who was identified by me through Philippine Passport No. P4237701B to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this SEP 13 2024 day of __________ 2024 at Makati City.

Doc No. 499;
Page No. 101;
Book No. I;
Series of 2024.

ANN JULIENNE A. ARISTOZA
Appointment No. M-460
Notary Public for Makati City
Until December 31, 2025
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 84588
PTR No. 10081179/Makati City/01-09-2024
IBP No. 301914/Iloilo/01-05-2024
Admitted to the bar in 2023

TABLE OF CONTENTS

FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements have been based largely on the Company's current expectations and projections about future events and financial trends affecting its business, and that are, by their nature, subject to significant risks and uncertainties. Words or phrases such as "believes," "expects," "anticipates," "estimate," "intends," "plans," "project," "foresees," or other words or phrases of similar import are intended to identify forward-looking statements. Similarly, statements that describe Vista Land's objectives, plans or goals are also forward-looking statements. In light of these risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated in the relevant forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Among the important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- risks relating to the Company's business;
- the Company's ability to successfully implement its strategy;
- the Company's ability to successfully manage aggressive growth;
- changes in the Philippine real estate market and the demand for the Company's housing and land development and retail mall and BPO commercial center development;
- the Company's ability to maintain its reputation for on-time project completion;
- the condition and changes in the Philippine, Asian or global economies;
- future political instability in the Philippines;
- changes in interest rates, inflation rates and the value of the Philippine peso against the U.S. dollar and other currencies;
- changes in Government regulations, including tax laws, or licensing in the Philippines; and
- competition in the property investment and development industries in the Philippines.

Important factors that could prevent forward-looking events and circumstances from occurring or could cause actual results to differ materially from the expectations of Vista Land include, among others:

General Economic and Political Conditions

- changes in Philippine and international interest rates;
- changes in political, economic and social conditions in the Philippines;
- changes in foreign exchange control regulations in the Philippines; and
- changes in the value of the Peso.

Conditions of the Real Estate Industry

- increasing competition in the Philippine real estate industry;
- changes in laws and regulations that apply to the Philippine real estate industry; and
- low interest rates, expansion in overall liquidity, extensive construction of condominium and housing units and other factors could lead to the risk of formation of asset bubbles in real estate.

Factors Affecting Vista Land's Operations

- Vista Land's ability to maintain and further improve its market share in the various segments of the Philippine real estate market;
- demand for Vista Land's projects in the Philippines;
- operational and implementation issues that Vista Land may encounter in its projects; and

- Vista Land’s ability to manage changes in costs attendant to its operations.

Additional factors that could cause the Company’s actual results, performance or achievements to differ materially include, but are not limited to, those disclosed under “*Risk Factors and Other Considerations*.” Each person contemplating an investment in the Offer Shares are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this Prospectus. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based. The Company does not intend to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise, unless material within the purview of the Securities Regulation Code (“**SRC**”) and other applicable laws, the mandate of which is to enforce investor protection. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Investors should not place undue reliance on any forward-looking information.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners do not take any responsibility for, or give any representation, warranty or undertaking in relation to, any such forward-looking statement.

DEFINITION OF TERMS

As used in this Prospectus, the following terms shall have the meanings ascribed to them:

"Accounting Event" shall mean in the event an opinion of any recognized person authorized to perform auditing services in the Government has stated that there is more than an insubstantial risk that the funds raised through the issuance of the Offer Shares may no longer be recorded as equity pursuant to the Philippine Financial Reporting Standards ("PFRS"), or such other accounting standards which succeed PFRS, as adopted by the Government, applied by VLL in the preparation of its consolidated financial statements for the relevant financial year and such event cannot be avoided by VLL taking reasonable measures available to it.

"Allocation per TP" shall mean the 49,580 Offer Shares allocated to each Trading Participant.

"Applicant" shall mean a person, whether natural or juridical, who seeks to subscribe for the Offer of the Offer Shares.

"Application" or **"Application to Purchase"** shall mean the documents to be executed and/or submitted by any Person or entity qualified to become a shareholder offering to purchase the Offer Shares.

"Approvals" shall refer to the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell Securities.

"Assigned Joint Issuer Manager, Joint Lead Underwriter and Joint Bookrunner for the Trading Participants" shall refer to BDO Capital & Investment Corporation.

"Authorized Capital Stock" shall mean the authorized capital stock of the Issuer as stated in the Amended Articles of Incorporation amounting to ₱18,000,000,000.00 divided into 17,900,000,000 common shares with ₱1.00 par value per share and 8,000,000,000 Series 1 preferred shares with ₱0.01 par value per share and 200,000,000 Series 2 preferred shares with ₱0.10 par value per share.

"Banking Day" or **"Business Day"** shall mean any day other than Saturday, Sunday and public non-working holidays on which the BSP's Philippine Payment and Settlement System (**"PhilPaSS"**), and the Philippine Clearing House Corporation (or, in the event of discontinuance of their respective functions, their respective replacements) are open and available for clearing and settlement, and commercial banks are generally open for the transaction of business in Metro Manila, Philippines.

"BAP" shall mean Bankers Association of the Philippines.

"Base Offer" shall mean the base offer of 30,000,000 Series 2 Preferred Shares.

"Base Offer Shares" shall mean the 30,000,000 Series 2 Preferred Shares subject of the Base Offer.

"Beneficial Owner" shall mean any person (and "**Beneficial Ownership**" shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of, such security; provided, however, that a person shall be deemed to have an indirect beneficial ownership interest in any security which is held by:

i. members of his immediate family sharing the same household;
ii. a partnership in which he is a general partner;
iii. a corporation of which he is a controlling shareholder; or
iv. subject to any contract, arrangement or understanding, which gives him voting power or investment power with respect to such securities; provided, however, that the following persons or institutions shall not be deemed to be beneficial owners of securities held by them for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer:
    a. A broker dealer;
    b. An investment house registered under the Investment Houses Law;

c. A bank authorized to operate as such by the Bangko Sentral ng Pilipinas;
d. An insurance company subject to the supervision of the Office of the Insurance Commission;
e. An investment company registered under the Investment Company Act;
f. A pension plan subject to regulation and supervision by the Bureau of Internal Revenue and/or the Securities and Exchange Commission or relevant authority; and
g. A group in which all of the members are persons specified above.

"BIR" shall mean the Bureau of Internal Revenue of the Philippines.

"BPO" shall mean business process outsourcing.

"BSP" shall mean Bangko Sentral ng Pilipinas.

"BVAL" shall mean Bloomberg Valuation Service, the electronic financial information service provider, and when used in connection with the designated page of the benchmark rate, the display page so designated on BVAL (or such other page as may replace that page on that service), or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices to that benchmark rate.

"CCCS" shall mean Central Clearing and Central Settlement.

"CITIRA" shall refer to a Philippine bill entitled "Corporate Income Tax and Incentives Rationalization Act".

"Common Shares" shall mean the 17,900,000,000 common shares with ₱1.00 par value per share from the Authorized Capital Stock.

"CUSA" shall mean Common Usage Service Area.

"**DENR**" shall mean Department of Environment and Natural Resources.

"Dividend Payment Date" shall mean January 4, 2025 for the first Dividend Payment Date and April 4, July 4, October 4, and January 4 of each year, for as long as the Offer Shares remain outstanding.

"Dividend Period" shall mean the period commencing on the Issue Date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding the first day of the immediately succeeding Dividend Period; provided that, the first Dividend Period of the Offer Shares shall be the period commencing on the Issue Date and ending on the last day of the then current Dividend Period for the outstanding Offer Shares.

"Dividend Rate" shall mean (a) from the Issue Date up to the relevant Step-Up Date, the applicable Initial Dividend Rate, and (b) from the relevant Step-Up Date, until the date the Offer Shares are redeemed, the higher of the applicable Initial Dividend Rate and applicable Step-Up Dividend Rate.

"DOT" shall mean Department of Tourism.

"ECC" shall mean Environmental Compliance Certificate.

"EDGE" shall mean Electronic Disclosure Generation Technology.

"EGF" shall mean Environmental Guarantee Fund.

"EIA" shall mean Environmental Impact Assessment.

"EIS" shall mean Environmental Impact Statement.

"EMB" shall mean Environmental Management Bureau.

"EMF" shall mean Environmental Monitoring Fund.

"Enabling Resolutions" shall mean enabling resolutions for the Offer Shares.

"ETF" shall mean Exchange Traded Funds.

"Fine" shall refer to Fine Properties, Inc.

"GFA" shall mean gross floor area.

"GIS" shall mean General Information Sheet.

"Government" shall refer to the Government of the Republic of the Philippines.

"HDC" shall mean Household Development Corporation.

"HSAC" shall refer to the Human Settlements Adjudication Commission.

"ID" shall mean identification documents.

"IEE" shall mean Initial Environmental Examination.

"Initial Dividend Rate" shall mean the fixed rate of 7.9892% and 8.4000% per annum for cash dividends on the Series 2A Preferred Shares and Series 2B Preferred Shares, respectively, in all cases calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period.

"**Institutional Offer**" shall refer to least 21,000,000 Offer Shares or 70% of the Base Offer Shares offered through the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners for subscription and sale to Qualified Buyers, other investors, and the general public.

"IPO" shall refer to initial public offering.

"**Issue Date**" or "**Listing Date**" shall mean October 4, 2024 or such date on which the Offer Shares shall be issued by the Company and listed on the PSE.

"Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners" or **"Underwriters"** shall refer to BDO Capital & Investment Corporation, China Bank Capital Corporation, and SB Capital Investment Corporation.

"Leca" shall refer to Leca Realty Corporation.

"Lien" shall mean any mortgage, pledge, lien, encumbrance or similar security interest constituted on any of the Issuer's properties for the purpose of securing its or its Affiliate's obligations.

"Local Small Investor" or **"LSI"** shall mean a share subscriber who is willing to subscribe a minimum purchase of 50 Offer Shares and whose subscription does not exceed ₱100,000.00.

"LTP" shall mean Last Traded Price.

"Maceda Law" shall refer to Republic Act No. 6552, a Philippine statute entitled "An Act to Provide Protection to Buyers of Real Estate on Instalment Payments".

"Mega Manila" shall mean Metro Manila and the neighboring provinces of Cavite, Laguna, Rizal, Batangas and Bulacan.

"MPO" shall refer to minimum public ownership.

"MRT 3" shall mean Metro Rail Transit Line 3.

"NRFC" shall mean non-resident foreign corporation.

"Offer" shall mean the issuance of Preferred Shares by VLL under the conditions as herein contained.

"Offer Period" shall commence at 9:00 a.m. on September 16, 2024 and end at 12:00 noon on September 25, 2024, or on such other dates as may be agreed upon between the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

"Offer Price" or **"Issue Price"** shall mean the subscription price of ₱100.00 per Preferred Share.

"Offer Shares" shall mean the up to 50,000,000 perpetual, cumulative, non- participating, non-voting, redeemable, and non-convertible Peso-denominated Series 2 Preferred Shares with a par value of ₱0.10 per share consisting of Series 2A Preferred Shares and Series 2B Preferred Shares.

"OFW" shall refer to an overseas Filipino worker.

"Optional Redemption Date" shall mean each Series 2A Optional Redemption Date and Series 2B Optional Redemption Date.

"Oversubscription Option" shall mean the option given by the Issuer in favor of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to, in consultation with the Issuer, increase the offer size by up to ₱2,000,000,000, consisting of up to 20,000,000 Preferred Shares, to cover oversubscriptions, if any.

"PCA" shall mean the Philippine Competition Act.

"PCD Nominee" shall refer to PCD Nominee Corporation, a corporation wholly-owned by the PDTC, whose sole purpose is to act as nominee and legal title holder of all shares lodged in the PDTC.

"PDEx" shall refer to the Philippine Dealing & Exchange Corp.

"PDTC" shall refer to the Philippine Depository & Trust Corp., (formerly, the Philippine Central Depository, Inc.).

"PDTC Rules" shall mean the Securities and Exchange Commission-approved rules of the PDTC, including the PDTC Operating Procedures and PDTC Operating Manual, as may be amended, supplemented, or modified from time to time.

"Pesos", **"PhP"**, and **"₱"** shall mean the legal currency of the Republic of the Philippines.

"Philippines" shall mean the Republic of the Philippines.

"Philippine Constitution" shall mean the 1987 Constitution of the Philippines.

"**Philippine National**" shall mean, as defined under the Foreign Investments Act of 1991, a citizen of the Philippines, or a domestic partnership or association wholly owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and the entitlement to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and the entitlement to vote is wholly owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals. Pursuant to Philippine SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the Foreign Investments Act of 1991 and other existing laws, amendments thereto, and implementing rules and regulations of the said laws, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: (i) the total number of outstanding shares of stock entitled to vote in the election of directors; and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

"**PFRS"** shall mean Philippine Financial Reporting Standards.

"POC" shall mean percentage of completion.

"Prospectus" shall mean the prospectus dated September 13, 2024 and any amendments, supplements and addenda thereto for the offer and sale to the public of the Offer Shares.

"PSE" shall refer to The Philippine Stock Exchange, Inc.

"PSEi" (previously "**PHISIX**") shall mean Philippine Stock Exchange Index.

"PSRC MANA 2" shall refer to Philippine Survey Research Center's study on the Company conducted in 2022.

"Redemption by reason of an Accounting Event" shall refer to optional redemption which may be exercised only with respect to such subseries if the Accounting Event is specific to a subseries.

"Redemption by reason of Tax Event" shall refer to optional redemption which may be exercised only with respect to such subseries if the Tax Event is specific to a subseries.

"Redemption Price" shall mean redemption price equal to the relevant Offer Price of the Offer Shares plus all dividends due the relevant shareholder on such Optional Redemption Date as well as all arrears of dividends after deduction of transfer costs customarily chargeable to the relevant shareholder, as applicable, to effect the redemption.

"Registrar, Receiving and Paying Agent or Stock Transfer Agent" shall refer to BDO Unibank, Inc. - Trust and Investments Group.

"Registration Statement" shall refer to the registration statement filed with the SEC in connection with the offer and sale to the public of the Offer Shares.

"Registry of Shareholders" shall mean the electronic register of shareholders which shall be maintained by the Registrar

"RFC" shall mean Request for Confirmation.

"RTGS" shall mean Real Time Gross Settlement.

"SCCP" shall mean Securities Clearing Corporation of the Philippines.

"SEC" means the Philippine Securities and Exchange Commission.

"Series 1 Preferred Shares" shall mean the 8,000,000,000 Series 1 preferred shares, with ₱0.01 par value per share, from the Authorized Capital Stock.

"Series 2 Preferred Shares" shall mean the 200,000,000 Series 2 preferred shares, with ₱0.10 par value per share, from the Authorized Capital Stock.

"Series 2A First Optional Redemption Date" shall mean the 4th anniversary of the Listing Date.

"Series 2A Optional Redemption Date" shall mean each of the Series 2A First Optional Redemption Date and any Dividend Payment Date thereafter.

"Series 2A Preferred Shares" shall mean the Series 2 Preferred Shares, with dividend rate of 7.9892% per annum.

"Series 2A Step-Up Date" shall mean the 4th anniversary of the Listing Date.

"Series 2B First Optional Redemption Date" shall mean the 7th anniversary of the Listing Date.

"Series 2B Optional Redemption Date" shall mean each of the Series 2B First Optional Redemption Date and any Dividend Payment Date thereafter.

"Series 2B Preferred Shares" shall mean the Series 2 Preferred Shares, with dividend rate of 8.4000% per annum.

"Series 2B Step-Up Date" shall mean the 7th anniversary of the Listing Date.

"SPA" shall mean Special Power of Attorney.

"SRC" shall mean the Securities Regulation Code of the Philippines.

"Step-Up Dividend Rate" shall refer to each of the Series 2A Step-Up Dividend Rate and Series 2B Step-Up Dividend Rate.

"Subsidiary/ies" shall mean, with respect to Vista Land, Brittany Corporation, Crown Asia Properties, Inc., Camella Homes, Inc., Communities Philippines, Inc., Vista Residences, Inc., and Vistamalls, Inc., and all other subsidiaries or companies that are identified as such in the consolidated financial statements of Vista Land.

"Tax Code" shall mean the Philippine National Internal Revenue Code of 1997, as amended.

"Tax Event" shall mean in the event payments in respect of the Series 2 Preferred Shares become subject to additional withholding or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer.

"Taxes" shall refer to any present or future taxes, including, but not limited to, documentary stamp tax, levies, imposts, filing and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof, including surcharges, penalties and interests on said taxes.

"Trading Participant" or **"Selling Agent"** shall refer to each of the Trading Participants of the PSE.

"Trading Participants Offer Shares" shall refer to up to 6,000,000 Offer Shares or 20% of the Base Offer Shares which the Company plans to make available for distribution to the 121 Trading Participants.

"Trading Participants and Retail Offer" shall refer to up to 9,000,000 Offer Shares or about 30% of the Base Offer Shares which the Company plans to make available for distribution to the 121 Trading Participants acting as Selling Agents and to LSIs under the Local Small Investors Program of the PSE at the Offer Price.

"TRC" shall mean Tax Residency Certificate.

"TTRA" shall mean Tax Treaty Relief Application.

"UCPB" shall refer to United Coconut Planters Bank.

"UNCLOS" shall mean United Nations Convention on the Law of the Sea.

"Underwriting Agreement" shall mean the underwriting agreement executed on September13, 2024 among the VLL and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

"VAT" shall refer to value-added tax.

"Villar Family" shall mean Mr. Manuel B. Villar, Jr., Ms. Cynthia A. Villar, and their children, Manuel Paolo, Mark and Camille Lydia.

"Vistamalls" means Vistamalls, Inc. which was formerly known as Starmalls, Inc. until the approval of the change of its corporate name by the SEC on September 17, 2019.

"Vista Estate" shall mean Vista Land Group's mixed-use development model of prime master-planned communities. It is a fully integrated development with residential, retail and office/BPO components along with additional components such as utilities and township infrastructure, hotels, healthcare facilities or educational institutions.

"Vista Group" refers to Vista Land & Lifescapes, Inc., and its Subsidiaries.

"Vista Land" or **"VLL"** or the **"Company"** or the **"Issuer"** refers to Vista Land & Lifescapes, Inc.

"Vista Land Commercial Group" or **"Vista Commercial Group"** refers to the commercial property leasing business of Vista Land & Lifescapes, Inc. and Vistamalls, Inc. which includes retail malls, commercial strips and BPO offices.

"VLLI" refers to VLL International, Inc.

"Vista Land Property" refers to any property in any subdivision or condominium projects being offered for sale by the Vista Group.

"WCC" shall refer to Worldwide Corporate Center.

Titles of sections, subsections and clauses in this Prospectus are used for convenience of reference only and do not limit or affect the interpretation of the sections and subsections hereof. In case of conflict between the provisions of this Prospectus and the agreements executed in connection with Offer Shares, the provisions of the relevant agreements shall prevail.

EXECUTIVE SUMMARY

This summary highlights information contained elsewhere in this Prospectus. This summary is qualified in its entirety by more detailed information and financial statements, including notes thereto, appearing elsewhere in this Prospectus. Prospective investors should read this entire Prospectus carefully, including the Company's unaudited interim consolidated financial statements as at March 31, 2024 and audited financial statements as at December 31, 2023, 2022 and 2021 and related notes and the section entitled "Risk Factors and Other Considerations" of this Prospectus.

THE COMPANY

Vista Land is one of the leading integrated property developers in the Philippines and the largest homebuilder in the country overall. For the full year ended December 31, 2021, 2022, 2023, and the three (3) months ended March 31, 2024, the Company recorded consolidated revenues from real estate sales of ₱17,397.93 million, ₱12,789.88 million, ₱15,228.48 million, and ₱5,559.07 million, respectively. Vista Land provides a wide range of residential products to its customers across all income segments and develops retail mall and business process outsourcing (**"BPO"**) commercial centers. Since it commenced operations in 1977, Vista Land has built over 500,000 homes, 42 malls, 59 commercial centers, and 7 office buildings. The Company has various horizontal and vertical projects in 147 cities and municipalities across 49 provinces in the country in various stages of development and level of sales. For its leasing portfolio, it has a companywide occupancy of 87.0%.

Vista Land's primary business has historically been the development and sale of horizontal real estate projects, which comprise residential lots and units in the affordable, upper mid-cost and high-end housing segments. In addition, Vista Land develops and sells vertical residential projects, including low to high-rise condominium developments. In terms of sales mix, 49.2% of residential sales are house and lot sales while the remaining 50.8% are sales of condominium units as of March 31, 2024. For the same period, the Company believes that it has the largest market share in the "house and lot" segment among the top seven listed real estate developers. The Company harnesses almost 50 years of professional expertise in residential real estate development and believes it has established a nationwide presence, superior brand recognition and proven track record in homebuilding. Its projects include master-planned developments and stand-alone residential subdivisions which offer lots, house and lots and condominium units to customers in the affordable, upper mid-cost and high-end market segments. The Company has developed numerous "themed" housing and land development projects inspired by Mediterranean, Swiss, Italian, American, Caribbean and American Southern architecture and design. The Company believes that strict attention to detail in the execution of these themed communities helps distinguish it from other companies.

The Company currently owns 88.3% of the outstanding common capital stock of Vistamalls. Vistamalls is a major developer, owner and operator of retail malls in the Philippines focusing on establishing operating malls in densely populated areas underserved by similar retail malls and located in close proximity to transport hubs and key infrastructure. It also develops and operates BPO commercial centers.

In 2022, the Company launched Vista Estates. Vista Estates is Vista Land's collection of vast master planned communities offering unique, premium and sustainable lifescapes which provide its guests, residents, and investors with limitless growth opportunities. The development is comprised of business parks and IT zones, institutional complexes, such as learning institutions, places of worship, events venues, and healthcare centers, commercial and retail districts, leisure and wellness hubs, and horizontal and vertical residential enclaves. Vista Estates transcends the typical standards of a master planned megalopolis by building cities-within-cities that are inspiring in vision, compelling in creativity, and grand in diversity. As of March 31, 2024, the Company has launched a total of 26 Vista Estate projects across the country.

As of March 31, 2024, the Company's developments could be found in 147 cities and municipalities in 49 provinces throughout the Philippines. Most of the Company's developments are outside major central business districts. In 2024, the Company launched 4 projects located throughout the Philippines. The Company also has an extensive nationwide land bank available for future development. As of March 31, 2024, the Company owned approximately 2,422.48 hectares of raw land ready for development, with an additional 411.20 hectares available for development under joint venture agreements. See *"Business — Joint Ventures."*

The Company operates its residential and commercial property development business through six distinct business units. Camella Homes, Communities Philippines, Crown Asia, Brittany, and Vista Residences are focused on residential property development, while Vistamalls is involved in commercial property development. Briefly, these business units may be distinguished as follows:

- *Camella Homes*. For over 40 years, Camella Homes has serviced the affordable housing segment (houses priced between ₱3.0 million and ₱12.0 million) in the Mega Manila area. It markets its houses primarily under the "Camella" brand. According to the 2022 Philippine Survey and Research Center ("**PSRC**") "MANA 2022" Study, Camella was acknowledged as the most preferred brand overall in the Philippine housing market, with a brand awareness rate of 93%. As of March 31, 2024, Camella Homes recorded ₱1,344.53 million in real estate revenues, representing 24.2% of the Company's total real estate revenues;

- *Communities Philippines*. Communities Philippines and its subsidiaries offer residential properties outside the Mega Manila area under the "Camella" and "Crown Asia" brands. In the last five years, majority of Communities Philippines' new projects were launched under the "Camella" brand, the Company's affordable housing brand. The Company believes that Communities Philippines and its subsidiaries have the widest coverage of developments in the regions outside Mega Manila by any homebuilder in the Philippines and utilizes mostly Camella Homes' expertise and designs to offer houses in areas outside of the Mega Manila area that it believes are on par, in terms of quality, with the developments in the Mega Manila area. As of March 31, 2024, Communities Philippines and its subsidiaries recorded ₱1,990.48 million in real estate revenues, representing 35.8% of the Company's total real estate revenues;

- *Crown Asia*. Crown Asia caters to the upper middle-income housing segment in Mega Manila, primarily offering houses priced between ₱6.0 million and ₱35.0 million. As of March 31, 2024, Crown Asia recorded ₱329.92 million in real estate revenues, representing 5.9% of the Company's total real estate revenues;

- *Brittany*. Brittany caters to the high-end market segment in Mega Manila, offering luxury houses in master-planned communities, priced between ₱10.0 million and ₱100.0 million. As of March 31, 2024, Brittany recorded ₱478.01 million in real estate revenues, representing 8.6% of the Company's total real estate revenues;

- *Vista Residences*. Vista Residences offers vertical residential projects in the Mega Manila area in the affordable to upper mid-cost housing segments. Vertical home projects generally involve longer project development periods as well as facilities, amenities and other specifications not often found in horizontal homes. As of March 31, 2024, Vista Residences recorded ₱1,416.14 million in real estate revenues, representing 25.5% of the Company's total real estate revenues;

- *Vistamalls.* Vistamalls is a major developer, owner and operator of retail in the Philippines and also develops and operates BPO commercial centers. As of March 31, 2024, Vistamalls, through its subsidiaries, recorded ₱4,180.00 million in rental revenues representing 40.8% of the Group's total revenue.

As of March 31, 2024, the Company had the following real estate inventories of horizontal and vertical residential projects in various stages of developments:

	For the three months ended March 31, 2024
	(in ₱ millions)
Camella Homes, Inc. …............................	₱20,423.35
Communities Philippines, Inc. …………..	21,633.82
Crown Asia Properties, Inc. ….................	2,491.74
Brittany Corporation …………...................	4,085.23
Vista Residences, Inc. …………………	5,579.00
TOTAL INVENTORY AVAILABLE	**₱54,213.14**

For the year 2023, the Company also launched a total of 34 residential projects with an estimated project value of about ₱50,722.82 million, consisting of 14 projects for the affordable housing segment, 3 condominiums, 1 middle segment, 2 high-end segment projects, and 14 Vista Estates. All of the projects were launched in areas outside Metro Manila including Palawan, Camarines Sur, Ilocos Norte, Leyte and Nueva Ecija.

Moreover, for the first three (3) months of 2024, the Company also launched a total of 4 residential projects with an estimated project value of about ₱10,100.00 million, consisting of 1 project for the affordable housing segment, 2 middle segment projects and 1 upper middle segment project. The projects were launched in Metro Manila, Ilocos Sur, Ilocos Norte, and Bukidnon.

COMPETITIVE STRENGTHS

The Company is a dominant player in the residential property market. Its principal strengths, which are discussed in the succeeding sections of this Prospectus, may be summarized as follows:

- Integrated property developer with market leadership in horizontal residential projects targeted towards end users and retail malls with strong brand recognition across the Philippines.

- It benefits from synergies between the Vista Land residential platform and the Vistamalls retail mall and BPO platform and the enhanced scale and stability from the integration of these two businesses, strengthening Vista Land's position as a top four integrated property developer.

- Diversified revenue sources, with significant recurring income and profit contribution from retail mall and BPO platform.

- Diverse product offerings, the Company caters to the full spectrum of homebuyers and benefits from growth in different market segments.

- Well positioned to benefit from favorable Philippine demographic, economic and development trends, including continued demand from the OFW segment.

- Geographically diverse project portfolio and land bank across the Philippines, with extensive nationwide footprint.

- Prudent financial management and strong balance sheet providing headroom for capital expenditure and expansion plans.

- Strong and experienced management team with a demonstrated execution track record.

KEY STRATEGIES AND OBJECTIVES

The Company's strategy is premised on three key pillars:

- strengthening its market position as an integrated property developer with key focus on residential developments and retail mall and BPO operations;

- diversification of revenue streams through the integration of its commercial platform while enhancing the value and attractiveness of its properties; and

- improvement in capital efficiency and financial flexibility.

PRINCIPAL SHAREHOLDERS

As of March 31, 2024, the Villar Family and companies controlled by them hold 80.8% of the total issued and outstanding share capital of the Company.

PRINCIPAL EXECUTIVE OFFICES

The Company's principal offices are at Lower Ground Floor, Building B, Evia Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City, Philippines. The Company's telephone number is (632) 3226-3552 and the fax number is (632) 3226-3552.

RISK FACTORS

Prospective investors should consider carefully all of the information set forth in this Prospectus and, in particular, they should evaluate the specific factors set forth under the section *"Risk Factors and Other Considerations"* for risks involved in investing in the Offer Shares. These factors may be summarized into those that pertain to the Offer Shares as investment instruments, to the business and operations of Vista Land, in particular, and to those that pertain to the overall political, economic, and business environment in the Philippines, in general.

As a real estate developer, the Company competes with other developers and developments to attract purchasers of house and lot and condominiums, retail and office tenants, and clientele for the retail outlets and restaurants in its commercial centers in terms of reputation, reliability, price, and the quality and location of the community in which the relevant project is located. Vista Land's successful financial and operating performance as a real estate company will impact its ability to refinance or repay its debt.

External factors affecting the Company's businesses include the impact of current and future Philippine laws and regulations on certain aspects of real estate development, such as environment, health and safety, the effect of natural catastrophes, and political or economic instability in the country, including foreign exchange rate fluctuations which could impact on the acquisition cost of certain dollar-denominated construction materials and equipment necessary for the Company's business.

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

The following tables present summary consolidated financial information for the Company and should be read in conjunction with the auditors' reports and with the Company's consolidated financial statements and notes thereto contained in this Prospectus. The summary historical consolidated statements of financial position as at March 31, 2024 are derived from the unaudited interim consolidated financial statements while the summary historical consolidated statements of financial position data as of December 31, 2023, 2022 and 2021 set forth below have been derived from the audited consolidated financial statements including the notes thereto, included elsewhere in this Prospectus. Unless otherwise stated, the Company has presented its consolidated financial results for annual periods in accordance with PFRS. The information below is not necessarily indicative of the results of future operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited			Unaudited	
	For the years ended 31 December			For the three months ended	
	2021	2022	2023	2023	2024
in PHP millions					
REVENUE					
Real estate	17,397.93	12,789.88	15,228.48	4,530.25	5,559.07
Rental income	9,312.72	13,742.26	16,021.43	3,951.32	4,180.00
Interest income from installment contracts receivable	774.45	701.34	606.30	147.42	135.49
Parking, hotel, mall administrative and processing fees, and others	2,146.87	1,607.34	2,104.88	470.40	369.73
	29,631.97	28,840.82	33,961.09	9,099.39	10,244.30
COSTS AND EXPENSES					
Costs of real estate sales	8,533.40	5,542.97	6,112.02	1,966.73	1,788.59
Operating expenses	9,407.78	9,647.40	11,596.16	2,919.01	2,825.29
	17,941.18	15,190.37	17,708.18	4,885.74	4,613.88
OTHER INCOME (EXPENSES)					
Proceeds from insurance claims	-	-	1,841.16	-	-
Interest income from investments and other income	1,549.44	981.20	1,202.28	490.24	420.99
Interest and other financing charges	(4,315.33)	(5,217.89)	(5,685.64)	(1,350.36)	(1,862.56)
	(2,765.89)	(4,236.69)	(2,642.20)	(860.12)	(1,441.57)
INCOME BEFORE INCOME TAX	**8,924.90**	**9,413.76**	**13,610.71**	**3,353.53**	**4,188.85**
PROVISION FOR INCOME TAX	1,957.65	2,021.11	3,318.64	682.81	963.28
NET INCOME	**6,967.25**	**7,392.65**	**10,292.07**	**2,670.72**	**3,225.56**
NET INCOME ATTRIBUTABLE TO:					
Equity holders of the Parent Company	6,426.54	6,119.91	8,656.06	2,265.90	2,835.95
Noncontrolling interest	540.71	1,272.74	1,636.01	404.82	389.61
NET INCOME	**6,967.25**	**7,392.65**	**10,292.07**	**2,670.72**	**3,225.56**

BASIC/DILUTED EARNINGS PER SHARE	**0.538**	**0.512**	**0.725**	**0.190**	**0.237**
OTHER COMPREHENSIVE INCOME (LOSS)					
Cumulative translation adjustments	73.38	(18.49)	111.39	75.84	7.81
Remeasurement gain (loss) on defined benefit obligation - net of tax	113.16	19.58	(18.99)	-	-
Changes in fair value on equity investments at fair value through other comprehensive income	8.00	22.00	15.00	5.00	-
	194.54	23.09	107.40	80.84	7.81
TOTAL COMPREHENSIVE INCOME	**7,161.79**	**7,415.74**	**10,399.47**	**2,751.56**	**3,233.37**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of the Parent Company	6,619.02	6,140.75	8,762.93	2,346.74	2,843.76
Noncontrolling interest	542.77	1,274.99	1,636.54	404.82	389.61
	7,161.79	**7,415.74**	**10,399.47**	**2,751.56**	**3,233.37**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Audited December 31		**Unaudited**
	2021	**2022**	**2023**	**For the three months ended 31 March 2024**
ASSETS				
Current Assets				
Cash and cash equivalents	11,856.66	15,070.20	10,692.15	12,821.39
Short-term cash investments	336.02	47.28	-	-
Current portion of:				
Receivables	50,916.73	53,234.55	52,211.64	59,933.63
Cost to obtain contract	448.19	385.65	308.63	427.91
Current portion of investments at amortized cost	15,751.51	9,440.43	18,425.13	14,148.89
Real estate inventories	49,596.88	53,533.90	63,771.22	54,213.14
Other current assets	5,587.21	5,724.76	6,455.25	6,354.99
Total current assets	134,493.20	137,436.77	151,864.02	147,899.96
Noncurrent Assets				
Investments at amortized cost - net of current portion	34,065.94	32,059.05	20,784.29	21,799.56
Investments at fair value through other comprehensive income	124.50	117.16	132.16	132.16
Receivables - net of current portion	20,316.70	21,166.09	31,191.47	38,917.68
Cost to obtain contract - net of current portion	450.47	354.53	202.05	176.96
Project development costs	1,274.05	1,269.16	1,396.26	1,462.86
Advances to a related party	6,085.19	7,042.28	7,559.44	7,312.16

Investment in joint venture	458.77	468.07	499.45	515.23
Property and equipment	2,316.89	2,301.09	1,858.14	1,816.06
Investment properties	112,991.83	118,343.60	124,656.13	124,823.66
Goodwill	147.27	147.27	147.27	147.27
Pension assets - net	282.97	320.71	290.76	290.76
Deferred tax assets - net	48.38	111.46	105.71	124.80
Other noncurrent assets	930.47	1,076.83	1,714.00	1,749.52
Total noncurrent assets	179,493.43	184,777.30	190,537.13	199,268.68
Total assets	313,986.63	322,214.07	342,401.15	347,168.64
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	15,221.44	15,890.54	20,517.35	20,002.93
Security deposits and advance rent	1,729.27	1,856.52	2,013.04	2,150.31
Income tax payable	49.68	127.10	112.48	189.96
Dividends payable	15.86	96.03	298.02	252.32
Current portion of:				
Contract liabilities	1,234.63	1,085.11	1,588.32	1,955.00
Notes payable	24,170.71	12,745.83	28,005.34	26,499.12
Bank loans	8,067.32	11,561.57	25,874.16	20,925.68
Loans payable	3,460.14	3,767.25	3,176.03	5,502.59
Lease liabilities	348.21	368.46	388.87	182.91
Total current liabilities	54,297.26	47,498.41	81,973.61	77,660.82
Noncurrent Liabilities				
Contract liabilities - net of current portion	566.84	1,058.50	437.05	750.05
Notes payable - net of current portion	83,759.53	89,702.37	80,143.44	80,839.74
Bank loans - net of current portion	48,925.02	44,385.25	27,308.81	33,630.13
Loans payable - net of current portion	319.37	1,567.36	4,267.70	2,265.20
Lease liabilities - net of current portion	5,087.63	5,065.59	5,051.35	5,265.90
Deferred tax liabilities - net	4,982.65	6,107.39	8,201.43	11,091.93
Other noncurrent liabilities	3,521.40	3,179.00	2,156.40	2,823.50
Total noncurrent liabilities	147,162.44	151,065.46	127,566.18	136,666.45
Total liabilities	201,459.70	198,563.87	209,539.79	214,327.27
Equity				
Attributable to equity holders of the Parent Company				
Preferred stock	33.00	33.00	33.00	33.00
Common stock	13,114.14	13,114.14	13,114.14	13,114.14
Additional paid-in capital	30,655.43	30,684.71	30,684.71	30,684.71
Retained earnings	72,539.57	78,311.12	86,226.52	85,918.70
Other comprehensive income	778.07	798.91	905.78	913.59
Treasury shares	(7,740.26)	(7,740.26)	(7,740.26)	(7,740.26)
	109,379.95	115,201.62	123,223.89	122,923.89
Noncontrolling interest	3,146.98	8,448.58	9,637.47	9,917.48
Total equity	112,526.93	123,650.20	132,861.36	132,841.37
Total liabilities and equity	313,986.63	322,214.07	342,401.15	347,168.64

CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited			Unaudited	
	For the years ended 31 December			For the three months ended 31 March	
	2021	**2022**	**2023**	**2023**	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax	8,924.90	9,413.76	13,610.71	3,353.53	4,188.85
Adjustments for:					
Interest and other financing charges	4,315.33	5,217.89	5,685.64	1,350.36	1,862.56
Depreciation and amortization	2,686.58	2,638.85	2,889.02	772.31	594.98
Loss on asset retirement	-	-	164.65	-	8.77
Retirement expense, net of payments	44.57	49.73	20.65	10.20	-
Unrealized foreign exchange loss (gain)	(9.71)	4.49	8.15	-	-
Loss from fire, net of proceeds received	-	366.97	-	-	-
Share in equity earnings from investment in joint venture	(7.04)	(9.30)	(31.37)	(5.71)	(15.78)
Interest income from investments and other income	(1,549.44)	(981.19)	(1,202.28)	(490.24)	(420.99)
Proceeds from insurance claims	-	-	(1,841.16)	-	-
Operating income before working capital changes	14,405.19	16,701.20	19,304.01	4,990.44	6,218.39
Decrease (increase) in:					
Receivables	(6,559.10)	(3,266.16)	(12,052.12)	2,479.54	(7,231.20)
Real estate inventories (excluding capitalized borrowing costs)	(2,820.56)	(2,087.95)	(6,641.84)	(7,406.14)	1,436.15
Other current assets and cost to obtain contract	827.82	(1.54)	(310.09)	(16.79)	64.10
Increase (decrease) in:					
Accounts and other payables	(752.70)	(119.90)	4,543.57	2,860.01)	(361.61)
Contract liabilities	(864.51)	342.13	(118.23)	1,283.81	150.67
Security deposits and advance rent (including noncurrent portion)	60.23	45.77	115.93	81.42	85.15
Other noncurrent liabilities	(724.79)	(45.80)	(807.70)	1,331.16	702.66
Plan assets contributions	(58.43)	(61.37)	(16.02)	-	-
Net cash flows generated from operations	3,513.15	11,506.38	4,017.51	5,603.44	1,064.31
Income tax paid	(926.52)	(886.98)	(1,230.21)	(39.41)	(335.67)
Net cash flows provided by operating activities	2,586.63	10,619.40	2,787.30	5,564.03	728.64
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from:					
Maturity of investments at amortized cost	12,958.04	24,898.77	20,043.07	3,875.57	8,968.24
Insurance claims	-	620.00	1,841.16	-	-
Disposal of investments in FVOCI	-	-	-	5.00	-
Short-term cash investments	-	288.74	39.96	-	-
Interest received	1,256.86	1,080.15	1,256.26	513.14	682.14
Additions to:					
Investment at amortized cost	(17,452.43)	(12,921.56)	(17,958.24)	(2,832.64)	(5,381.67)
Investment properties (excluding capitalized borrowing costs)	(4,876.75)	(5,002.07)	(3,680.17)	(7,307.69)	(102.20)
Property and equipment	(231.41)	(154.67)	(670.78)	(73.77)	(8.61)

Short-term cash investments	(219.09)	-	-	(39.96)	-
Deductions from (additions to):					
Advances to a related party	(14.71)	(957.09)	(517.16)	(647.33)	(269.88)
Project development costs	1,073.06	4.89	(127.11)	(135.94)	450.57
Restricted cash	388.44	(105.67)	(35.15)	(29.17)	-
Other noncurrent assets	(359.87)	(75.96)	(68.25)	(624.15)	(52.63)
Net cash flows provided by (used in) investing activities	(7,477.86)	7,675.53	123.59	(7,296.93)	4,285.95
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from:					
Bank loans	23,377.37	22,272.52	11,820.59	-	3,500.00
Notes payable	10,909.81	14,600.00	18,900.00	2,900.00	-
Loans payable	2,859.08	4,715.77	3,963.40	744.70	871.45
Increase in noncontrolling interest	-	4,226.68	-	-	-
Payments of:					
Lease liabilities	(283.19)	(375.02)	(370.44)	(92.61)	(94.47)
Dividends	(326.75)	(438.99)	(986.30)	(58.29)	(155.31)
Loans payable	(3,401.47)	(3,160.66)	(1,854.30)	(510.94)	(547.38)
Interest and other financing charges (including capitalized borrowing costs)	(9,738.42)	(9,716.19)	(11,343.92)	(2,983.31)	(2,842.49)
Notes payable	(5,657.07)	(23,876.28)	(12,816.67)	(1,912.50)	(1,529.17)
Bank loans	(8,786.97)	(23,324.73)	(14,593.15)	(2,854.65)	(2,087.98)
Net cash flows provided by (used in) financing activities	8,952.39	(15,076.90)	(7,280.79)	(4,767.59)	(2,885.36)
EFFECT OF CHANGE IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	9.70	(4.49)	(8.15)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,070.86	3,213.54	(4,378.05)	(6,500.48)	2,129.24
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,785.80	11,856.66	15,070.20	15,070.20	10,692.15
CASH AND CASH EQUIVALENTS AT END OF YEAR	**11,856.66**	**15,070.20**	**10,692.15**	**8,569.72**	**12,821.39**

SUMMARY OF THE OFFER

The following summary should be read as an introduction to, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in the Prospectus, including, but not limited to, the discussion on the "Description of the Offer Shares" and "Plan of Distribution." This overview may not contain all of the information that prospective investors should consider before deciding to invest in the Offer Shares. Accordingly, any decision by a prospective investor to invest in the Offer Shares should be based on a consideration of the Prospectus and the agreements executed in connection with Offer Shares as a whole.

Issuer	Vista Land & Lifescapes, Inc.
Instrument	Perpetual, cumulative, non-participating, non-voting, redeemable, and non-convertible Series 2 Preferred Shares
Offer Size	₱3,000,000,000.00 Base Offer, with an Oversubscription Option of up to ₱2,000,000,000.00. The Offer Shares shall be offered in two (2) subseries: • Series 2A Preferred Shares; and • Series 2B Preferred Shares The Issuer, in consultation with the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, shall have the discretion to allocate the Offer between the two (2) subseries at the end of the Offer Period based on the results of bookbuilding.
Par Value	₱0.10 per share.
Offer Price	₱100.00 per share.
Registration and Listing	To be registered with the SEC, and to be listed on the Main Board of the PSE, subject to compliance with SEC regulations and PSE listing rules. Upon listing, the Offer Shares shall be traded under the following trading symbols: • VLL2A for the Series 2A Preferred Shares; and • VLL2B for the Series 2B Preferred Shares.
Issue Date	On October 4, 2024 or such other dates when the Offer Shares are listed on the Main Board of the PSE or such other date as may be agreed upon in writing by the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.
Use of Proceeds	The net proceeds of the Offer shall be used for refinancing and general corporate purposes. (see *"Use of Proceeds"*).
Offer Period	The Offer Period shall commence at 9:00 a.m. on September 16, 2024 and end at 12:00 noon on September 25, 2024, or on such other dates as may be agreed upon between the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. The Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners reserve the right to extend or terminate the Offer Period with the approval of the SEC and the PSE.
Dividend Rate	As and if cash dividends are declared by the Board of Directors, cash dividends on the Offer Shares shall be at the fixed rates of: Series 2A Preferred Shares: 7.9892% per annum, Series 2B Preferred Shares: 8.4000% per annum

	(each, the "**Initial Dividend Rate**" for the relevant subseries). Dividend Rate means (a) from the Issue Date up to the relevant Step-Up Date, the applicable Initial Dividend Rate, and (b) from the relevant Step-Up Date, until the date the Series 2A Preferred Shares and the Series 2B Preferred Shares are redeemed, the higher of the applicable Initial Dividend Rate and the applicable Step-Up Dividend Rate.
Dividend Payment Date	Cash dividends will be payable starting on January 4, 2025, and every April 4, July 4, October 4, and January 4 of each year, each a "**Dividend Payment Date**", being the last day of each Dividend Period (as defined below) following the Listing Date, as and if declared by the Board of Directors in accordance with the terms and conditions of the Offer Shares. The dividends on the Series 2A and Series 2B Preferred Shares will be calculated on a 30/360-day basis. If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.
Dividend Period	A "**Dividend Period**" shall refer to the period commencing on the Issue Date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding the first day of the immediately succeeding Dividend Period; provided that, the first Dividend Period of the Offer Shares shall be the period commencing on the Issue Date and ending on the last day of the then current Dividend Period for the outstanding Offer Shares.
Conditions on Declaration and Payment of Cash Dividends	The declaration of cash dividends will be subject to the discretion of the Board of Directors to the extent permitted by law. The Board of Directors will not declare and pay cash dividends on any Dividend Payment Date where: (a) payment of the cash dividend would cause VLL to breach any of its financial covenants; or (b) the profits available to VLL to distribute as cash dividends are not sufficient to enable VLL to pay in full both the cash dividends on the Offer Shares and the dividends on all other classes of the shares of VLL that are scheduled to be paid on or before the same date as the cash dividends on the Offer Shares and that have an equal right to dividends as the Offer Shares. If the profits available to distribute as dividends are, in the opinion of the Board of Directors, not sufficient to enable VLL to pay in full on the same date both cash dividends on the Offer Shares and the dividends on other shares that have an equal right to dividends as the Offer Shares, VLL is required (i) to pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that Dividend Payment Date on any shares with a right to dividends ranking in priority to that of the Offer Shares; and (ii) to pay cash dividends on the Offer Shares and any other shares ranking equally with the Offer Shares *pro rata* to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrears on past cumulative dividends on any shares ranking equal in the right to dividends with the Offer Shares.

	Any such cash dividends deferred or not declared in accordance with the above provisions shall constitute "**Arrears of Dividends**" which shall accrue cash dividends at the prevailing Dividend Rate. The profits available for distribution are, in general and with some adjustments, equal to the accumulated realized profits of VLL less accumulated realized loss. Cash dividends on the Offer Shares will be cumulative. If for any reason the Board of Directors of VLL does not declare a cash dividend on the Offer Shares for a Dividend Period, VLL will not pay a cash dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which cash dividends are declared, holders of the Offer Shares will receive the accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all Arrears of Dividends to the holders of the Offer Shares prior to such Dividend Payment Date. Holders of the Offer Shares shall not be entitled to participate in any other or further dividends, cash, property or stock beyond the dividends specifically payable on the Offer Shares. VLL will covenant that, in the event: (a) any cash dividends due with respect to any Series 1 Preferred Shares and Series 2 Preferred Shares then outstanding for any period are not declared and paid in full when due; (b) where there remains outstanding Arrears of Dividends; or (c) any other amounts payable under the terms and conditions of the Offer Shares described in the Prospectus are not paid in full when due for any reason, then it will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking *pari passu* with, or junior to, the Offer Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking *pari passu* with, or junior to, the Offer Shares) until any and all Arrears of Dividends and accrued but unpaid cash dividends have been paid to the holders of the Offer Shares.
Optional Redemption and Purchase	As and if approved by the Board of Directors, the Company may redeem in whole (but not in part), any subseries of the Offer Shares as follows: (a) in respect of Series 2A Preferred Shares, on the 4th anniversary of the Issue Date or on any Dividend Payment Date thereafter (each a "**Series 2A Optional Redemption Date**"); and (b) in respect of Series 2B Preferred Shares, on the 7th anniversary of the Issue Date or on any Dividend Payment Date thereafter (each a "**Series 2B Optional Redemption Date**") (each of the Series 2A Optional Redemption Date and Series 2B Optional Redemption Date, being an "**Optional Redemption Date**"), after giving not more than sixty (60) nor less than thirty (30) days' prior written notice to the intended date of redemption, at a redemption price equal to the Offer Price of the Offer Shares plus all dividends due them on such Optional Redemption Date as well as all Arrears of Dividends after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (the "**Redemption Price**"). Such notice to redeem shall be deemed irrevocable upon issuance thereof. For the avoidance of doubt, on the applicable Optional Redemption Date, the Issuer has the option to redeem, in whole but not in part, any, some, or all of the subseries.

	In the event an Optional Redemption Date which the Issuer has chosen as the date to redeem the Offer Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the Redemption Price and the amount of dividends to be paid. The Issuer may also redeem the Offer Shares, in whole but not in part, at any time prior to any Optional Redemption Date if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the Redemption Price, provided that if the Accounting Event or Tax Event is specific to a subseries, then the foregoing optional redemption may be exercised only with respect to such subseries. After listing on the PSE, the Issuer reserves the right to purchase the Series 2A Preferred Shares and Series 2B Preferred Shares at any time in the open market or by public tender or by private contract at any price through PSE without any obligation to purchase or redeem the other Series 2A Preferred Shares and Series 2B Preferred Shares. The Series 2A Preferred Shares and Series 2B Preferred Shares so purchased may either be redeemed (pursuant to their terms and conditions as set out in this Prospectus) and cancelled or kept as treasury shares, as applicable.
Step-Up Dividend Rate	Unless the Offer Shares are redeemed by the Issuer, in respect of the Series 2A Preferred Shares, on the 4th anniversary of the Issue Date (the "**Series 2A Step-Up Date**") and in respect of the Series 2B Preferred Shares, on the 7th anniversary of the Issue Date (the "**Series 2B Step-Up Date**"), or on the next Business Day in case the relevant Step-Up Date falls on a non-Business Day, the dividends on each subseries will be adjusted as follows: (a) for the Series 2A Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the seven (7)-year BVAL (or if the seven (7)-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP), as published on the website of the PDS or, if unavailable, the PDEx page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2A Step-Up Date, plus 3.00% (the "**Series 2A Step-Up Dividend Rate**"); and (b) for the Series 2B Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the fifteen (15)-year BVAL (or if the fifteen (15)-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP), as published on the website of the PDS or, if unavailable, the PDEx page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2B Step-Up Date, plus 3.00% (the "**Series 2B Step-Up Dividend Rate**"). Provided, that in the event the relevant Step-Up Date falls on a day that is not a Business Day: (i) the rate setting will be done on the immediately succeeding Business Day using the average of the relevant BVAL rates for the three (3) consecutive Business Days preceding and inclusive of the said rate setting date; and (ii) the higher of the applicable Initial Dividend Rate and the applicable Step-Up Dividend Rate will be applied commencing on the Step-Up Date (which is the 4th anniversary of the Issue Date of the Series

	2A Preferred Shares and the 7th anniversary of the Issue Date of the 2B Preferred Shares). (Each of the Series 2A Step-Up Dividend Rate and Series 2B Step-Up Dividend Rate, being a "**Step-Up Dividend Rate**".)
No Sinking Fund	The Company is not legally required, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Offer Shares.
Accounting Event	An accounting event shall occur if an opinion of any recognized person authorized to perform auditing services in the Government has stated that there is more than an insubstantial risk that the funds raised through the issuance of the Offer Shares may no longer be recorded as equity pursuant to the PFRS, or such other accounting standards which succeed PFRS, as adopted by the Government, applied by VLL in the preparation of its consolidated financial statements for the relevant financial year and such event cannot be avoided by VLL taking reasonable measures available to it.
Tax Event	A tax event shall occur if dividend payments become subject to additional withholding tax or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to VLL.
Purchase of the Offer Shares	After listing on the PSE, VLL may purchase the Series 2A and Series 2B Preferred Shares, then tradable at that time at any time in the open market or by public tender or by private contract at any price through the PSE, and subject to relevant PSE approval for a regular or special block sale (as applicable), without any obligation to purchase or redeem the other outstanding Series 2A Preferred Shares and Series 2B Preferred Shares. Any Series 2A Preferred Shares and Series 2B Preferred Shares redeemed or purchased by VLL shall be recorded as treasury stock of VLL and will be cancelled.
Redemption by reason of a Tax Event	In the event payments in respect of the Offer Shares become subject to a Tax Event, the Issuer may redeem the Offer Shares at any time in whole but not in part, at the Redemption Price; provided that if the Tax Event is specific to a subseries, then the foregoing optional redemption may be exercised only with respect to such subseries. See "*Description of the Offer Shares*".
Redemption by reason of an Accounting Event	In the event that the Offer Shares become subject to an Accounting Event, the Issuer may redeem the Offer Shares in whole, but not in part, at the Redemption Price; provided that if the Accounting Event is specific to a subseries, then the foregoing optional redemption may be exercised only with respect to such subseries. See "*Description of the Offer Shares*".
Taxation	All payments in respect of the Offer Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Government, including but not limited to, documentary stamp tax, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, VLL will pay additional amounts so that the holders of Offer Shares will receive the full amount of the relevant payment which otherwise would have been due and payable; provided, however, that VLL shall not be liable for: (a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Offer Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation;

	(b) any income tax (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Offer Shares or on the liquidating distributions as may be received by a holder of Offer Shares; (c) any expanded value added tax which may be payable by any holder of the Offer Shares on any amount to be received from the Issuer under the terms and conditions of the Offer Shares; (d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend payable to any holder of the Offer Shares or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Offer Shares by any holder of the Offer Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes). After the Issue Date, taxes generally applicable to a subsequent sale of the Offer Shares by any shareholder, including receipt by such shareholder of a Redemption Price, shall be for the account of the said shareholder. See "*Taxation*" for the Philippine tax consequences of the acquisition, ownership, and disposition of Offer Shares.
Tax-Exempt Status or Entitlement to Preferential Tax Rate	The BIR revised its procedures for availment of tax treaty relief on dividends by issuing Revenue Memorandum Order No. 14-21 (Streamlining the Procedures and Documents for the Availment of Treaty Benefits, dated March 31, 2021) as clarified by Revenue Memorandum Circular No. 77-21 (Clarification on Certain Provisions of Revenue Memorandum Order No. 14-21, dated June 15, 2021). In accordance with the foregoing regulations, all income items derived by nonresident taxpayers entitled to tax treaty relief shall be confirmed by the BIR through filing of: (i) a request for confirmation by the withholding agent, or (b) a tax treaty relief application by the nonresident taxpayer, with the required supporting documents in either case. *Request for Confirmation (**"RFC"**)* The withholding agent/income payor may apply the preferential tax treaty rate on the dividend income of the non-resident foreign shareholder by relying the submission by such shareholder of the following documents before the dividend income is paid: (a) on an application form for treaty purposes (BIR Form 0901-D for dividends), an authenticated/apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the shareholder, and (b) the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on dividend income. If the tax treaty rate was applied, the withholding agent/income payor must file with the BIR's International Tax Affairs Division ("**ITAD**") a request for confirmation of the use of the tax treaty rate. The request for confirmation must be filed after the payment of the withholding tax and in no case later than the last day of the fourth month following the close of the relevant taxable year. Revenue Memorandum Circular No. 77-21 prescribes the filing of one consolidated request for confirmation per nonresident income recipient, regardless of the number and type of income payments during the year. Revenue Memorandum Circular No. 77-21 also provides for a list of all documentary requirements that have to be submitted in support of the request for confirmation. If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the request for confirmation will be

	denied and it will require the withholding agent/income payor to pay the deficiency taxes plus surcharge, interest and penalties. *Tax Treaty Relief Application ("**TTRA**")* In case the withholding agent/income payor used the regular rate under the Tax Code, the non-resident foreign shareholder may, at any time after its receipt of the dividend income, file a TTRA with ITAD. Similar to a request for confirmation, the must also be supported by the documents specified in Revenue Memorandum Circular No. 77-21. If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits, and the shareholder may apply for a refund of excess withholding tax within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the shareholder may also be filed simultaneously with the TTRA. The Company shall withhold taxes at a reduced rate on dividends to a non-resident holder if the nonresident submitted to the Company a Tax Residency Certificate ("**TRC**") and BIR Form No. 0901-D prior to the payment of dividends. TRC is a certificate issued by the tax authority of the country of residence and shall establish the fact of residency in a contracting state of the non-resident. On March 31, 2021, the BIR issued Revenue Memorandum Order No. 14-2021 ("**RMO 14-2021**"). RMO 14-2021 was issued to streamline the procedures and documents for the availment of the tax treaty benefits. To avail of the tax treaty relief benefits, the following guidelines and procedures will be observed: 1. The non-resident income recipient should submit to the withholding agent or income payor the submitted Application Form for Treaty Purposes, Tax Residency Certificate duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty on whether to apply a reduced rate of, or exemption from, withholding at source on the income derived by the non-resident income recipient. The documents should be submitted to each withholding agent or income payor prior to the payment of income for the first time. The failure to provide the said documents when requested may lead to the withholding using the regular withholding rates without the tax treaty benefit rate. 2. When the preferential tax rates have been applied by the withholding agent, it shall file with the ITAD a request for confirmation on the propriety of the withholding tax rates applied by the withholding agent. On the other hand, if the regular withholding rates have been imposed on the income, the non-resident income recipient shall file a tax treaty relief application ("**TTRA**") with ITAD. In either case, each request for confirmation and TTRA shall be supported by the documentary requirements set out in the issuance. 3. The request for confirmation shall be filed by the withholding agent at any time after the payment of withholding tax but shall in no case be later than the last day of the fourth month following the close of each taxable year. On the other hand, the filing of the TTRA may be filed by the non-resident income recipient at any time after the receipt of the income.

	If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the nonresident income recipient is not entitled to treaty benefits, it will issue a BIR Ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties. On the contrary, if the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the nonresident income recipient's entitlement to the treaty benefits. In this case, the nonresident income recipient may apply for a refund of the excess withholding tax. The original or certified true copy of the following documents, as may be applicable, shall be submitted to the International Tax Affairs Division of the BIR when claiming the tax treaty relief: A. General Requirements: 1. Letter-request 2. Application Form duly signed by the non-resident income earner or its/his/her authorized representative 3. Tax Residency Certificate for the relevant period, duly issued by the tax authority of the foreign country in which the investor is a resident 4. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing the payment/remittance of income 5. Withholding tax return with Alphalist of Payees 6. Proof of payment of withholding tax 7. Notarized Special Power of Attorney issued by the non-resident income earner to its/his/her authorized representative(s), which shall expressly state the authority to sign the Application Form as well as to file the tax treaty relief application or request for confirmation B. Additional general requirements for legal persons and arrangements, and individuals: 1. Authenticated copy of the non-resident legal person or arrangement's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language. 2. Original copy of the Certificate of Non-Registration of the investor or certified true copy of License to Do Business in the Philippines duly issued by the Philippine SEC for legal persons and arrangements, or original copy of the Certificate of Business Registration/Presence duly issued by the DTI for individuals. C. Additional general requirements for fiscally transparent entities: 1. A copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity; 2. List of owners/beneficiaries of the foreign entity; 3. Proof of ownership of the foreign entity; and 4. Tax Residency Certificate issued by the concerned foreign tax authority to the owners or beneficiaries of the fiscally transparent entity.

	The BIR may require additional documents during the course of its evaluation as it may deem necessary. Upon the confirmation of the entitlement to the tax treaty benefit or confirmation of the correctness of the withholding tax rates applied, the BIR will issue a certification to that effect. Any adverse ruling may be appealed to the Department of Finance within 30 days from receipt. If the income of the nonresident Shareholder has been subjected to regular withholding rates, the Shareholder may file a claim for refund with the BIR independently of, or simultaneously with, the TTRA. Nonetheless, all claims for refund shall be filed within the two-year prescriptive period provided under Section 229 of the National Internal Revenue Code, as amended. Transfer taxes (*e.g.*, documentary stamp tax, local transfer tax) may be payable if the dividends declared are property dividends, depending on the type of property distributed as dividends. Stock dividends distributed pro-rata to any holder of shares of stock are generally not subject to Philippine income tax. However, the sale, exchange or disposition of shares received as stock dividends by the shareholder is subject to stock transaction tax if the transfer is through a local stock exchange; or if the transfer is made outside of the exchange, capital gains tax; and documentary stamp tax. If the dividends of the non-resident taxpayer have been subjected to the regular rate, he/she/it may subsequently file a claim for refund of the difference between the amount of withholding tax actually paid in the Philippines and the amount of tax that should have been paid under the treaty after obtaining a certificate confirming his/her/its entitlement to treaty benefits. For this purpose, a duly accomplished BIR Form No. 1913 shall be filed together with the letter-request. The claim for refund may be filed independently of, or simultaneously with, the TTRA. (See RMO 14-2021, sec. 10). However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information and may also involve the filing of a judicial appeal, it may be impractical to pursue obtaining such a refund. The foregoing requirements shall be submitted, (i) in respect of an issuance of the Offer Shares, to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or Selling Agents who shall then forward the same with the Application to Purchase to the Stock Transfer Agent; or (ii) in respect of a transfer from a holder of Offer Shares to a purchaser, to the Stock Transfer Agent within three (3) days from settlement date. Unless properly provided with satisfactory proof of the tax-exempt status of an Applicant or a holder of the Offer Shares, the Stock Transfer Agent and Paying Agent may assume that said Applicant or holder is taxable and proceed to apply the tax due on the Offer Shares. Notwithstanding the submission by the Applicant or holder, or the receipt by the Issuer or any of its agents, of documentary proof of the tax-exempt status of an Applicant or holder, the Issuer may, in its sole and reasonable discretion, determine that such shareholder is taxable and require the Stock Transfer Agent and Paying Agent to proceed to apply the tax due on the Offer Shares. Any question on such determination shall be referred to the Issuer.
Liquidation Rights	In the event of a return of capital in respect of the Company's winding up or otherwise (whether voluntarily or involuntarily) but not on a redemption or purchase by the Company of any of its share capital, the Shareholders at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of the Company available for distribution to shareholders, together with the holders of any other securities of the Company ranking, as regards repayment of capital, *pari passu* with the Offer Shares and before any

	distribution of assets is made to holders of any class of the securities of the Company ranking after the Offer Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price of the Offer Shares plus an amount equal to any dividends declared but unpaid in respect of the previous dividend period and any accrued and unpaid dividends for the then-current dividend period to (and including) the date of commencement of the winding up of the Company or the date of any such other return of capital, as the case may be. For the avoidance of doubt, the amount to be paid in the event of a return of capital shall include the Arrears of Dividends. If, upon any return of capital in the winding up of the Company, the amount payable with respect to the Offer Shares and any other securities of the Company ranking as to any such distribution *pari passu* with the Offer Shares is not paid in full, the Shareholders and of such other securities will share ratably in any such distribution of the assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the Shareholders will have no right or claim to any of the remaining assets of the Company and will not be entitled to any further participation or return of capital in a winding up.
Form, Title and Registration of the Offer Shares	The Offer Shares will be issued in scripless form through the electronic book-entry system of BDO Unibank, Inc. - Trust and Investments Group as Registrar for the Offer Shares and lodged with the Philippine Depository & Trust Corp. as Depository Agent on Issue Date through Trading Participants of the PSE ("**Trading Participants**") nominated by the Applicants. For this purpose, Applicants shall indicate in the proper space provided for in the Application to Purchase (as defined below) the name of the Trading Participant under whose name their Offer Shares will be registered. After Issue Date, shareholders may request the Registrar, through their nominated Trading Participant, to (a) open a scripless registry account and have their holdings of the Offer Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Offer Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder. Legal title to the Offer Shares will be shown in an electronic register of shareholders (the "**Registry of Shareholders**") which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Offer Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder). The Registrar shall send (at the cost of VLL) at least once every quarter a statement of account to all shareholders named in the Registry of Shareholders, except certificated shareholders and depository participants, confirming the number of Offer Shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof. Any request by shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting shareholder. For scripless shares, the maintenance and custody fee payable to the Philippine Depository & Trust Corp ("**PDTC**") shall be for the account of the shareholder.
Selling and Transfer Restrictions	After listing, the subsequent transfers of interests in the Offer Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time.
Status of the Offer Shares in the Distribution of	The Offer Shares will constitute the direct and unsecured subordinated obligations of the Issuer ranking at least *pari passu* in all respects and ratably

Assets in the Event of Dissolution	without preference or priority among themselves. The Offer Shares rank junior in right of payment to all indebtedness of the Company and claims against the Company which rank or are expressed to rank senior to the Offer Shares. Accordingly, the obligations of the Company under the Offer Shares will not be satisfied unless the Company can satisfy in full all of its other obligations ranking senior to the Offer Shares. There is no agreement or instrument that limits or prohibits the ability of the Issuer to issue Offer Shares or other securities that rank *pari passu* with the Offer Shares or with terms and conditions different from the Offer Shares.
Features of the Offer Shares	See "*Description of the Offer Shares*".
Minimum Subscription to the Offer Shares	A minimum purchase of 50 Offer Shares shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of 10 Offer Shares.
Eligible Investors	The Offer Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, subject to limits under Philippine law and *"Restriction on Ownership."*. In determining compliance with such nationality requirement, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors, as set out in applicable regulations. However, under certain circumstances, the Issuer may reject an Application or reduce the number of the Offer Shares applied for subscription. Subscription to the Offer Shares may be restricted in certain jurisdictions. Foreign investors interested in subscribing or purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence, or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Offer Shares.
Restriction on Ownership	The Company, through its subsidiaries, owns land as identified in the section on *"Description of the Properties"* of this Prospectus. Under the Philippine Constitution and Philippine statutes, such activities are reserved for Philippine Nationals. Considering the foregoing, for as long as the Company or any of its subsidiaries own land in the Philippines, or continue to conduct property development in the Philippines, foreign ownership in the Company shall be limited to a maximum of: (i) 40% of the capital stock of the Company which is outstanding and entitled to vote in the election of directors; and (ii) 40% of the total outstanding capital stock of the Company, whether or not entitled to vote in the election of directors.
Procedure for Application	Applications to Purchase the Offer Shares may be obtained from any of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or the Selling Agents. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by an authorized signatory of the Applicant and accompanied by two (2) completed specimen signature cards, the corresponding proof of payment for the Offer Shares covered by the Application and all other required documents including documents required for registry with the Registrar and Depository Agent. The duly executed Application to Purchase and required documents should be submitted to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Selling Agents, or the Receiving Agent, as applicable, by the end of the Offer

	Period. The Application to Purchase must also be signed by the nominated Trading Participant signifying its conformity to receive the Offer Shares on Issue Date. If the Applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents: (a) a certified true copy of the Applicant's latest articles of incorporation and by-laws and other constitutive documents, each as amended to date, duly certified by the corporate secretary or equivalent officer; (b) the Applicant's SEC certificate of registration, duly certified by the corporate secretary or equivalent officer; (c) a duly notarized corporate secretary's certificate setting forth the resolution of the Applicant's board of directors or equivalent body authorizing (i) the purchase of the Offer Shares indicated in the application and (ii) the designated signatories for the purpose, including their respective specimen signatures; (d) certified true copy of latest General Information Sheet ("**GIS**") duly certified by the corporate secretary or equivalent officer; (e) photocopy of any one (1) of the following valid identification documents ("**ID**"): Philippine Identification Card, passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank or the Receiving Agent, as applicable; (f) two (2) duly accomplished signature cards with specimen signatures of the signatory or signatories of the Application to Purchase; and (g) such other documents as may be reasonably required by the Trading Participants or Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in compliance with its internal policies regarding "knowing your customer", anti-money laundering and combating the financing of terrorism. Individual Applicants must also submit a photocopy of any one (1) of the following valid IDs: Philippine Identification Card, passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank. An Applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates must indicate such exemption or entitlement in the Application to Purchase and also submit additional documents as may be required by the Issuer, including but not limited to, the documents described in this Prospectus. For Applications to Purchase to be submitted by the Trading Participants or LSIs, please refer to the applicable Implementing Guidelines.
Payment for the Offer Shares	The Offer Price of the Offer Shares must be paid in full in Philippine Pesos upon submission of the Application to Purchase together with the requisite attachments, or in the case of Local Small Investors, upon the completion of the subscription process under the PSE Electronic Allocation System or

	"PSE EASy". Any and all bank charges, remittance fees, and all relative charges and fees shall be for the account of the Applicant. Payment by the Trading Participants shall be in the form of: (a) a Metro Manila clearing manager's/cashier's check, corporate check or personal check drawn against any Bangko Sentral ng Pilipinas authorized bank or any branch thereof located in Metro Manila having a clearing period of not more than one (1) Banking Day. Depending on the Series subscribed, all checks should be made payable to "VLL FOO 2A" or "VLL FOO 2B" crossed "Payee's Account Only," and dated the same date as the Application. (b) Check and Cash payment. Deadline for check payments and cash payments is at 12:00 noon on September 25, 2024, the last day of the Offer Period. Participating TPs may coordinate with the Receiving Agent for other modes of payment and shall strictly adhere to the procedures to be imposed by the Receiving Agent for such other mode of payment. For payments through banks, no applications shall be considered accepted until the funds for payment through BDO branches have been credited to the nominated bank account in cleared funds. Along with the other Application Documents, Participating TPs should send the proof of payment clearly indicating the Participating TP's company name to the Receiving Agent via email to bdoreceivingagent@bdo.com.ph. Payment by the Local Small Investors shall be made either by: (a) Over-the-counter cash or check deposit payment in any BDO branch via Bills Payment under the biller name: • For VLL Series 2A Preferred Shares - **"BDO TIG AS RECEIVING AGENT 004" Institution Code - 2813**. • For VLL Series 2B Preferred Shares - "**BDO TIG AS RECEIVING AGENT 001" Institution Code - 0695** For check payments, only personal or corporate checks, and manager's or cashier's checks with a clearing period of not more than one Banking Day and drawn against any BSP authorized agent bank will be accepted. The check must be dated as of the date of submission of the Application and made payable to: • For VLL Series 2A Preferred Shares - **"BDO TIG AS RECEIVING AGENT 004"** • For VLL Series 2B Preferred Shares **-"BDO TIG AS RECEIVING AGENT 001"** and crossed "Payee's Account Only". Checks subject to clearing periods of over one (1) Banking Day shall not be accepted. Deadline for cash and check payments is at 12:00 noon on September 25, 2024 (b) Digital Banking Bills Payment via BDO Online Banking or BDO

	Mobile Banking under the biller name: • For VLL Series 2A Preferred Shares - "**BDO TIG AS RECEIVING AGENT 004**", • For VLL Series 2B Preferred Shares **-**"**BDO TIG AS RECEIVING AGENT 001**". Deadline for online payments is at 12:00 noon on September 25, 2024. For more details on the procedures for the application to the Offer, please refer to the Company's LSI Guidelines and TP Guidelines which will be published on the PSE EDGE website prior to the start of the Offer Period.
Acceptance/Rejection of Application	An Application, when accepted, shall constitute a binding and effective agreement between the applicant and the Company for the subscription to the Offer Shares notwithstanding any provision to the contrary as may be found in the Application, this Prospectus, and other offer-related document. Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to the Withdrawal of the Offer section of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.
Refunds for Rejected Applications	In the event that the number of the Offer Shares to be allotted to an Applicant, as confirmed by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Selling Agents, or the concerned Trading Participant, is less than the number covered by its Application, or if an Application is wholly or partially rejected by VLL, then VLL shall refund, without interest, within five (5) Business Days from the end of the Offer Period, all, or a portion of the payment corresponding to the number of the Offer Shares wholly or partially rejected. All refunds shall be made through the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Selling Agent, the concerned Trading Participant, or the Receiving Agent, as applicable, with whom the Applicant has filed the Application. Any checks that remain unclaimed after fifteen (15) days from the Issue Date shall be mailed or delivered, at the risk of the Applicant, to the address specified in the Application to Purchase.
Withdrawal of the Offer	The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and the PSE. The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to the Listing Date, if there is a supervening force majeure or fortuitous event, such as: a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international

financial, political, or economic conditions which in the reasonable opinion of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the Underwriting Agreement or this Prospectus, or would have a material adverse effect on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by the Prospectus;

b. Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution, or listing of the Offer Shares by any court or governmental agency or authority having jurisdiction on the matter, the BSP, the SEC or the PSE;

c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell;

d. Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE;

e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; or (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer, or (ii) would render illegal the performance by any of the Joint Issue Managers, Joint Lead Underwriters and Bookrunners of their respective obligations hereunder;

f. Any significant, adverse, and unforeseeable change or development in the Issuer’s long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;

g. The Issuer decides to or is compelled by any competent court or government authority to stop its operations which is not remedied within five (5) Business Days from such decision of the Issuer or competent court or government authority (as the case may be);

h. The Issuer and the Subsidiaries, taken as a whole, shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) the Issuer and the Subsidiaries, taken as a whole, shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) such receiver, trustee or similar officer shall be appointed; or (iv) the Issuer and the Subsidiaries, taken as a whole, shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution,

	liquidation, or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Issuer and the Subsidiaries, taken as a whole; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the assets of the Issuer and the Subsidiaries, taken as a whole; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, any applicable political subdivision thereof, has an effect equivalent to any of the foregoing; i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines; j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable; k. Any event occurs which makes it impossible for the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to perform their underwriting obligations due to conditions beyond their control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or directing the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to cease, from performing their underwriting obligations; l. Any representation, warranty or statement of the Issuer in the Prospectus shall prove to be untrue or misleading in any material respect or Issuer shall be proven to have omitted a material fact necessary in order to make the statements in the Prospectus not misleading, which untruth or omission: (a) was not known and could not have been known to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, provided the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall grant the Issuer a period of five (5) Banking Days from the date of consultation to effect such corrective measures; m. Unavailability of PDTC and PSE facilities used for the Offer and/or Listing and such unavailability effectively prevents the ability of the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to fully comply with the listing requirements of PSE, if the impact of such unavailability on the listing of the Offer Shares remains unresolved after discussions between the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in good faith; and n. Any force majeure event, other than the events enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

	The Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners' inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or any other entity or person to take up any shares remaining after the Offer Period. Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to this section of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date. Notwithstanding the foregoing, the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners recognize and acknowledge that the PSE, in the exercise of its authority as a self-regulatory organization and further to its mandate to maintain a fair and orderly market, may impose appropriate sanctions and penalties on the Company and/or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners for the cancellation of the Offer if subsequently, the PSE makes a determination that the cancellation, suspension or termination of the offer and/or the underwriting commitment was not warranted based on the facts gathered by PSE after proper evaluation and after due and proper proceedings initiated by the PSE not later than five (5) Business Days after such cancellation, suspension or termination.
Local Small Investors	On April 16, 2024, the PSE issued Memorandum Circular CN No. 2024-0024 ("**C.N. 2024-0024**") which provides the amendments to Article III, Part F, Section 13 and Article V, Part F of the Consolidated Listing and Disclosure Rules ("**PSE Listing Rules**"), effective immediately. Under CN 2024-0024, the allocation of offer shares to Local Small Investors in follow-on offerings shall be mandatory. As such, the Company will allocate up to 3,000,000 Offer Shares to the Local Small Investors (the "**Retail Offer Shares**") through PSE EASy. The procedure in subscribing to offer shares via PSE EASy is indicated in the Company's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. In the event the total demand for the Retail Offer Shares is five (5) times or more than the initial allocation of up to 3,000,000 Offer Shares, the Offer Shares in the Institutional Offer shall be reallocated to the Trading Participants and Retail Offer and the allocation for the Retail Offer Shares shall be increased to 4,500,000 Offer Shares (or 15% of the Base Offer Shares) in accordance with Article III, Part F, Section 4 of the PSE Listing Rules.. "**Local Small Investor**" or "**LSI**" shall mean a share subscriber who is willing to subscribe to a minimum board lot and whose subscription does not exceed ₱100,000.00. In the case of this Offer, the minimum subscription of LSIs shall be 50 Offer Shares or ₱5,000.00.
Listing	The Issuer intends to list the Offer Shares on the Main Board of the PSE on October 4, 2024.
Governing Law	Republic of the Philippines
Indicative Timetable	Filing of Registration Statement — May 31, 2024

<table>
<tr><td></td><td>
<table>
<tr><td>PSE Issuance of Notice of Approval of the Listing Application</td><td>August 27, 2024</td></tr>
<tr><td>Initial Dividend Rate Setting</td><td>September 5, 2024</td></tr>
<tr><td>Initial Dividend Rate Announcement</td><td>September 6, 2024</td></tr>
<tr><td>Issuance of Permit to Sell</td><td>September13, 2024</td></tr>
<tr><td>Offer Period</td><td>September 16, 2024 to September 25, 2024</td></tr>
<tr><td>Trading Participants' Submission of Firm Undertaking</td><td>September 20, 2024</td></tr>
<tr><td>Confirmation of Trading Participants' Allocation</td><td>September 23, 2024</td></tr>
<tr><td>Listing Date, Issue Date and Commencement of Trading on the PSE</td><td>October 4, 2024</td></tr>
</table>

Any change in the dates included above may be subject to approval of the SEC and the PSE, as applicable, and other conditions.</td></tr>
<tr><td>Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners</td><td>BDO Capital & Investment Corporation, China Bank Capital Corporation, and SB Capital Investment Corporation</td></tr>
<tr><td>Assigned Joint Issuer Manager, Joint Lead Underwriter, and Joint Bookrunner for the Trading Participants</td><td>BDO Capital & Investment Corporation</td></tr>
<tr><td>Registrar, Paying Agent, and Stock Transfer Agent</td><td>BDO Unibank, Inc. - Trust and Investments Group</td></tr>
<tr><td>Receiving Agent</td><td>BDO Unibank, Inc. - Trust and Investments Group</td></tr>
<tr><td>Counsel to the Issuer</td><td>Picazo Buyco Tan Fider & Santos</td></tr>
<tr><td>Counsel to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners</td><td>Romulo Mabanta Buenaventura Sayoc & de los Angeles</td></tr>
</table>

CAPITALIZATION

As of the date of this Prospectus, the authorized capital stock of the Issuer is ₱18,000,000,000.00, divided into 17,900,000,000 common shares with ₱1.00 par value per share and 8,000,000,000 Series 1 preferred shares with ₱0.01 par value per share and 200,000,000 Series 2 preferred shares with ₱0.10 par value per share. As of the date of this Prospectus, the Company has an outstanding capital stock of ₱12,731,007,676.00, consisting of 12,698,007,676 common shares and 3,300,000,000 Series 1 preferred shares.

The following table sets forth the consolidated capitalization and indebtedness of the Issuer as at March 31, 2024 and as adjusted to give effect to the issuance of the Offer Shares. This table should be read in conjunction with the Issuer's unaudited interim consolidated financial statements as at March 31, 2024 and notes thereto.

Capitalization without the Oversubscription Option at an issue size of ₱3,000,000,000.00:

(in ₱ millions)	As of March 31, 2024 (Unaudited)	Adjustments	As of March 31, 2024 after giving effect to the Offer
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	20,002.93		20,002.93
Security deposits and advance rent	2,150.31		2,150.31
Income tax payable	189.96		189.96
Dividends payable	252.32		252.32
Current portion of:			
Contract liabilities	1,955.00		1,955.00
Notes payable	26,499.13		26,499.13
Bank loans	20,925.68		20,925.68
Loans payable	5,502.59		5,502.59
Lease liabilities	182.91		182.91
Total current liabilities	77,660.82		77,660.82
Noncurrent Liabilities			
Contract liabilities - net of current portion	750.05		750.05
Notes payable - net of current portion	80,839.74		80,839.74
Bank loans - net of current portion	33,630.13		33,630.13
Loans payable - net of current portion	2,265.20		2,265.20
Lease liabilities - net of current portion	5,265.90		5,265.90
Deferred tax liabilities - net	11,091.93		11,091.93
Other noncurrent liabilities	2,823.50		2,823.50
Total noncurrent liabilities	136,666.45		136,666.45
Total liabilities	214,327.27		214,327.27
Equity			
Attributable to equity holders of the Parent Company			
Preferred stock	33.00	3.00	36.00
Common stock	13,114.14		13,114.14
Additional paid-in capital	30,684.71	2,961.23	33,645.94
Retained earnings	85,918.70	(10.95)	85,907.75
Other comprehensive income	913.60		913.60
Treasury shares	(7,740.26)		(7,740.26)
	122,923.89	2,953.28	1,255,877.17

Noncontrolling interest	9,917.48		9,917.48
Total equity	132,841.37	2,953.28	135,794.65
Total liabilities and equity	347,168.64	2,953.28	350,121.92

Capitalization with full exercise of the Oversubscription Option at an issue size of ₱5,000,000,000.00:

(in ₱ millions)	As of 31 March 2024 (Unaudited)	Adjustments	As of 31 March 2024 after giving effect to the Offer
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	20,002.93		20,002.93
Security deposits and advance rent	2,150.31		2,150.31
Income tax payable	189.96		189.96
Dividends payable	252.32		252.32
Current portion of:			
Contract liabilities	1,955.00		1,955.00
Notes payable	26,499.13		26,499.13
Bank loans	20,925.68		20,925.68
Loans payable	5,502.59		5,502.59
Lease liabilities	182.91		182.91
Total current liabilities	77,660.82		77,660.82
Noncurrent Liabilities			
Contract liabilities - net of current portion	750.05		750.05
Notes payable - net of current portion	80,839.74		80,839.74
Bank loans - net of current portion	33,630.13		33,630.13
Loans payable - net of current portion	2,265.20		2,265.20
Lease liabilities - net of current portion	5,265.90		5,265.90
Deferred tax liabilities - net	11,091.93		11,091.93
Other noncurrent liabilities	2,823.50		2,823.50
Total noncurrent liabilities	136,666.45		136,666.45
Total liabilities	214,327.27		214,327.27
Equity			
Attributable to equity holders of the Parent Company			
Preferred stock	33.00	5.00	38.00
Common stock	13,114.14		13,114.14
Additional paid-in capital	30,684.71	4,942.71	35,627.42
Retained earnings	85,918.71	(11.45)	85,907.26
Other comprehensive income	913.60		913.60
Treasury shares	(7,740.26)		(7,740.26)
	122,923.90	4,936.26	127,860.16
Noncontrolling interest	9,917.48		9,917.48
Total equity	132,841.38	4,936.26	137,777.64
Total liabilities and equity	347,168.65	4,936.26	352,104.91

DESCRIPTION OF THE OFFER SHARES

The following does not purport to be a complete listing of all the rights, obligations, or privileges of the Offer Shares. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective investors are enjoined to carefully review the Articles of Incorporation, By-Laws and resolutions of the Board of Directors and Shareholders of the Company that can be accessed through its corporate website at http://www.vistaland.com.ph, the information contained in this Prospectus and other agreements relevant to the Offer. Prospective shareholders are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the Offer Shares.

Set forth below is information relating to the Offer Shares. This description is only a summary and is qualified by reference to Philippine law and the Amended Articles of Incorporation and Amended By-laws of VLL, as may be amended from time to time.

GENERAL

The Offer Shares shall be issued from the existing authorized and unissued capital stock of the Company. The Offer Shares will be issued on October 4, 2024 (the "**Issue Date**") and will comprise of up to 50,000,000 perpetual, cumulative, non-voting, non-participating, non-convertible, and redeemable Series 2 Preferred Shares.

SHARE CAPITAL

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in the articles of incorporation and the by-laws of the corporation. As at March 31, 2024, the authorized capital stock of the Company is ₱18,000,000,000.00, divided into 17,900,000,000 common shares with ₱1.00 par value per share and 8,000,000,000 Series 1 preferred shares with ₱0.01 par value per share and 200,000,000 Series 2 preferred shares with ₱0.10 par value per share. Below is a table illustrating the issued and outstanding shares of the Company as of March 31, 2024:

Share Class	Issued	Outstanding
Common Shares	13,114,136,376	12,698,007,676
Series 1 Preferred Shares	3,300,000,000	3,300,000,000
Series 2 Preferred Shares	-	-
TOTAL	**16,414,136,376**	**15,998,007,676**

ISSUANCE OF THE OFFER SHARES

On May 7, 2024, the Board of Directors authorized the sale and offer of up to 50,000,000 Offer Shares (in one or more sub-series), at an Offer Price of ₱100.00 per share to be issued within the Offer Period, under such terms and conditions as the management of VLL may deem advantageous to it (the "**Enabling Resolutions**"). The approval by the Board of Directors of the Enabling Resolutions to issue Offer Shares is pursuant to the Amended Articles of Incorporation of the Company which allow the issuance of Offer Shares through enabling resolutions. The Enabling Resolutions covering the Offer Shares were approved by the SEC on May 30, 2024.

The Company has filed an application for the listing of the Offered Shares on the PSE. On August 27, 2024, the PSE issued its Notice of Approval, subject to compliance with certain conditions, for the listing of the Offer Shares on the Main Board of the PSE on October 4, 2024. Once the Offer Shares are listed on the PSE, VLL may purchase the Offer Shares, then tradeable at that time, at any time in the open market or by public tender or by private contract at any price through the PSE.

The Offer Shares shall be offered in two (2) subseries: (i) Series 2A Preferred Shares; and (ii) Series 2B Preferred Shares. The Issuer, in consultation with the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, shall have the discretion to allocate the Offer between the two (2) subseries at the end of the Offer Period based on the results of bookbuilding.

ELIGIBLE INVESTORS

The Offer Shares may be owned or subscribed to by any person, partnership, association or corporation regardless of nationality, subject to limits under Philippine law and *"Restriction on Ownership."* In determining compliance with such nationality requirement, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors, as set out in applicable regulations. However, under certain circumstances, the Issuer may reject an Application or reduce the number of the Offer Shares applied for subscription. However, under certain circumstances, VLL may reject an Application or reduce the number of the Offer Shares applied for subscription.

Subscription to the Offer Shares may be restricted in certain jurisdictions. Foreign investors interested in subscribing or purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence, or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Offer Shares.

FEATURES OF THE OFFER SHARES

In accordance with the Amended Articles of Incorporation of the Company and as approved by the Board of Directors of the Company through the Enabling Resolutions, the Offer Shares are perpetual, cumulative, non-participating, non-voting, redeemable, and non-convertible Peso-denominated Preferred Shares, each with different features on dividend rate, redemption, and adjustment of dividend rate. VLL can issue the Offer Shares only upon full payment by the subscribers of the offer price for the said shares which shall be ₱100.00 per share.

The Offer Shares have a par value of ₱0.10 per share and with the following general features (for the specific terms of the Offer Shares, please see "*Description of the Offer Shares*"):

(a) **Dividends** – The Board of Directors shall have the sole discretion to declare dividends on the Offer Shares, provided that VLL has unrestricted retained earnings and the rate of dividend or formula for determining the same rate shall be indicated in the relevant enabling resolutions.

The holders of the Offer Shares shall not be entitled to any participation or share in the retained earnings remaining after dividend payment shall have been made on the shares as aforementioned, nor shall they be entitled to any other kind of dividend payment whether cash, property, or stock, other than corresponding to the dividend rate determined by the Board of Directors.

Dividend Policy in Respect of the Series 2A and Series 2B Preferred Shares

The declaration and payment of cash dividends on the Offer Shares on each Dividend Payment Date (as defined below) will be subject to the sole and absolute discretion of the Issuer's Board of Directors to the extent permitted by law, and subject to the covenants (financial or otherwise) in the agreements to which the Company is a party. The declaration and payment of dividends (except stock dividends) do not require any further approval from the shareholders.

Cash dividends will be payable starting on January 4, 2025, and every April 4, July 4, October 4, and January 4 of each year (each a "**Dividend Payment Date**") being the last day of each Dividend Period (as defined below) following the Listing Date, as and if declared by the Board of Directors in accordance with the terms and conditions of the Offer Shares.

A "**Dividend Period**" shall refer to the period commencing on the Issue Date and having a duration of three (3) months, and thereafter, each of the successive periods of three (3) months commencing on the last day of the immediately preceding Dividend Period up to, but excluding the first day of the immediately succeeding Dividend Period; provided that, the first Dividend Period of the Offer Shares shall be the period commencing on the Issue Date and ending on the last day of the then current Dividend Period for the outstanding Offer Shares. If a Dividend Payment Date occurs after the end of a Dividend Period, there shall be no adjustment to the amounts of dividends to be paid.

The dividends on the Series 2A Preferred Shares and Series 2B Preferred Shares will be calculated on a 30/360-day basis.

If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.

As and if cash dividends are declared by the Board of Directors, cash dividends on the Series 2A Preferred Shares and the Series 2B Preferred Shares shall be at the fixed rate of 7.9892% per annum and 8.4000% per annum, respectively (each, the "**Initial Dividend Rate**" for the relevant subseries), calculated for each share by reference to the Offer Price thereof in respect of each Dividend Period.

Dividend Rate means (a) from the Issue Date up to the relevant Step-Up Date, the applicable Initial Dividend Rate, and (b) from the relevant Step-Up Date, until the date the Series 2A Preferred Shares and the Series 2B Preferred Shares are redeemed, the higher of the applicable Initial Dividend Rate and the applicable Step-Up Dividend Rate. (Please see below relevant definitions.)

Dividend Rate Step-Up

Unless the Offer Shares are redeemed by the Issuer, in respect of the Series 2A Preferred Shares, on the 4th anniversary of the Issue Date (the "**Series 2A Step-Up Date**"), and in respect of the Series 2B Preferred Shares, on the 7th anniversary of from the Issue Date (the "**Series 2B Step-Up Date**"), or on the next Business Day in case the relevant Step-Up Date falls on a non-Business Day, the dividends on each subseries will be adjusted as follows:

a. for the Series 2A Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the seven (7)-year BVAL (or if the seven (7)-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP, as published on the website of the Philippine Dealing System Group or, if unavailable, the PDEx page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2A Step-Up Date, plus 3.00% (the "**Series 2A Step-Up Dividend Rate**"); and

b. for the Series 2B Preferred Shares, the higher of the (i) applicable Initial Dividend Rate; or (ii) the 3-day simple average of the fifteen (15)-year BVAL (or if the fifteen (15)-year BVAL is not available or cannot be determined, any such successor rate as determined by the BAP or the BSP), as published on the website of the PDS or, if unavailable, the PDEx page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) for the three (3) consecutive Business Days preceding and inclusive of the Series 2B Step-Up Date, plus 3.00% (the "**Series 2B Step-Up Dividend Rate**").

Provided, that in the event the relevant Step-Up Date falls on a day that is not a Business Day:

(i) the rate setting will be done on the immediately succeeding Business Day using the average of the relevant BVAL rates for the three (3) consecutive Business Days preceding and inclusive of the said rate setting date; and

(ii) the higher of the applicable Initial Dividend Rate and the applicable Step-Up Dividend Rate will be applied commencing on the Step-Up Date (which is the 4th anniversary of the Issue Date of the Series 2A Preferred Shares and the 7th anniversary of the Issue Date of the 2B Preferred Shares). (Each of the Series 2A Step-Up Dividend Rate and Series 2B Step-Up Dividend Rate, being a "**Step-Up Dividend Rate**".)

Conditions on Declaration and Payment of Cash Dividends

The declaration of cash dividends will be subject to the discretion of the Board of Directors to the extent permitted by law.

The Board of Directors will not declare and pay cash dividends on any Dividend Payment Date where:

(a) payment of the cash dividend would cause VLL to breach any of its financial covenants; or

(b) the profits available to VLL to distribute as cash dividends are not sufficient to enable VLL to pay in full both the cash dividends on the Offer Shares and the dividends on all other classes of the shares of VLL that are scheduled to be paid on or before the same date as the cash dividends on the Offer Shares and that have an equal right to dividends as the Offer Shares.

If the profits available to distribute as dividends are, in the opinion of the Board of Directors, not sufficient to enable VLL to pay in full on the same date both cash dividends on the Offer Shares and the dividends on other shares that have an equal right to dividends as the Offer Shares, VLL is required (i) to pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that Dividend Payment Date on any shares with a right to dividends ranking in priority to that of the Offer Shares; and (ii) to pay cash dividends on the Offer Shares and any other shares ranking equally with the Offer Shares *pro rata* to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrears on past cumulative dividends on the Offer Shares and any shares ranking equal in the right to dividends with the Offer Shares.

Any such cash dividends deferred or not declared in accordance with the above provisions shall constitute "**Arrears of Dividends**" which shall accrue cash dividends at the prevailing Dividend Rate. The profits available for distribution are, in general and with some adjustments, equal to the accumulated realized profits of VLL less accumulated realized loss. Cash dividends on the Offer Shares will be cumulative. If for any reason the Board of Directors of VLL does not declare a cash dividend on the Offer Shares for a Dividend Period, VLL will not pay a cash dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which cash dividends are declared, holders of the Offer Shares will receive the accrued and unpaid cash dividends due them on such Dividend Payment Date as well as all Arrears of Dividends to the holders of the Offer Shares prior to such Dividend Payment Date.

Holders of the Offer Shares shall not be entitled to participate in any other or further dividends, cash, property or stock beyond the dividends specifically payable on the Offer Shares. VLL will covenant that, in the event:

(a) any cash dividends due with respect to any Series 1 and Series 2 Preferred Shares then outstanding for any period are not declared and paid in full when due;

(b) where there remains outstanding Arrears of Dividends; or

(c) any other amounts payable under the terms and conditions of the Offer Shares described in the Prospectus are not paid in full when due for any reason,

then it will not declare or pay any dividends or other distributions in respect of, or repurchase or redeem, securities ranking *pari passu* with, or junior to, the Offer Shares (or contribute any moneys to a sinking fund for the redemption of any securities ranking *pari passu* with, or junior to, the Offer Shares) until any and all Arrears of Dividends and accrued but unpaid cash dividends have been paid to the holders of the Offer Shares.

(b) **Conversion** – The Offer Shares are not convertible to any common shares or other preferred shares of the Company.

(c) **Redemption** – VLL has the option, but not the obligation, to redeem in whole, but not in part, any subseries of the Offer Shares at such time that the Board of Directors shall determine. The Offer Shares, when redeemed, shall not be considered retired.

As and if declared by the Board of Directors, VLL may redeem the Offer Shares on the redemption price determined therefor. If at any time, VLL is allowed to redeem more than one subseries of the Offer Shares, and provided that such subseries is already redeemable in accordance with the terms and conditions of their issuance, VLL has the option to redeem, without preference or priority, in whole (but not in part), any or all of the subseries of the Offer Shares.

VLL is not legally required, has not established, and currently has no plans to establish, a sinking fund for the redemption of the Offer Shares.

Redemption of the Series 2A and Series 2B Preferred Shares

As and if approved by the Board of Directors, the Company may redeem in whole (but not in part), any subseries of the Offer Shares as follows:

a. in respect of Series 2A Preferred Shares, on the 4th anniversary of the Issue Date or on any Dividend Payment Date thereafter (each a "**Series 2A Optional Redemption Date**"); and
b. in respect of Series 2B Preferred Shares, on the 7th anniversary of the Issue Date or on any Dividend Payment Date thereafter (each a "**Series 2B Optional Redemption Date**");

(each of the Series 2A Optional Redemption Date and Series 2B Optional Redemption Date, being an "**Optional Redemption Date**"), after giving not more than sixty (60) nor less than thirty (30) days' prior written notice to the intended date of redemption, at a redemption price equal to the Offer Price of the Offer Shares plus all dividends due them on such date of redemption as well as all Arrears of Dividends after deduction of transfer costs customarily chargeable to stockholders, as applicable, to effect the redemption (the "**Redemption Price**"). Such notice to redeem shall be deemed irrevocable upon issuance thereof.

For the avoidance of doubt, on the applicable Optional Redemption Date, the Issuer has the option to redeem, in whole but not in part any, some, or all of the subseries.

In the event an Optional Redemption Date which the Issuer has chosen as the date to redeem the Series 2A and Series 2B Preferred Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the Redemption Price and the amount of dividends to be paid.

The Issuer may also redeem the Offer Shares, in whole but not in part, at any time prior to any Optional Redemption Date if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing. The redemption due to an Accounting Event or a Tax Event shall be made by the Issuer at the Redemption Price, provided that if the Accounting Event or Tax Event is specific to a subseries, then the foregoing optional redemption may be exercised only with respect to such subseries.

After listing on the PSE, the Issuer reserves the right to purchase the Series 2A Preferred Shares and Series 2B Preferred Shares, then tradeable at that time, at any time in the open market or by public tender or by private contract at any price through PSE, and subject to relevant PSE approval for a regular or special block sale (as applicable), without any obligation to purchase or redeem the other outstanding Series 2A Preferred Shares and Series 2B Preferred Shares.

Any Series 2A Preferred Shares and Series 2B Preferred Shares redeemed or purchased by VLL shall be recorded as treasury stock of VLL and will be cancelled.

Redemption by reason of Tax Event

All payments in respect of the Offer Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Government, including, but not limited to, documentary stamp tax, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that the holders of Series 2A and Series 2B Preferred Shares will receive the full amount of the relevant payment which otherwise would have been due and payable, provided, however, that the Issuer shall not be liable for: (a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Series 2A and Series 2B Preferred Shares, including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Series 2A and Series 2B Preferred Shares or on the liquidating distributions as may be received by a holder of the Series 2A and Series 2B Preferred Shares; (c) any expanded value added tax which may be payable by any holder of the Series 2A and Series 2B Preferred Shares on any amount to be received from the Issuer under the terms and conditions of the Series 2A and Series 2B Preferred Shares; (d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend payable to any holder of the Series 2A and Series 2B Preferred Shares or any entity which is a non-resident foreign corporation; and (e) any applicable taxes on any subsequent sale or transfer of the Series 2A and Series 2B Preferred Shares by any holder of the Series 2A and Series 2B Preferred Shares which shall be for the account of the said holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

After the Issue Date, taxes generally applicable to a subsequent sale of the Offer Shares by any shareholder, including receipt by such shareholder of a Redemption Price, shall be for the account of the said shareholder.

In the event payments in respect of the Series 2A and Series 2B Preferred Shares become subject to additional withholding or any new tax (including a higher rate of an existing tax) as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer ("**Tax Event**"), the Issuer may redeem each of the Series 2A and Series 2B Preferred Shares at any time in whole but not in part, at the Redemption Price ("**Redemption by reason of Tax Event**").

Redemption by reason of an Accounting Event

In the event an opinion of a recognized accounting firm authorized to perform auditing services in the Government has been delivered to the Issuer stating that there is more than an insubstantial risk that the Series 2A and Series 2B Preferred Shares may no longer be recorded as equity in the audited consolidated financial statements of the Issuer prepared in accordance with Philippine Financial Reporting Standards ("**PFRS**"), or such other accounting standards which succeed PFRS as adopted by the Issuer in the preparation of its audited consolidated financial statements for the relevant financial year, and such event cannot be avoided by use of reasonable measures available to the Issuer ("**Accounting Event**"), the Issuer may redeem each of the Series 2A and Series 2B Preferred Shares in whole, but not in part, at the Redemption Price ("**Redemption by reason of an Accounting Event**").

(d) **Liquidation** – In the event of a return of capital in respect of the Company's winding up or otherwise (whether voluntarily or involuntarily) but not on a redemption or purchase by the Company of any of its share capital, the Shareholders at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of the Company available for distribution to shareholders, together with the holders of any other securities of the Company ranking, as regards repayment of capital, *pari passu* with the Offer Shares and before any distribution of assets is made to holders of any class of the securities of the Company ranking after the Offer Shares as regards repayment of capital, liquidating distributions in an amount equal to the Offer Price of the Offer Shares plus an amount equal to any dividends declared but unpaid in respect of the previous dividend period and any accrued and unpaid dividends for the then-current dividend period to (and including) the date of commencement of the winding up of the Company or the date of any such other return of capital, as the case may be. For the avoidance of doubt, the amount to be paid in the event of a return of capital shall include the Arrears of Dividends. If, upon any return of capital in the winding up of the Company, the amount payable with respect to the Offer Shares and any other securities of the Company ranking as to any such distribution *pari passu* with the Offer Shares is not paid in full, the Shareholders and of such other securities will share ratably in any such distribution of the assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the Shareholders will have no right or claim to any of the remaining assets of the Company and will not be entitled to any further participation or return of capital in a winding up.

Liquidation Right of the Series 2A and Series 2B Preferred Shares

Each of the Series 2A and Series 2B Preferred Shares has a liquidation right equal to the Offer Price of the Series 2A and Series 2B Preferred Shares plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period and any accrued and unpaid dividends for the then current Dividend Period to (and including) the date of commencement of the Company's winding up or the date of any such other return of capital, as the case may be (the "**Liquidation Right**").

The Offer Shares will constitute the direct and unsecured subordinated obligations of the Issuer ranking at least *pari passu* in all respects and ratably without preference or priority among themselves.

In the event of the winding-up of the Company, the Series 2A and Series 2B Preferred Shares rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company which rank or are expressed to rank senior to the Offer Shares. The Offer

Shares, however, rank *pari passu* with each other. There is a substantial risk that an investor in the Offer Shares will not receive any return of the principal amount or any unpaid amounts due under the terms of the Offer unless VLL can satisfy in full all of its other obligations ranking senior to the Offer Shares.

There is no agreement or instrument that limits or prohibits the ability of the Issuer to issue Offer Shares or other securities that rank *pari passu* with the Offer Shares or with terms and conditions different from the Offer Shares.

(e) **Voting Rights** – Holders of the Offer Shares shall not be entitled to vote except in cases expressly provided by law. Thus, the holders of the Offer Shares are not eligible, for example, to vote for or elect the Board of Directors of VLL. Holders of the Offer Shares, however, may vote on matters which the Revised Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation. The following acts require the approval of the shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of VLL in a meeting duly called for the purpose:

- Amendment of the Amended Articles of Incorporation (including any increase or decrease of capital stock);
- Delegation to the Board of Directors of the power to amend or repeal the Amended By-laws or to adopt a new by-laws;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of VLL;
- Incurring, creating or increasing bonded indebtedness;
- Increase or decrease of authorized capital stock;
- Merger or consolidation of VLL with another corporation or corporations;
- Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which VLL was organized;
- Ratification of contracts of a director or an officer with VLL;
- Extension or shortening of the corporate term of VLL;
- Declaration and issuance of stock dividends; and
- Dissolution of VLL.

However, for the amendment of the Amended By-laws of VLL, the approval of the shareholders representing at least a majority of the issued and outstanding capital stock of VLL in a meeting duly called for the purpose is required.

(f) **Pre-emptive Rights** – Holders of the Offer Shares including the Offer Shares, shall have no pre-emptive right to any issue or disposition of any class of any share of VLL.

(g) **Perpetual** – The Offer Shares are perpetual and have no fixed final maturity date. Holders have no right to require the Company to redeem the Offer Shares at any time and they can only be disposed of by sale in the secondary market.

OTHER RIGHTS AND INCIDENTS RELATING TO THE OFFER SHARES

The other rights and incidents relating to the Offer Shares, which may also apply to other classes of shares of VLL, are as follows:

Derivative Suit

Philippine law recognizes the right of a shareholder to institute, under certain circumstances, proceedings on behalf of the corporation in a derivative action in circumstances where the corporation itself is unable or unwilling to institute the necessary proceedings to redress wrongs committed against the corporation or to vindicate corporate rights, as for example, where the directors themselves are the malefactors.

Appraisal Rights

The Revised Corporation Code grants a shareholder a right of appraisal in certain circumstances where he has dissented and voted against a proposed corporate action, including:

- an amendment of the articles of incorporation which has the effect of adversely affecting the rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

- the sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all of the assets of the corporation;

- the investment of corporate funds in another corporation or business for any purpose other than the primary purpose for which the corporation was organized; and

- a merger or consolidation.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default of agreement, is determined by three disinterested persons, one of whom shall be named by the shareholder, one by the corporation, and the third by the two thus chosen. The SEC will, in the event of a dispute, determine any question about whether a dissenting shareholder is entitled to this right of appraisal. The dissenting shareholder will be paid if the corporate action in question is implemented and the corporation has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting shareholders.

Shareholders' Meetings

At the annual meeting or at any special meeting of shareholders of the Company, the latter may be asked to approve actions requiring shareholder approval under Philippine law.

Quorum

The Revised Corporation Code provides that, except in instances where the assent of shareholders representing two-thirds of the outstanding capital stock is required to approve a corporate act (usually involving the significant corporate acts where even non-voting shares may vote, as identified above) or where the by-laws provide otherwise, a quorum for a meeting of shareholders will exist if shareholders representing a majority of the capital stock are present in person or by proxy.

Voting

Holders of the Offer Shares shall not be entitled to vote except in cases specifically set forth in the Amended Articles of Incorporation of the Company and as expressly provided by law. At any such shareholders' meeting where holders of the Offer Shares are allowed to vote, each holder of the Offer Shares shall be entitled to vote in person, or by proxy, all shares held by him which have voting power, upon any matter duly raised in such meeting.

The By-laws of VLL provide that proxies shall be in writing and signed and in accordance with the existing laws, rules and regulations of the SEC. Duly accomplished proxies must be submitted to the office of the Corporate Secretary not later than ten (10) trading days prior to the date of the shareholders' meeting.

Fixing Record Dates

The Board of Directors has the authority to fix in advance the record date for shareholders entitled: (a) to notice of, to vote at, or to have their votes voted at, any shareholders' meeting; (b) to receive payment of dividends or other distributions or allotment of any rights; or (c) for any lawful action or for making any other proper determination of shareholders' rights. The Board of Directors may, by resolution, direct the stock transfer books of the Company be closed for a period not exceeding twenty (20) working days preceding the date of any meeting of shareholders. The record date shall in no case be more than sixty (60) days or less than thirty five (35) days preceding such meeting of shareholders.

Accounting and Auditing Requirements/Rights of Inspection

Philippine stock corporations are required to file copies of their annual financial statements with the SEC. Corporations whose shares are listed on the PSE are also required to file quarterly and annual reports with the SEC and the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation which include a statement of financial position as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board of Directors is required to present to shareholders at every annual meeting a financial report of the operations of the corporation for the preceding year. This report is required to include audited financial statements.

Changes in Control

There is no provision in the Amended Articles of Incorporation and Amended By-laws of VLL which would delay, deter or prevent a change in control of VLL. There are no existing arrangements to which VLL is a party or which are otherwise known to VLL that may result in a change in control of VLL.

Selling and Transfer Restrictions

After listing, the subsequent transfers of interests in the Offer Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time.

OTHER SHARES

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in the articles of incorporation and the by-laws of the corporation.

VLL is at liberty from time to time, without the consent of the holders of the Offer Shares, to create and issue common shares. Holders of common shares are entitled to vote at all stockholders' meetings, including in respect of the election of directors. Similarly, VLL may also create and issue additional preferred shares or securities either (a) ranking at least *pari passu* in all respects with the Offer Shares, or (b) upon such terms as to ranking, distributions, conversion, redemption and otherwise as VLL may determine at the time of the issue.

Apart from the Series 2 Preferred Shares, VLL's authorized capital stock also comprises partly of the Series 1 Preferred Shares with the following features, rights, and privileges: (i) voting; (ii) non-cumulative; (iii) non-participating; (iv) non-convertible; and (v) non-redeemable. Such features of Series 1 Preferred Shares do not apply to the Offer Shares.

VLL intends to list the Offer Shares on the Main Board of the PSE on October 4, 2024. On the other hand, Series 1 Preferred Shares is not listed and traded through any exchange, including the PSE.

RISK FACTORS AND OTHER CONSIDERATIONS

An investment in the Offer Shares involves a number and a certain degree of risks. Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below, before deciding to invest in the Offer Shares. A prospective purchaser of the Offer Shares should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether to invest in the Offer Shares.

This Prospectus contains forward-looking statements that involve risks and uncertainties. Vista Land adopts what it considers conservative financial and operational controls and policies to manage its business risks. Vista Land's actual results may differ significantly from the results discussed in the forward-looking statements. See section *"Forward-Looking Statements"* of this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of Vista Land, in particular, and those that pertain to the over-all political, economic, and business environment, in general. The occurrence of any of the following events could have a material adverse effect on the Company's business, financial condition and results of operations and cause the market price of the Offer Shares to decline. All or part of an investment in the Offer Shares could be lost. These risk factors and the manner by which these risks shall be managed are arranged in the order of their importance to the Company.

GENERAL RISK WARNING

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. Past performance is not a guide to future performance. There may be a big difference between the buying price and the selling price of these securities.

Investors deal in a range of investments, each of which may carry a different level of risk.

PRUDENCE REQUIRED

The risk disclosure provided herein does not, and does not purport to, disclose all the risks and other significant aspects of investing in the securities. An investor should undertake his or her own research and study on the trading of securities before commencing any trading activity. Investors may request information on the Offer Shares and the Issuer from the SEC and the PSE which may be available to the public.

PROFESSIONAL ADVICE

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially those classified as high risk securities.

RISKS RELATING TO THE COMPANY'S BUSINESS

Public health epidemics, such as the COVID-19 pandemic, outbreaks of diseases, and measures intended to prevent its spread could have a material adverse effect on the Company.

Public health epidemics, such as the outbreak of the Ebola virus, MERS-CoV, Zika virus, bird flu, polio, and more recently, COVID-19, have previously impacted the Philippines. If any of such public health epidemics emerge, re-emerge, becomes widespread in the Philippines or increases in severity, it could have an adverse effect on economic activity in the Philippines, and could have a material adverse effect, including on the Company's ability to pay dividends.

Nonetheless, the Company continues to monitor and evaluate developments relating to COVID-19 or any public health epidemic or pandemic to develop, to the extent practicable, contingency measures to mitigate the risk impact to its business.

The Company's business and prospects are heavily dependent on the performance of the Philippine economy, and therefore any downturn in the general economic conditions in the Philippines could have a material adverse impact on the Company.

Historically, the Company has derived a substantial portion of its revenue from sales of real estate and homes located in the Philippines. With the acquisition of Vistamalls, the Company derived a portion of its recurring revenue from rents relating to its retail mall and BPO platform. The performance of the property and housing markets and the demand for, and prevailing prices of, shopping mall and office leases in the Philippines have historically been directly impacted by the performance of the Philippine economy in general, with property rates being affected by the supply and demand for comparable properties, the rate of Philippine economic growth and political and social developments. For example, the general slowdown of the global economy in 2008 and 2009 had a negative effect on the Philippine economy, which in turn had a negative effect on the Philippine property market as property sales declined.

Factors that have historically adversely affected and that may adversely affect the Philippine economy in the future include the following:

- decreases in business, industrial, manufacturing or financial activity in the Philippines or in the global market;
- decreases in the amount of remittances received from overseas Filipinos, including OFWs and Filipino expatriates;
- decreases in or changes in consumption habits in the Philippines;
- decreases in property values;
- decreases in demand for housing;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines or in the global market;
- the sovereign credit ratings of the Philippines;
- exchange rate fluctuations;
- a prolonged period of inflation or increase in interest rates;
- changes in the Government’s taxation policies;
- natural disasters, including typhoons, earthquakes, fires, floods and similar events;
- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, political, social or economic developments in or affecting the Philippines.

In addition, the U.S. Federal Reserve has been implementing a quantitative easing program whereby long-term interest rates have been kept low in order to stimulate the U.S. economy. This has directly impacted interest rates around the world, including the Philippines. There have been recent discussions surrounding the tapering of quantitative easing by the U.S. Federal Reserve, which could impact interest rates in the Philippines and adversely affect the Philippine economy. No assurance can be given as to when such quantitative easing will be discontinued.

Any deterioration in economic conditions in the Philippines as a result of these or other factors could have a material adverse impact on the Philippine housing and property markets, which in turn would likely have a material adverse impact on the Company’s business and prospects.

To mitigate the risks, the Company continually monitors the country’s key economic indicators in order to formulate appropriate strategies to address any potential adverse developments. As such, the Company shall continue to adopt what it considers to be conservative financial and operational controls and policies within the context of the prevailing business and economic environment, taking into consideration the interests of its customers, stakeholders, and creditors.

A significant portion of demand for the Company's products is from overseas Filipinos, and therefore the Company's business is highly dependent on the ability and willingness of overseas Filipinos to purchase the Company's properties.

The Company is not dependent upon a single customer or a few customers. However, it is reliant on OFWs to generate a significant portion of the demand for its housing and land development projects. For example, for the years ended December 31, 2021, 2022, 2023, and the three months ended March 31, 2024, a majority of the Company's total real estate sales were derived from sales to OFWs, with OFWs accounting for approximately 55% to 60% of Vista Land's residential sales. Demand from OFWs for the Company's properties could decrease if there is a reduction in the number of OFWs, a reduction in the purchasing power of OFWs or if there are reduced remittances from OFWs. The following factors could lead to reductions in the foregoing:

- a downturn in the economic performance of the countries and regions where a significant number of potential OFW customers are located, such as the United States, Italy, the United Kingdom, Hong Kong, Japan and the Middle East;

- a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines;

- the imposition of restrictions by the Government on the deployment of OFWs to particular countries or regions, such as the Middle East; and

- restrictions imposed by other countries on the entry or the continued employment of foreign workers in such countries.

As an example, the Company believes that the global economic downturn in 2008 resulted in remittances from OFWs being used more for basic family expenses or savings and bank deposits, and less for investing in or purchasing real estate. In addition, recent turmoil in the Middle East and in North Africa have resulted in the repatriation of OFWs from these regions and the subsequent loss of their sources of income. Any event similar or analogous to the foregoing could adversely affect demand for the Company's projects from OFWs, which, in turn, could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company believes, however, that the market for affordable housing, which comprises a large majority of its business, is relatively stable compared to other segments of the property sector. By virtue of the segment being end-user needs driven, the demand in the house and lot segment is not highly income elastic. Furthermore, recent trends tend to show that concerns about significant decline in OFW remittance volumes have been mollified, after OFW remittances continued to increase from US$32.54 billion in 2022 to US$33.50 billion in 2023.

To mitigate the risks, the Company continuously monitors various key economic indicators of countries and regions where a significant number of potential OFW customers are located as well as the significant developments in their government policies and restrictions imposed to foreign workers in order to formulate appropriate strategies to address any potential adverse developments.

The Company operates in a highly competitive market, and any inability to effectively compete could limit the Company's ability to maintain or increase its market share and maintain or increase profitability.

A substantial portion of the Company's revenues are derived from its operations in the highly competitive Philippine residential housing market. The Company's results of operations depend on its ability to properly gauge the market for its projects when devising and executing its business strategies. Important factors that could affect the Company's ability to effectively compete include a project's location, particularly with respect to its proximity to transportation facilities and commercial centers, as well as the quality of the housing and related facilities offered by the Company and the overall attractiveness of the project. If the Company's competitors are able to secure better locations or develop, market and sell more attractive properties than the Company, or if the Company is unable to properly gauge the market for its properties, then the Company's results of operations and prospects may be negatively impacted.

The Company is convinced, however, that the existing structural housing backlog would provide steady demand for the housing industry, in general. Furthermore, VLL has demonstrated its strong market presence, with strong and well recognized brands in every price segment of the house & lot market.

The Company may not be able to acquire new or additional land for new projects.

The Company's future growth and development are heavily dependent on its ability to acquire or enter into agreements to develop additional tracts of land suitable for the Company's planned real estate projects. The Company competes with its competitors to secure suitable sites for development. Given this competition and the limited availability of land, particularly in areas in or near Metro Manila and other urban areas in the Philippines, the Company may encounter difficulty acquiring tracts of land that are suitable in size, location and price. The Company may also have difficulty in attracting landowners to enter into joint venture agreements with the Company that will provide it with reasonable returns or at all. In the event the Company is unable to acquire suitable land or to enter into agreements with joint venture partners to develop suitable land at acceptable prices, with reasonable returns, or at all, its growth prospects could be limited and its business and results of operations could be adversely affected.

Nevertheless, the Company believes that considering its current pace of development, its current land bank is sufficient for its existing and planned projects and developments for the next twenty-seven to thirty years. In fact, the Company has an extensive land bank, most of which is located in areas in close proximity to major roads and primary infrastructure. As of March 31, 2024, the Company had approximately 2,422.48 hectares of raw land ready for development, with an additional 411.20 hectares available for development under joint venture agreements.

As of the date of this Prospectus, the Company is able to seamlessly enter into agreements to acquire additional lands for new projects. There are, however, some land acquisitions that have to undergo longer processing period by reason of due diligence and documentation of the Company.

The real estate industry in the Philippines is capital intensive, and the Company may be unable to readily raise necessary amounts of funding.

The real estate industry in the Philippines is capital intensive, and market players are required to incur significant capital expenditures to complete existing projects and commence construction on new developments. As an example, for the year 2023, the Company budgeted ₱30,000.00 million for capital expenditures to be used for its real estate development projects.

Historically, while the Company has funded a significant portion of its capital expenditure requirements internally from its real estate revenues, it has periodically utilized external sources of financing. However, there can be no assurance that, to complete its planned projects or satisfy its other liquidity and capital resources requirements, the Company will be able to continue funding its capital expenditure requirements internally, or that it will be able to externally obtain sufficient funds at acceptable rates to fund its capital expenditure budgets, or at all. Failure to obtain the requisite funds could delay or prevent the completion of the Company's on-going projects or any new or planned projects, and such delay or failure to complete could materially and adversely affect the Company's business, financial condition and results of operations.

The Company has consistently demonstrated prudence in managing its financial requirements, continuously striving to be efficient in utilizing its capital. For instance, in the case of land acquisition, while VLL's real estate revenue has increased by 85.2% since 2007, the Company's land bank has only increased by 62.0% (in terms of hectares).

Historically low interest rates, expansion in overall liquidity, extensive construction of condominium and housing units and other factors could lead to the risk of formation of asset bubbles in real estate.

For the past several years, central banks globally, including the BSP, have kept overall interest rates at historically low levels for an extended period of time. This has occurred in conjunction with recent high levels of liquidity in the Philippines owing to strong and growing remittances from OFWs, the expansion of consumer credit provided by banks, the expiry of the BSP's requirement for banks to maintain special deposit accounts and strong inflows of foreign investments, among other factors. In addition, the pace of real estate construction, particularly for condominium units and to a certain extent, housing in and surrounding Metro Manila and other urban areas, has likewise been strong by historical standards. All these have increased the risk that rising prices may not be sustainable, particularly in the real estate sector. If rising prices are not sustained, the result could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company believes that the Philippine property sector is adequately protected against a domestic asset price bubble burst. The country has a very young demographic profile benefiting from rising disposable income. It likewise has one of the fastest growing emerging economies and the growth in the property sector is largely supported by infrastructure investments from both the public and private sectors and strong macroeconomic fundamentals.

Be that as it may, considering the possible risk of an asset price bubble burst, the Company has embarked on a plan to achieve a balanced portfolio of residential and leasing businesses which have proven to be more resilient across economic cycles, thus providing some cushion between periods of economic trough. Specifically, the expansion by the Company of its leasing business through the acquisition of Vistamalls provides the Company with a diversified earnings base, hedging against downcycles in the residential business segment.

Substantial sales cancellations could have a material adverse effect on the Company's financial condition and operations.

The Company's business, financial condition and results of operations could be adversely affected in the event a material number of the Company's subdivision lot or house and lot sales are cancelled.

As a developer and seller of residential real estate, the Company is subject to Republic Act No. 6552 or the Realty Installment Buyer Act (the "**Maceda Law**"), which applies to all transactions or contracts involving the sale or financing of real estate through installment payments, including residential condominium units. Under the Maceda Law, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who default on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without a right of refund. See *"Regulatory and Environmental Matters"* in this Prospectus.

Historically, the Company has not experienced a material number of cancellations to which the Maceda Law has applied. However, there can be no assurance that it will not experience a material number of cancellations in the future, particularly during slowdowns or downturns in the Philippine economy, or during periods when interest rates are high or other similar situations. If the Company were to experience a material number of cancellations in the future, it may not have enough funds on hand to pay the necessary cash refunds to buyers or it may have to incur indebtedness in order to pay such cash refunds. In addition, particularly during an economic slowdown or downturn, there can be no assurance that the Company would be able to re-sell the same properties at an acceptable price, or at all. Any of the foregoing events could have a material adverse effect on the Company's business, financial condition and results of operations.

In the event the Company experiences a material number of sales cancellations the Company's historical revenues would have been overstated because such historical revenue would not have accurately reflected subsequent customer defaults or sales cancellations. As a result, the Company's historical income statements are not necessarily accurate indicators of the Company's future revenue or profits. As discussed in more detail in *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Revenue"* in this Prospectus, for the sale of completed projects, once a customer has paid at least 5% of the total contract price, the Company recognizes the total purchase price as part of its real estate sales and gross profit is recognized on such sales, subject to certain adjustments in the case of sales accounted for using the "percentage of completion method." If a customer defaults on its payment obligations, or a sale is otherwise cancelled after the customer has paid the required downpayment and the Company is unable to find another purchaser for such property, receivables from the cancelled sale booked in the balance sheet will be reversed but the Company does not reverse the revenue or gross profit of prior period corresponding to such cancelled sale.

There can be no assurance that the Company will not suffer from substantial sales cancellations and that such cancellations will not have a material adverse effect on its financial condition and results of operations. Nonetheless, the Company believes that its reputation as a real estate developer, specifically as a quality home builder, will help it prevent any substantial sales cancellations from its clients. In addition, the Company implements various policies and due diligence procedures to know its potential clients with specific qualifications to determine their capabilities to purchase properties and pay on time. To prevent cancellations, the Company ensures value for its customers' money with its competitive pricing, quality locations, planning and design, generous amenities, timely and quality construction, well-established customer care, and after-sales and property management support. Furthermore, to minimize the risk of cancellations, the Company targets a prudent mix of clients, the bulk of which are OFWs and employed professionals and employees. As previously mentioned, the Company markets its brand across several markets in several regions of the world. In fact, the Company is reliant on OFWs to generate a significant portion of the demand for its housing and land development projects. Moreover, the Company aims to diversify its market further in order to avoid excessive dependency on a particular geographic location of buyers.

The Company may not be able to lease its properties in a timely manner or collect rent at profitable rates or at all.

The Company's retail mall and BPO platform is subject to risks relating to the management of mall, BPO and other commercial tenants and could be affected by a number of factors including: (a) competition for tenants; (b) changes in market rates; (c) the inability to renew leases; (d) bankruptcy of tenants; (e) the increase in operating expenditures due to periodic repair and renovations; (f) the ability to attract and retain anchor tenants and leading names in the retail market; and (g) efficiency in collection, property management and tenant relations. In addition, adverse trends in the BPO industry could result in lower demand for leases of our BPO spaces or the inability of existing BPO tenants to honor their lease commitments. The inability of the Company to lease spaces in its mall and BPO commercial centers could materially and adversely affect the Company's business, financial condition and results of operations.

Nevertheless, the Company believes that shifting to an integrated developer model, where residential developments are complemented by retail malls, BPO facilities and other commercial assets, will enhance its revenue streams. The Company also believes that there will be stronger demand from tenants in retail malls located within Vista Estates due to a larger catchment area and stronger and more regular footfall from the resident population, resulting in higher rental rates and occupancy rates. In addition, the Company believes that BPO operators will be willing to pay higher rental rates, since locating in a Vista Estate provides them greater access to potential employees and enhances employee productivity.

The Company may not be able to successfully manage its growth or expansion strategies.

The Company intends to continue to pursue an aggressive growth strategy for its residential property business. In 2024, the Company launched 4 projects in 4 cities and municipalities in 4 provinces located throughout the Philippines, including Mega Manila area. The Company's growth strategy for its housing and land development business may require the Company to manage relationships with an increasing number of customers, suppliers, contractors, service providers, lenders and other third parties. Any substantial growth in projects will also require significant capital expenditures, which may entail taking on additional debt to finance housing and land development projects. There can be no assurance that, in the course of implementing its growth strategy, the Company will not experience capital constraints, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate the expanded business. Any inability or failure to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated, if at all. These problems could have a material adverse effect on the Company's reputation and on its business, results of operations or financial condition.

The Company likewise intends to continue its strategy of expanding its vertical residential development and commercial property leasing businesses, which includes accelerating the Vista Land Commercial Group's existing assets and greenfield developments, through the Starmall and Vista commercial projects. The Company plans to grow its commercial assets via enhancements of existing assets and new developments. To this end, the Company plans to construct more vertical developments, retail malls and BPO commercial centers for lease to various retailers, BPO and other commercial tenants within or near its Vista Estates while increasing its exposure to more upscale developments through its Brittany and Crown Asia brands. The Company's strategy to expand these businesses may require the Company to manage relationships with an increasing number of third parties such as potential retailers, suppliers, contractors and tenants. Moreover, vertical and commercial development and leasing are relatively new lines of business to the Company. As a result, the Company could encounter various issues associated with these businesses that it does not have extensive experience dealing with, such as applicable laws relating to commercial rental/tenancy laws and condominium construction and different operational and marketing requirements, among others. There can be no assurance that the Company's continued expansion into upscale and vertical developments, retail malls and BPO commercial centers and leasing will be successful, and as a result the Company's decision to pursue such expansion could have a material adverse effect on the

Company's reputation and its business, results of operations or financial condition.

To mitigate the risk, the Company continuously maintains strong relationships with third parties that it is consistently dealing with such as potential retailers, suppliers, contractors and tenants. It also works closely with third parties to monitor whether acceptable service standards are being achieved.

Please see *"Competitive Strengths - Prudent financial management and stronger balance sheet providing headroom for capital expenditure and expansion plans"* on page 100 of this Prospectus.

The Company may not be able to successfully manage its land bank, which could adversely affect its margins.

The Company must acquire land for replacement and expansion of land inventory within the current markets in which it operates. The risks inherent in purchasing and developing land increase as consumer demand for residential real estate decreases. The market value of land, subdivision lots and housing inventories can fluctuate significantly as a result of changing market conditions. The Company cannot assure investors that the measures it employs to manage land inventory risks will be successful. In the event of any significant change in economic, political, security or market conditions, the Company may have to sell subdivision lots and attenuating housing and condominium units at significantly lower margins or at a loss. Changes in economic or market conditions may also require the Company to defer the commencement of housing and land development projects. This would require the Company to continue to carry the cost of acquired but undeveloped land on its statement of financial position, as well as reduce the amount of property available for sale. Any of the foregoing events would have a material adverse effect on the Company's business, financial condition and results of operations.

It is noteworthy that even during the height of the pandemic, the Company did not sell any of its inventories at a loss. The Company merely reduced its project launches during such period of time.

To manage this risk, the Company plans to take advantage of joint ventures, focus on diversifying funding sources and increase recurring revenues while utilizing proceeds from residential pre-sales to improve capital efficiency.

Increased inflation, fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.

Interest rates, and factors that affect interest rates, such as the Government's fiscal policy, could have a material adverse effect on the Company and on demand for its products. For example:

- Higher interest rates may make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects.

- Because the Company believes that a substantial portion of its customers procure financing (either from banks or using the Company's in-house financing program) to fund their property purchases, higher interest rates may make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential projects.

- If the Government significantly increases its borrowing levels in the domestic currency market, this could increase the interest rates charged by banks and other financial institutions and also effectively reduce the amount of bank financing available to both prospective property purchasers and real estate developers, including the Company.

- The Company's access to capital and its cost of financing are also affected by restrictions, such as single borrower limits, imposed by the BSP on bank lending. If the Company were to reach the single borrower limit with respect to any bank, the Company may have difficulty obtaining financing with reasonable rates of interest from other banks.

- Increased inflation in the Philippines could result in an increase in the cost of raw materials, which the Company may not be able to pass on to its customers as increased prices.

- A further expansion in the budget deficit of the Government could also result in an increase in interest rates and inflation, which could in turn have a material effect on the ability of the Company to obtain financing at attractive terms, and on the ability of its customers to similarly obtain financing.

The occurrence of any of the foregoing events, or any combination of them, or of any similar events could have a material adverse effect on the Company's business, financial condition and results of operations.

The Government, specifically the BSP, has introduced measures to monitor the real estate sector. Its intervention would help the market become resilient and sustainable. In addition, the Company has been conservatively managing its financial statements and financial ratios which are all within or better than industry standards, giving it flexibility to obtain additional bank financing.

Titles over land owned by the Company may be contested by third parties.

Although the Philippines has adopted a system of land titling and registration that is intended to conclusively confirm land ownership and to be binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land that has already been registered and over which a title has been issued. There have also been cases in the Philippines in which third parties have produced false or forged title certificates over land. From time to time, the Company has had to defend itself against third parties who claim to be the rightful owners of land which has been either titled in the name of the persons selling the land to the Company or which has already been titled in the name of the Company. In the event a significant number of similar third-party claims are brought against the Company in the future or any such claims involves land that is material to the Company's housing and land development projects, the Company's management may be required to devote significant time and incur significant costs in defending the Company against such claims. In addition, if any such claims are successful, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material in the context of the Company's housing and land development projects. Any of the foregoing circumstances could have a material adverse effect on the Company's business, financial condition and results of operations, as well as on its business reputation.

To mitigate this risk, the Company undertakes due diligence in the acquisition of parcels of land. The Company conducts extensive title searches to determine the authenticity of titles to land offered to it and the authority of the sellers before it acquires any parcel of land. It has designated teams performing exhaustive background checks of the persons or parties involved in relevant transactions. Furthermore, the Company investigates the existence of any prevailing liens or tax obligations which may adversely affect its ownership rights to properties to be acquired. As of the date of this Prospectus, there are no cases where a third party's claim against the Company was successful nor are there any ongoing claims against the Company.

The Company may not be able to complete its development projects within budgeted project costs or on time or at all.

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take a year or longer before generating positive net cash flow through sales or pre-sales. As a result, the Company's cash flows and results of operations may be significantly affected by its project development schedules and any changes to those schedules. The schedules of the Company's projects depend on a number of factors, including the performance and efficiency of its third-party contractors and its ability to finance construction. Other factors that could adversely affect the Company's project development schedules include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
- delays in obtaining government approvals and permits;
- changes in relevant regulations and government policies;
- relocation of existing residents and/or demolition of existing constructions;
- shortages of materials, equipment, contractors and skilled labor;

- labor disputes;
- construction accidents;
- errors in judgment on the selection and acquisition criteria for potential sites; and
- other unforeseen problems or circumstances.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm the Company's reputation as a property developer or lead to cost overruns or loss of or delay in recognizing revenues and lower margins. This may also result in sales and resulting profits from a particular development not being recognized in the year in which it was originally expected to be recognized, which could adversely affect the Company's results of operations for that year. If a property project is not completed on time, the purchasers of pre-sold units within the project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their presale agreements and claim damages. There can be no assurance that the Company will not experience any significant delays in completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

In recent years, the Company was able to complete its development projects, specifically in the horizontal segment. For the vertical segment, the Company had to negotiate project extension delivery in some of its projects.

To manage this risk, the Company reviews each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments. The Company maintains relationships with over 300 accredited independent contractors and deals with each of them on an arm's-length basis. Furthermore, the Company is not and does not expect to be dependent upon one or a limited number of suppliers or contractors.

A deterioration in the Company's reputation could have a material adverse effect on the Company's business and prospects.

The Company believes that it has a positive reputation among Filipino home buyers and that its continued success is largely based on its ability to maintain that reputation. If any of the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or otherwise, this could have a negative effect on the Company's reputation and make it more difficult to attract new customers to its new and existing housing and land development projects. Any negative effect on the Company's reputation or its brand could also affect the Company's ability to pre-sell its housing and land development projects. This would impair the Company's ability to reduce its capital investment requirements. The Company cannot provide any assurance that such events will not occur in a manner that would adversely affect its results of operations or financial condition.

There is no specific instance wherein the Company's reputation was either negatively affected or could have been negatively affected by a specific event.

The Company, in order to mitigate this risk, continues to maintain its core values of quality, design, attention to detail and innovation. It also tries to continually maintain its personal service to its residents, tenants and unit owners in order to maintain its competitiveness in its segment in the real estate markets in the Philippines.

Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.

The Company relies on independent contractors to provide various services, including land clearing and infrastructure development, various construction projects and building and property fitting-out works. There can be no assurance that the Company will be able to find or engage an independent contractor for any particular project or find a contractor that is willing to undertake a particular project within the Company's budget, which could result in cost increases or project delays. Further, although the Company's personnel actively supervise the work of such independent contractors, there can be no assurance that the services rendered by any of its independent contractors will always be satisfactory or match the Company's requirements for quality. Contractors may also experience financial or other difficulties, and shortages or increases in the price of construction materials may occur, any of which could delay the completion or increase the cost of certain housing and land development projects. Any of these factors could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate the risk, the Company maintains strong relationships with its independent contractors, and continuously monitors whether acceptable service standards are being achieved. The Company takes on an active role as project managers in supervising each phase of the construction of its projects. Moreover, the Company undertakes due diligence in engaging and working with independent contractors.

The Company operates in a highly regulated environment and it is affected by the development and application of regulations in the Philippines.

The Philippines' property development industry is highly regulated. The development of subdivision and other residential projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects that are to be located on agricultural land must get clearance from the Philippine Department of Agrarian Reform ("**DAR**") so that the land can be re-classified as non-agricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the Company's expense.

Presidential Decree No. 957, as amended, ("**PD 957**") and Batas Pambansa Blg. 220 ("**BP 220**") are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957 and BP 220 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The Human Settlements Adjudication Commission ("**HSAC**") is the administrative agency of the Government which enforces these statutes. Regulations applicable to the Company's operations include standards regarding:

- the suitability of the site;
- road access;
- necessary community facilities;
- open spaces;
- water supply;
- sewage disposal systems;
- electricity supply;
- lot sizes;
- the length of the housing blocks and unit sizes; and
- house construction.

All subdivision development plans are required to be filed with and approved by the local government unit with jurisdiction over the area where the project is located. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. There can be no assurance that the Company, its subsidiaries or associates or partners will be able to obtain governmental approvals for its projects or that when given, such approvals will not be revoked.

In addition, owners or developers of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing and condominium units. Project permits and any license to sell may be suspended, cancelled or revoked by the HSAC based on its own findings or upon complaint from an interested party and there can be no assurance that the Company, its subsidiaries, associates or partners will in all circumstances, receive the requisite approvals, permits or licenses or that such permits, approvals or licenses will not be cancelled or suspended. Any of the foregoing circumstances or events could affect the Company's ability to complete projects on time, within budget or at all, and could have a material adverse effect on its financial condition and results of operations.

To manage the risk, the Company continuously exerts earnest efforts to secure and maintain all relevant and material permits and licenses required under such laws and regulations for all its projects. The Company also practices and adheres to a strong compliance culture and maintains positive relationships with regulatory and local government agencies.

Environmental laws applicable to the Company's projects could have a material adverse effect on its business, financial condition or results of operations.

The Company is subject to various environmental laws and regulations relating to the protection of the environment, human health and human safety. These include laws and regulations governing air emissions, water and waste water discharges, odor emissions and the management and disposal of, and exposure to, hazardous materials. Generally, developers of real estate projects are required to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("**DENR**"). For environmentally-sensitive projects or in other cases at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment ("**EIA**") may be required and the developer will be required to obtain an Environmental Compliance Certificate ("**ECC**") to certify that the project will not have an unacceptable environmental impact. There can be no assurance that current or future environmental laws and regulations applicable to the Company will not increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a violation of an ECC occurs or if environmental hazards on land where the Company's projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and/or to compensate its buyers and any affected third parties. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. See *"Regulatory and Environmental Matters"* in this Prospectus. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition and results of operations.

The mitigate the risks, the Company keeps itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost-efficient means. Moreover, it continuously exerts earnest efforts to secure and maintain all relevant and material permits and licenses required under such laws and regulations for all its projects.

The loss of certain tax exemptions and incentives will increase the Company's tax liability and decrease any profits the Company might have in the future.

The Company benefits from certain tax exemptions and incentives under Philippine laws and regulations, including the exemption from the 12% value-added tax (**"VAT"**) on the sales of houses and lots and other residential dwellings with a selling price of not more than ₱2,000,000.00 or less.

In the event these sales become subject to VAT, the purchase prices for the Company's subdivision lots and housing and condominium units will increase and this could adversely affect the Company's sales. As taxes such as the VAT are expected to have indirect effects on the Company's results of operations by affecting general levels of spending in the Philippines and the prices of subdivision lots and houses, any adverse change in the Government's VAT-exemption policy could likewise have an adverse effect on the Company's results of operations.

The Company currently enjoys Income Tax Holiday on its low-cost mass housing projects duly registered with the Board of Investments. However, the Income Tax Holiday is not indefinite and is limited by the annual Strategic Investment Priority Plan approved by the president. Thus, the Company may see changes in how the Income Tax Holiday is implemented, including a reduction in its duration or in the conditions for its availment.

The Company regularly obtains tax advisories from expert consultants to keep it updated on the best tax compliance practices. It ensures compliance with all the requirements for its tax exemptions or benefits to be able to continue the enjoyment of such benefits.

The interests of the Company's joint venture partners for certain of its residential and land development projects may differ from the Company's, and they may take actions that could adversely affect the Company.

The Company has entered into joint venture agreements with landowners and, as part of its overall land acquisition strategy, intends to continue to do so. Under the terms of most of these joint venture agreements, the Company takes responsibility for project development and project sales, while its joint venture partner typically supplies the project land. A joint venture partner may have economic or business interests or goals inconsistent with or different from those of the Company's. A joint venture partner may also take actions contrary to the Company's instructions or requests or in direct opposition to the Company's policies or objectives with respect to the real estate investments. A joint venture partner may not meet its obligations under the joint venture arrangement. Disputes between the Company and a joint venture partner could arise after significant capital investments in a project have been made, which could result in the loss of some or all of the Company's investment in the project. The Company's reliance on its joint venture arrangements could therefore have a material adverse effect on the Company's results of operations and financial condition.

To mitigate this risk, the Company ensures that the Company's interests are well protected under the terms and conditions of its joint venture agreements with landowners.

Construction defects and other building-related claims may be asserted against the Company, and the Company may be subject to liability for such claims.

Philippine law provides that property developers, such as the Company, warrant the structural integrity of houses or units that were designed or built by them for a period of 15 years from the date of completion of the house or unit. The Company may also be held responsible for hidden (*i.e.*, latent or non-observable) defects in a house or unit sold by it when such hidden defects render the house or unit unfit for the use for which it was intended or when its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. This warranty may be enforced within six months from the delivery of the house or unit to the buyer. In addition, Republic Act No. 6541, as amended, or the National Building Code of the Philippines (the "**Building Code**"), which governs, among others, the design and construction of buildings, sets certain requirements and standards that must be complied with by the Company. The Company or its officials may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code.

There can be no assurance that the Company will not be held liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible claims or that claims will not arise out of uninsurable events, such as landslides or earthquakes, or circumstances not covered by the Company's insurance and not subject to effective indemnification agreements with the Company's contractors. There can also be no assurance that the contractors hired by the Company will be able to either correct any such defects or indemnify the Company for costs incurred by the Company to correct such defects. In the event a substantial number of claims arising from structural or construction defects arise, this could have a material adverse effect on the Company's reputation and on its business, financial condition and results of operations. Based on experience, however, expenses incurred by the Company relating to such liabilities for repairs and/or possible building-related claims have been well within accrued provisions made by the Company in the ordinary course of business.

In the event that the Company becomes subject to defects and other building-related claims, it shall endeavor to amicably settle the legal proceedings and in the event of any adverse ruling or decision, exhaust all legal remedies available. As of the date of this Prospectus, the Company has not been held liable for damages in relation to any construction defects and other building-related claims, and there are no ongoing claims in relation thereto.

The inability of the Company's in-house financing customers to meet their payment obligations could have a material adverse effect on the Company's business and prospects.

The Company provides a substantial amount of in-house financing to its customers. As a result, and particularly during periods when interest rates are relatively high, the Company faces the risk that a greater number of customers who utilize the Company's in-house financing facilities will default on their payment obligations, which would require the Company to incur expenses, such as those relating to sales cancellations, foreclosures and eviction of occupants. Although the Company currently sells a portion of the receivables from its customers to commercial banks, most of these arrangements are with recourse to the Company, which means that the Company faces the risk of customer default. In addition, there is no assurance that the Company can re-sell any property once a sale has been cancelled. Therefore, the inability of its customers who obtain in-house financing from the Company to meet their payment obligations could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company mitigates this risk by measuring, monitoring and managing the risk for each customer seeking to obtain in-house financing. The Company has a structured and standardized credit approval process, which includes conducting background and credit checks on prospective buyers using national credit databases and, where feasible, conducting physical verification of claims regarding residences and properties owned.

The Company derives a portion of its revenues from its in-house financing activities.

The Company provides in-house financing to its customers. In order for the Company to fund its in-house financing programme, it must be able to have the necessary cash flows from operating activities, investing activities and financing activities. There can be no assurance that the Company will continue to be able to maintain the necessary cash flows from its operations or derive income from investing activities or arrange financing on acceptable terms, if at all, to fund its in-house financing activities. In the event the Company is unable to obtain adequate funds for its in-house financing programmes, it may be compelled to scale back or even discontinue its in-house financing activities. This, in turn, could result in reduced sales as potential customers may choose to purchase products from competitors who are able to provide in-house financing, or may be unable to obtain mortgage financing from banks and other financial institutions. Further, if customers decide to obtain financing from other sources, such as banks and other financial institutions, this may result in a decline in the income the Company derives from interest due on in-house financing. The inability of the Company to sustain its in-house financing activities could have a material adverse effect on the Company's business, financial condition and results of operations.

As of March 31, 2024, the Company's in-house financing accounts for 12% total sales while the percentage of default has been at a low single digit, i.e. below 2%. The Company has been continuously monitoring collection and default rates of in-house financing accounts to manage the risk associated with in-house financing.

The Company is indirectly controlled by the Villar Family, and there is nothing to prevent the companies controlled by the Villar Family from competing directly with the Company.

As of March 31, 2024, Fine and its subsidiaries owned a total of 11,660,837,927 shares in the Company, representing 65.84% of the Company's total issued and outstanding shares, including 8,360,837,927 common shares and 3,300,000,000 preferred shares. In turn, Fine is controlled by members of the Villar Family, who either individually or collectively have controlled Fine since its inception. Certain members of the Villar Family also serve as directors and executive officers of Vista Land and Fine and other companies forming part of Vista Land, as well as their respective subsidiaries.

There is nothing to prevent companies that are controlled by the Villar Family from engaging in activities that compete directly with the Company's housing and land development businesses or activities, which could have a negative impact on the Company's business. There can also be no assurance that Fine and the Villar Family will not take advantage of business opportunities that may otherwise be attractive to the Company. The interests of Fine and the Villar Family, as the Company's controlling shareholders, may therefore differ significantly from or compete with the Company's interests, Fine and the Villar Family may vote their shares in a manner that is contrary to the interests of the Company. There can be no assurance that Fine and the Villar Family will exercise influence over the Company in a manner that is in the best interests of the Company.

Furthermore, the Villar Family also owns BRIA Homes which is in the same industry as the Company as it also sells housing units. However, in spite of being in the same industry as the Company, BRIA Homes is not directly competing with the Company as it only sells housing units in the socialized segment. The Company notes that, unlike BRIA Homes, it does not have products in the socialized segment.

Notwithstanding interests in various businesses, each member of the board of directors of such companies has a fiduciary obligation to act in the best interests of the relevant company. Moreover, the Company has independent directors that help manage risks by ensuring a healthy balance of corporate interests and raising governance standards in the Company.

The Villar Family's political involvement may have negative indirect effects on the Company.

Certain members of the Villar family have been and are currently involved in Philippine politics. Manuel B. Villar, Jr., patriarch of the Villar Family and Chairman of the Board of Directors of the Company, was until June 30, 2013, a Senator of the Philippines who also ran for President in the May 2010 elections. Although Manuel B. Villar, Jr. is no longer a Senator, his wife Cynthia was elected Senator in the 2013 Philippine elections and reelected in the May 2019 elections (and presently serves as such), his son Mark, also currently serves as a Senator, having been elected to the post last May 2022, and his daughter Camille currently serves as the Congresswoman of the lone district of Las Piñas City. Given the Villar family's involvement in politics, allegations of conflicts of interest, improper influence or corruption on the part of members of the Villar Family may have an adverse effect on the Company's business and goodwill.

Despite the political affiliations of the members of Villar Family, the Company has always remained politically neutral. Moreover, the Company continuously monitors the country's key political landscape in order to formulate appropriate strategies, as necessary, to address potential adverse developments.

The Company has a number of related-party transactions with affiliated companies.

The companies controlled by the Villar Family have a number of commercial transactions with the Company. As of March 31, 2024, the Company had outstanding amounts due from affiliated companies of ₱7,312.16 million. The Company had entered into a number of transactions with its related parties, which primarily consisted of advances and reimbursements of expenses, sale and purchase of real estate properties and development, management, marketing, leasing and administrative services agreements.

The transactions referred to above are described under *"Certain Relationships and Related Transactions"* in this Prospectus and the notes to the Company's financial statements appearing elsewhere in this Prospectus. The Company's practice has been to enter into contracts with these affiliated companies on commercial terms which are at least as favorable as the terms available to or from non-affiliated parties.

The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the Villar Family. These transactions may involve potential conflicts of interest which could be detrimental to the Company and/or its shareholders. Conflicts of interest may also arise between the Company and the Villar Family in a number of other areas relating to its businesses, including:

- major business combinations involving the Company and its subsidiaries;
- plans to develop the respective businesses of the Company and its subsidiaries; and
- business opportunities that may be attractive to the Villar Family and the Company.

The Company can provide no assurance that its related-party transactions will not have a material adverse effect on its business or results of operations.

To mitigate this risk, the Company enters into related-party transactions at an arms-length basis. The Company has always been compliant with the laws and regulations relevant to related-party transactions, such as the Revised Corporation Code, National Internal Revenue Code and relevant SEC issuances.

The Company is highly dependent on certain directors and members of senior management.

The Company's directors and members of its senior management have been an integral part of its success, and the experience, knowledge, business relationships and expertise that would be lost should any such persons depart could be difficult to replace and may result in a decrease in the Company's operating efficiency and financial performance. Key executives and members of management of the Company include: Manuel B. Villar, Jr., Chairman of the Board, Manuel Paolo A. Villar, President and Chief Executive Officer, Cynthia J. Javarez, Treasurer and Chief Risk Officer, Jerylle Luz C. Quismundo, Chief Operating Officer, Brian N. Edang, Chief Financial Officer and Head Investor Relations, and Leamor S. Harlea, Chief Audit Executive. If the Company loses the services of these key people and is unable to fill any vacant key executive or management positions with qualified candidates, its business and results of operations may be adversely affected.

The Company believes that it maintains a positive and harmonious working relationship with its executives, members of senior management and other key officers. The Company also maintains a pool of competent and dynamic team of professional executives and managers engaged in the management of the business.

The Company may be unable to attract and retain skilled professionals, such as architects and engineers.

The Company's ability to plan, design and execute current and future projects depends on its ability to attract, train, motivate and retain highly skilled personnel, particularly architects and engineers. The Company believes that there is significant demand for such personnel not only from its competitors but also from companies outside the Philippines, particularly companies operating in the Middle East. Any inability on the part of the Company in hiring and, more importantly, retaining qualified personnel could impair its ability to undertake project design, planning and execution activities in-house and could require the Company to incur additional costs by having to engage third parties to perform these activities.

To effectively manage this risk, the Company has developed and constantly improves its various employee development and retention programs which ensure a steady pool of potential technical and leadership professionals.

The Company relies on third-party brokers to sell its residential housing and land development projects.

The Company relies on third-party brokers to market and sell its residential housing and land development projects to potential customers inside and outside of the Philippines. These brokers may also act as brokers for other developers in the same markets in which the Company operates, and there can be no assurance that they will not favor the interests of their other clients over the interests of the Company in lease or sale opportunities, or otherwise act in the Company's best interests. There is competition for the services of third-party brokers in the Philippines, and many of the Company's competitors either use the same brokers as the Company or attempt to recruit brokers away from the Company. If a large number of these third-party brokers were to cease selling for the Company, the Company would be required to seek other external brokers, and there can be no assurance that the Company could do so quickly or in sufficient numbers. Moreover, Republic Act No. 9646 or The Real Estate Service Act of the Philippines and its implementing rules impose stringent requirements on the real estate sector, including the qualifications and licensing of real estate service practitioners. There can be no assurance that the imposition of these requirements will not affect the real estate service practice of the Company, or its ability to retain their existing third-party brokers or identify new third party brokers. These factors could disrupt the Company's business and negatively affect its financial condition, results of operations and prospects.

Nevertheless, the Company has maintained a very professional and harmonious working relationship with its extensive brokerage network. All brokers and agents have to undergo various screening process, submit documentary requirements and secure accreditation from VLL as this allows the Company to properly screen, monitor and onboard all third-party brokers and agents.

Infringement of the Company's intellectual property rights would have a material adverse effect on the Company's business.

The Company has registered intellectual property rights for the "Vista Land", "Camella", "Crown Asia", "Brittany", "Vista Residences", "Vistamalls" and "Starmall" names, for the names of certain of its real estate products and malls and for trademarks relating to the Company's brands. There can be no assurance that third parties will not assert rights in, or ownership of, the Company's name, trademarks and other intellectual property rights. Because the Company believes that the reputation and track record it has established under its brands is key to its future growth, the Company's business, financial condition and results of operations may be materially and adversely affected by the use of these names and of any associated trademarks by third parties or if the Company was restricted from using such trademarks.

To mitigate the risk, the Company keeps abreast with and ensures compliance with intellectual property laws and regulations, including guidelines and issuances of the Intellectual Property Office of the Philippines. The Company recognizes the importance of its trademarks as among its valuable assets and help distinguish VLL's products and services from competitors. Thus, protection of its trademarks is a priority of VLL.

Adoption of new accounting standards may have potential impact on the financial statement of the Company.

Availment of deferral of PIC Q&A 2018-12 in the adoption of PFRS 15

The SEC issued memorandum circulars providing relief to the real estate industry by deferring the application of the following provisions of PIC Q&A 2018-12 for a period of three (3) years:

- Exclusion of land and uninstalled materials in the determination of percentage of completion (**“POC”**)
- Accounting for significant financing component
- Accounting to Common Usage Service Area (**“CUSA”**)
- Charges Accounting for Cancellation of Real Estate Sales

Effective January 1, 2021, real estate companies will adopt the deferral and any subsequent amendments thereof retrospectively or as the SEC will later prescribe.

The Group availed of the deferral of adoption of the above specific provisions, except for the treatment of CUSA charges wherein the current accounting policy of the Group is consistent with the conclusion of PIC Q&A.

Had these deferred provisions been adopted, it would have the following impact to the financial statements:

- The exclusion of land and uninstalled materials in the determination of POC would reduce the percentage of completion of real estate projects.
- The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments explicit in the contract to sell would constitute a significant financing component. Interest income will be recognized for contract assets and interest expense for contract liabilities using effective interest rate method.
- Upon sales cancellation, the repossessed inventory would be recorded at fair value plus cost to repossess (or fair value less cost to repossess if this would have been opted. Currently, the Group records the repossessed inventory at original cost.

Refer to the 2023 audited consolidated financial statements of the Group for the detailed discussion of the deferral.

March 2019 IFRIC Agenda Decision on Over Time Transfer of Constructed Good (PAS 23, Borrowing Costs)

In March 2019, an IFRIC Update was issued summarizing the decisions reached on the capitalization of borrowing cost on over time transfer of constructed goods. The IFRIC Agenda Decision clarified that the related assets that might be recognized in the real estate company’s financial statements (i.e., installment contract receivable, contract asset, or inventory) will not qualify as a qualifying asset and the corresponding borrowing cost may no longer capitalized.

This will impact the classification and measurement of the Group’s borrowing costs and could have a material and adverse effect on the Company’s financial condition and results of operations.

To mitigate the risk, the Company continuously monitors developments in accounting standards to anticipate its impact on the Company's financial statement.

Any deterioration in the Company’s employee relations could materially and adversely affect the Company’s operations.

The Company’s success depends partially on its ability to maintain a productive workforce. Any strikes, work stoppages, work slowdowns, grievances, complaints or claims of unfair practices or other deterioration in the Company’s employee relations could have a material and adverse effect on the Company’s financial condition and results of operations.

The Company has maintained healthy relationships with its employees. The Company is consistently laying down plans to implement joint activities between management and the employees that will build even stronger and healthier relationships.

RISKS RELATING TO THE PHILIPPINES

Political instability in the Philippines could destabilize the country and may have a negative effect on the Company.

The Philippines has from time to time experienced political and military instability. In the last few years, there has been political instability in the Philippines, including impeachment proceedings against two former presidents and two chief justices of the Supreme Court of the Philippines, hearings on graft and corruption issues against various government officials, and public and military protests arising from alleged misconduct by previous and current administrations. There can be no assurance that acts of election-related or other political violence will not occur in the future, and any such events could negatively impact the Philippine economy. An unstable political environment, whether due to the impeachment of government officials, imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting, could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the Company's business, financial condition and results of operations. The Philippines has also been subject to a number of terrorist attacks since 2000, and the Philippine armed forces have been in conflict with groups that have been identified as being responsible for kidnapping and terrorist activities in the Philippines. In addition, bombings have taken place in the Philippines, mainly in cities in the southern part of the country.

Political instability, acts of terrorism, violent crime and similar events could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, the Company may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations. There can be no assurance that any changes in such regulations or policies imposed by the Philippine government from time to time will not have an adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company has always remained politically neutral to mitigate the risk of being negatively impacted by political instability in the country. Moreover, the Company continuously monitors the country's key political landscape in order to formulate appropriate strategies, as necessary, to address any potential adverse developments. Moreover, most terrorist attacks have mostly occurred in the Mindanao region. No threats from such terrorist activities have so far been made in areas where the Company has operations.

Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, massive flooding, droughts, volcanic eruptions and earthquakes. A number of climate experts believe that climate change is affecting the intensity and severity of these natural catastrophes. The potential effects of global climate change may include longer periods of drought in some regions and an increase in the number, duration and intensity of tropical storms in the country. Authorities may not be prepared or equipped to respond to such disasters. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's housing and land development projects, many of which are large, complex estates with infrastructure, such as buildings, roads and perimeter walls, which are susceptible to damage. Damage to these structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example for physical injuries or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect the Company's business, financial condition and results of operations.

Further, the Company does not carry any insurance for certain catastrophic events, and there are certain losses for which the Company cannot obtain insurance at a reasonable cost or at all. The Company also does not carry any business interruption insurance. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

Due to the risk of changing environmental conditions, all land acquisitions and project launches undergo a thorough technical due diligence process and environmental scanning to identify all potential risks that the project may be exposed to. This technical due diligence process includes environmental studies not just for specific land parcels but for adjacent areas as well. Furthermore, the Company is a member of the Weather Philippines Foundation, a non-profit organization that provides the public free access to accurate and localized weather information that may enable the people to timely respond to severe weather conditions.

Acts of terrorism could destabilize the country and could have a material adverse effect on the Company's assets and financial condition.

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine army has been in conflict with various groups which have been identified as being responsible for kidnapping and terrorist activities in the Philippines as well as clashes with separatist groups. In addition, bombings have taken place in the Philippines, mainly in cities in the southern part of the country. For example, in January 2019, bombs were detonated in the Jolo Cathedral in the Municipality of Jolo, Sulu and a Mosque in Zamboanga City, Zamboanga del Sur. In May 2017, a clash erupted in Marawi, Lanao del Sur between government security forces and the ISIS-affiliated Maute group, following the government's offensive to capture alleged ISIS leader in Southeast Asia, Isnilon Hapilon, who was believed to be in the city. President Duterte immediately declared Martial Law in Mindanao amid protests from the opposition and sectors of civil society. In a special joint session convened on July 22, 2017, both Houses of Congress voted to extend Martial Law until the end of 2017. On October 17, 2017, President Duterte declared the liberation of Marawi City. The clashes resulted in the loss of lives of civilians, soldiers and ISIS-inspired extremists, as well as damage to property and livelihood of Marawi residents. The reconstruction of the city is on-going. On December 13, 2017, both Houses of Congress again granted President Duterte's request to extend Martial law in Mindanao until December 31, 2018. For the third time on December 17, 2018, Martial Law was extended by both Houses of Congress until December 31, 2019. In January 2019, separate petitions were filed with the Supreme Court challenging the third extension of Martial Law in Mindanao. Martial law in Mindanao was lifted on January 1, 2020, however certain areas in Mindanao remain under a state of emergency and law enforcement groups are in heightened security as a measure against potential terror threats.

An increase in the frequency, severity or geographic reach of these terrorist acts, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy. Any such destabilization could cause interruption to our business and materially and adversely affect our financial conditions, results of operations and prospects.

Most terrorist attacks have mostly occurred in the Mindanao region. No threats from such terrorist activities have so far been made in areas where the Company has operations. Nonetheless, the Company adheres to corporate best practices including appropriate risk management in its operations to further manage these risks. As such, the Company has risk and disaster teams in place in case any of the aforementioned scenarios occur.

Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea ("**UNCLOS**"). Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. Actions taken by both sides have threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, a temporary suspension of tours to the Philippines by Chinese travel agencies and the rejection by China of the Philippines' request for arbitral proceedings administered in accordance with the UNCLOS to resolve the disputes.

In 2016, the Permanent Court of Arbitration ruled in favor of the Philippines against China over territorial disputes in the West Philippine Sea. The arbitral tribunal unanimously ruled, among others, that (a) China has "no historical rights" to the resources within the sea areas falling within the "nine -dash line;" (b) Chinese reclamation activity in the West Philippine Sea has caused irreparable damage to the environment, obligating the Chinese government to stop further activities in the West Philippine Sea; and (c) China had violated the Philippines' sovereign rights in its exclusive economic zone by interfering with Philippine fishing and petroleum exploration, constructing artificial islands, and failing to prevent Chinese fishermen from fishing in the zone. However, with no formal enforcement mechanism in place, the territorial dispute in the West Philippine Sea remains contentious.

On 9 June 2019, the fishing vessel F/B Gem-Ver 1 was damaged and sank in Rector Bank due to an alleged collision with a Chinese fishing vessel. This resulted in the endangered lives of 22 fisherfolk. The crew of a Vietnam fishing vessel rescued the Philippine fishermen from their sinking vessel as the latter signaled for help. The incident has prompted Supreme Court Justice Antonio Carpio to release a statement saying that the Philippine government cannot allow Chinese fishermen to fish within the Philippines' exclusive economic zone in the West Philippine Sea as it violates the Philippine Constitution. The Philippines has filed a diplomatic protest with China over the incident. In March 2021, more than 180 Chinese military vessels were spotted on Julian Felipe Reef in the West Philippine Sea. The presence of the vessels defied a diplomatic protest and a demand for the vessels to leave the area issued by Philippine Defense Secretary Delfin Lorenzana.

President Joe Biden has manifested that the U.S. will not and should not be expected to ease up on military operations in the West Philippine Sea. In February 2023, the Philippine and United States governments announced the designation of four new sites in connection with the implementation of the Enhanced Defense Cooperation Agreement. This expansion is viewed to make the alliance between the Philippines and the United States stronger and more resilient. South Asian nations and claimants involved in West Philippine Sea dispute also continue to enforce their sovereign rights against China as well as other South Asian nations.

However, in August 2023, a Chinese Coast Guard vessel fired a water cannon at a Philippine vessel on a supply mission to Second Thomas Shoal, forcing the said vessel to abort its mission.

There is no guarantee that the territorial dispute between the Philippines and other countries, including China, would end or that any existing tension will not escalate further, as China has taken steps to exercise control over the disputed territory. Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted and the Company's operations could be adversely affected as a result.

Volatility in the value of the Philippine Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect the Company's business.

In the recent years, the Philippine economy has experienced volatility in the value of the Philippine Peso and also limitations to the availability of foreign exchange. In July 1997, the BSP announced that the Philippine Peso can be traded and valued freely on the market. As a result, the value of the Philippine Peso underwent significant fluctuations between July 1997 and December 2004 and the Philippine Peso depreciated from approximately ₱29.00 to U.S.$1.00 in July 1997 to ₱56.18 to U.S.$1.00 by December 2004. There is no assurance that the Philippine Peso will not depreciate further against other currencies and that such depreciation will not have an adverse effect on the Philippine economy and the Company's financial condition and results of operation. As of December 29, 2022, according to the BSP reference exchange rate bulletin, the Philippine Peso was at ₱ 55.755 per U.S.$1.00 from ₱50.999 and ₱48.023 per U.S.$1.00 at the end of 2021 and 2020, respectively.

Changes to the value of the Philippine Peso may be the result of certain events and circumstances beyond the Company's control. This may negatively affect the general economic conditions and business environment in the Philippines, which, in turn, could have a material and adverse impact on the Company's business, financial position and financial performance. As of September 13, 2024, the exchange rate between the Philippine Peso and the U.S. dollar quoted on the BSP Reference Exchange Rate Bulletin was U.S.$1.00 = ₱56.0690.

RISKS RELATING TO THE OFFER SHARES

The Offer Shares may not be a suitable investment for all investors

Each potential investor in the Offer Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Offer Shares, the merits and risks of investing in the Offer Shares and the information contained in this Prospectus;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Offer Shares and the impact the Offer Shares will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Offer Shares, including where the currency for principal or dividend payments is different from the currency of the potential investor;

- understand thoroughly the terms of the Offer Shares and be familiar with the behavior of any relevant financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Company's Shares are subject to Philippine foreign ownership limitations.

The Philippine Constitution and Philippine statutes restrict the ownership of private lands to Philippine Nationals. The term Philippine National, as defined under the Foreign Investments Act or Republic Act No. 7042, as amended, means a citizen of the Philippines, or a domestic partnership or association wholly owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals.

Considering the foregoing, as long as the Company or any of the Subsidiaries owns land, foreign ownership in the Company shall be limited to a maximum of 40% of the Company's total issued and outstanding capital stock entitled to vote in the election of directors and total issued and outstanding capital stock, whether or not entitled to vote in the election of directors. Accordingly, the Company cannot allow the issuance or the transfer of Shares to persons other than Philippine Nationals and cannot record transfers in the books of the Company if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign land ownership discussed above. This restriction may adversely affect the liquidity and market price of the Shares to the extent international investors are not permitted to purchase Shares in normal secondary transactions.

Redemption at the option of the Issuer

The Offer Shares are perpetual and have no fixed final maturity date. Holders have no right to require the Company to redeem the Offer Shares at any time and they can only be disposed of by sale in the secondary market. Holders who wish to sell their Offer Shares may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Offer Shares. Therefore, holders of the Offer Shares should be aware that they may be required to bear the financial risks of an investment in the Offer Shares for an indefinite period of time.

Given that the redemption is at the option of the Issuer, the Issuer may redeem the Offer Shares from the holders even prior to the time that the latter would intend to sell their Offer Shares. As and if declared by the Board of Directors of the Issuer, the Issuer may redeem the Offer Shares on the redemption price determined therefor. In such instance, the holders cannot refuse to sell their Offer Shares to the Issuer.

The sale of the Offer Shares or any rights thereto prior to the listing of the Offer Shares cannot be made through the PSE. The Company has filed an application for the listing of the Offer Shares on the PSE.

Prior to the listing of the Offer Shares to the PSE, the sale of subscription rights to the Offer Shares may be treated as sale of shares and subject to documentary stamp tax, capital gains tax (on any gain derived from the sale thereof) or donor's tax (in case of donation or sale of the subscription rights to the Offer Shares for a price below the fair market value of the subscription rights).

Volatility of market price of the Offer Shares

The market price of the Offer Shares could be affected by various factors, including:

- general market, political and economic conditions;
- changes in earnings estimates and recommendations by financial analysts;
- changes in market valuations of listed stocks, in general, and stocks of other conglomerates;
- changes to government policy, legislation or regulations, and
- general operational and business risks.

In addition, many of the risks described within this section could materially and adversely affect the market price of the Offer Shares.

In part as a result of the global economic downturn, the global equity markets have experienced price and volume volatility that has affected the share prices of many companies. Share prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these may adversely affect the market price of the Offer Shares.

Additional Taxes

The sale, exchange or disposition of the Offer Shares after the Offer Period, if made outside the facilities of the PSE is subject to capital gains tax and documentary stamp tax, and if made through the facilities of the PSE (except for a dealer in securities) is subject to stock transaction tax. Changes in laws, rules and regulations may result in additional taxes on the acquisition, disposition, or transfer of the Offer Shares.

For a discussion on the taxes currently imposed by the BIR, please refer to the section on "*Philippine Taxation*" on page 179 of this Prospectus.

Deferral of dividend payment

Dividends on the Offer Shares may not be paid or may be paid in less than full dividends, under the terms and conditions governing the Offer Shares. Holders of the Offer Shares may not receive dividends on a Dividend Payment Date or for any period during which the Company does not have sufficient retained earnings out of which to pay dividends.

The ability of the Company to make dividend payments on the Offer Shares and the Company's ability to make payments on the Company's indebtedness and the Company's contractual obligations and to fund the Company's ongoing operations, will depend on the Company's future performance and the Company's ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this *"Risk Factors and Other Considerations"* section, many of which are beyond the Company's control. If the Company's future cash flows from operations and other capital resources are insufficient to pay the Company's debt obligations, the Company's contractual obligations, or to fund the Company's other liquidity needs, the Company may be forced to sell assets or attempt to restructure or refinance the Company's existing indebtedness. No assurance can be given that the Company would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Subordination to other indebtedness of the Company

The obligations of VLL under the Offer Shares are unsecured and are subordinated obligations to all of the indebtedness of the Company. The rights and claims of holders of the Offer Shares will (subject to the extent permitted by law) rank senior to the holders of the common shares of the Company and *pari passu* with each other.

In the event of the winding-up of the Company, the Offer Shares rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company, which rank or are expressed to rank senior to the Offer Shares. The Offer Shares, however, rank *pari passu* with each other. There is a substantial risk that an investor in the Offer Shares will not receive any return of the principal amount or any unpaid amounts due under the terms of the Offer unless VLL can satisfy in full all of its other obligations ranking senior to the Offer Shares.

There are no terms in the Offer Shares that limit the ability of VLL to incur additional indebtedness, including indebtedness that ranks senior to or *pari passu* with the Offer Shares.

Insufficient distributions upon liquidation

Upon any voluntary or involuntary dissolution, liquidation or winding up of VLL, holders of Offer Shares will be entitled only to the available assets of the Company remaining after the indebtedness of VLL is satisfied. If any such assets are insufficient to pay the amounts due on the Offer Shares, then the holders of the Offer Shares shall share ratably in any such distribution of assets in proportion to the full distributions to which they would otherwise be respectively entitled.

Subordination of payments to the holders of the Offer Shares

VLL has and will continue to have a certain amount of outstanding indebtedness. The current terms of the financing agreements of VLL contain provisions that could limit the ability of the Company to make payments to the holders of the Offer Shares. Also, VLL may in the future, directly or indirectly through its subsidiaries, enter into other financing agreements which may restrict or prohibit the ability of the Company to make payments on the Offer Shares. There can be no assurance that existing or future financing arrangements will not adversely affect the ability of VLL to make payments on the Offer Shares.

Liquidity of the securities market

The Philippine securities markets are substantially less liquid and more volatile than major securities markets in other jurisdictions, and are not as highly regulated or supervised as some of these other markets. The Company cannot guarantee that the market for the Offer Shares will always be active or liquid upon their listing on the PSE.

In addition, the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners are not obligated to create a trading market for the Offer Shares and any such market making will be subject to the limits imposed by applicable law, and may be interrupted or discontinued at any time without notice. Accordingly, the Company cannot predict whether an active or liquid trading market for the Offer Shares will develop or, if such a market develops, if it can be sustained. Consequently, a shareholder may be required to hold his Offer Shares for an indefinite period of time or sell them for an amount less than the Offer Price.

Effect of non-payment of dividends

If dividends on the Offer Shares are not paid in full, or at all, the Offer Shares may trade at a lower price than they might otherwise have traded if dividends had been paid. The sale of Offer Shares during such a period by a holder of Offer Shares may result in such holder receiving lower returns on the investment than a holder who continues to hold the Offer Shares until dividend payments resume. In addition, because of the dividend limitations, the market price for the Offer Shares may be more volatile than that of other securities that do not have these limitations.

Inability to reinvest at a similar return on investment upon redemption

On the Optional Redemption Date, or at any time redemption occurs, VLL may redeem the Offer Shares at the Redemption Price, as described in ''*Description of the Offer Shares''*. At the time of redemption, dividend interest rates may be lower than at the time of the issuance of the Offer Shares and, consequently, the holders of the Offer Shares may not be able to reinvest the proceeds at a comparable dividend interest rate or purchase securities otherwise comparable to the Offer Shares.

Limited voting rights

Holders of the Offer Shares will not be entitled to elect the Board of Directors of the Company. Except as specifically set forth in the Amended Articles of Incorporation of the Company and as provided by Philippine law, holders of the Offer Shares will have no voting rights (see ''*Description of the Offer Shares*''). Holders of the Offer Shares may vote on matters which the Revised Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the articles of incorporation. The following acts require the approval of the shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of VLL in a meeting duly called for the purpose:

- Amendment of the Amended Articles of Incorporation (including any increase or decrease of capital stock);

- Delegation to the Board of Directors of the power to amend or repeal the Amended By-laws or to adopt a new by-laws;

- Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of VLL;

- Incurring, creating or increasing bonded indebtedness;

- Increase or decrease of authorized capital stock;

- Merger or consolidation of VLL with another corporation or corporations;

- Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which VLL was organized;

- Ratification of contracts of a director or an officer with VLL;

- Extension or shortening of the corporate term of VLL;

- Declaration and issuance of stock dividends; and

- Dissolution of VLL.

However, for the amendment of the Amended By-laws of VLL, the approval of the shareholders representing at least a majority of the issued and outstanding capital stock of VLL in a meeting duly called for the purpose is required.

RISKS ASSOCIATED WITH THE PRESENTATION OF CERTAIN INFORMATION IN THIS PROSPECTUS

Certain information contained herein is derived from unofficial publications

Certain information in this Prospectus relating to the Philippines and the industry in which the Company's businesses operate, including statistics relating to market size and market share, is derived from various internal surveys, market research, government data, private publications and/or the Company's internal assumptions and estimates. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable. However, there is no assurance that such information is accurate, complete, up-to-date or consistent with information compiled within or outside the Philippines. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Company nor the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners make any representation or warranty, express or implied, as to the accuracy or completeness of such information

USE OF PROCEEDS

VLL expects that for an issue size of ₱3,000,000,000.00 and after deduction of fees, commissions, and expenses, the net proceeds of the Offer shall amount to approximately ₱2,953,284,577.00. Assuming the Oversubscription Option of up to ₱2,000,000,000.00 is fully exercised or for an issue size of up to ₱5,000,000,000.00, VLL expects total net proceeds of approximately ₱4,936,264,577.00 after deducting fees, commissions, and expenses.

Net proceeds from the Offer are estimated to be at least as follows:

Without the Oversubscription Option: ₱3.0 Billion Issue Size

	Total
Estimated proceeds from the sale of Offer Shares	**₱3,000,000,000.00**
Less: Estimated expenses	
A. Upfront expenses	
Underwriting fee[1]	₱24,750,000.00
Fees to be paid to PSE Trading Participants	750,000.00
Documentary stamp tax	30,030.00
SEC registration fee and Legal research fee	1,830,625.00
Publication fee	166,768.00
Professional fees (excluding OPE)	
• Auditor's fees	5,292,000.00
• Independent counsel's fees and other OPE expenses from professional engagements[2]	3,696,000.00
PSE filing fee (excluding VAT)	5,000,000.00
Stock Transfer, Registry and Paying Agency Fee	2,200,000.00
Marketing expenses and signing ceremony expenses	300,000.00
Total upfront expenses	**₱44,015,423.00**
B. Annual expenses	
Stock transfer agent fee	2,400,000.00
Listing maintenance fee	300,000.00
Total Annual Expenses	**₱2,700,000.00**
Estimated net proceeds	**₱2,953,284,577.00**

With Full Exercise of Oversubscription Option: Up to ₱5.0 Billion Issue Size

	Total
Estimated proceeds from the sale of Offer Shares	**Up to ₱5,000,000,000.00**
Less: Estimated expenses	
A. Upfront expenses	
Underwriting fee[3]	₱41,750,000.00
Fees to be paid to PSE Trading Participants	750,000.00
Documentary stamp tax	50,030.00

[1] The estimated underwriting fee excludes the fees payable to the PSE Trading Participants.
[2] These include fees payable to the Issuer's counsel in respect of the Offer and independent counsel, Atty. Rossan Lee.
[3] The estimated underwriting fee excludes the fees payable to the PSE Trading Participants.

SEC registration fee and legal research fee	1,830,625.00
Publication fee	166,768.00
Professional fees (excluding OPE)	
• Auditor's fees	5,292,000.000
• Independent counsel's fees and other OPE expenses from professional engagements[4]	3,696,000.00
PSE filing fee (excluding of VAT)	5,000,000.00
Stock Transfer, Registry and Paying Agency Fee	2,200,000.00
Marketing expenses and signing ceremony expenses	300,000.00
Total upfront expenses	**₱61,035,423.00**
B. Annual expenses	
Stock transfer agent fee	2,400,000.00
Listing maintenance fee	300,000.00
Total annual expenses	**₱2,700,000.00**
Estimated net proceeds	**₱4,936,264,577.00**

The net proceeds shall be used for refinancing and general corporate purposes. In particular, assuming an issue size of ₱3,000,000,000.00, the net proceeds will be used to refinance various bank loan and corporate note maturities in the aggregate amount of ₱2,773,076,628.07, while ₱180,211,282.26 will be used for general corporate purposes.

The net proceeds from the Offer (assuming an issue size of ₱3,000,000,000.00) will be applied to refinance the loan obligations identified below, in the following order of priority:

Description of Indebtedness	Borrower/ Issuer	Lender/ Holder	Original Principal Amount (in PHP millions unless otherwise indicated)	Maturity	Interest Rate	Outstanding Amount as of March 31, 2024 (in PHP millions unless otherwise indicated)
Bank Loans	Vista Land & Lifescapes, Inc.	BDO Unibank	31,500.00	Various	Various	16,977.63
Bank Loans	Vista Land & Lifescapes, Inc.	Security Bank	1,600.00	22-Dec-26	7.1047%	1,600.00
Corp Notes	Vista Land & Lifescapes, Inc.	Various	5,150.00	29-Dec-26	6.1879%	4,403.25
Corp Notes	Vista Land & Lifescapes, Inc.	Various	4,850.00	29-Dec-26	6.2255%	4,146.75
Corp Note	Vista Land & Lifescapes, Inc.	Various	4,000.00	31-Mar-27	6.6416%	2,888.89
Corp Note	Vista Land & Lifescapes, Inc.	Various	2,000.00	31-Mar-27	7.2359%	1,444.44

[4] These include fees payable to the Issuer's counsel in respect of the Offer and independent counsel.

Corp Note	Vista Land & Lifescapes, Inc.	Various	6,000.00	13-Jul-28	7.7083%	2,999.98
Corp Note	Vista Land & Lifescapes, Inc.	Various	1,700.00	13-Jul-25	7.4913%	424.99
Corp Note	Vista Land & Lifescapes, Inc.	Various	500.00	27-Jul-25	7.4985%	125.00
Bank Loans	Vista Land & Lifescapes, Inc.	Chinabank	2,500.00	28-May-26	4.7500%	1,406.25
Total			59,800.00			36,417.18

The indicative timing of the disbursement of the net proceeds, shall be as follows:

					PRINCIPAL PAYMENT SCHEDULE		
Description	**Borrower/ Issuer**	**Original Principal Amount***	**Maturity**	**Interest Rate**	**3Q2024**	**4Q2024**	**Total**
Bank Loans	Vista Land	31,500.00	Various	Various	325.00	1,538.16	1,863.16
Bank Loans	Vista Land	1,600.00	22-Dec-26	7.1047%	112.00	-	112.00
Corp Note	Vista Land	5,150.00	29-Dec-26	6.1879%	25.75	-	25.75
Corp Note	Vista Land	4,850.00	29-Dec-26	6.2255%	24.25	-	24.25
Corp Note	Vista Land	4,000.00	31-Mar-27	6.6416%	222.22	-	222.22
Corp Note	Vista Land	2,000.00	31-Mar-27	7.2359%	111.11	-	111.11
Corp Note	Vista Land	6,000.00	13-Jul-28	7.7083%	-	166.67	166.67
Corp Note	Vista Land	1,700.00	13-Jul-25	7.4913%	-	70.83	70.83
Corp Note	Vista Land	500.00	27-Jul-25	7.4985%	-	20.83	20.83
Bank Loans	Vista Land	2,500.00	28-May-26	4.7500%	-	156.25	156.25
General Purposes					-	180.21	180.21
Total					**820.33**	**2,132.95**	**2,953.28**

Any deficit arising from the net proceeds from the Offer and the outstanding loan obligations shall be managed using internally generated funds of the Company.

The proceeds from the exercise of the Oversubscription Option shall also be used to refinance certain maturing loan obligations of the Company as well as for general corporate purposes. In particular, assuming an issue size of up to ₱5,000,000,000.00 (with full exercise of the Oversubscription Option), the net proceeds will be used to refinance various bank loans and corporate note maturities of the Company in the aggregate amount of ₱4,896,153,256.13, while ₱40,111,320.87 will be used for general corporate purposes.

The net proceeds from the Offer assuming the full exercise of the Oversubscription Option or an issue size of up to ₱5,000,000,000.00, will be applied to refinance the loan obligations identified below, in the following order of priority:

Description of Indebtedness	**Borrower/ Issuer**	**Lender/ Holder**	**Original Principal Amount (in PHP millions unless otherwise indicated)**	**Maturity**	**Interest Rate**	**Outstandi ng Amount as of March 31, 2024 (in PHP millions**

						unless otherwise indicated)
Bank Loans	Vista Land & Lifescapes, Inc.	BDO Unibank	31,500.00	Various	Various	16,977.63
Bank Loans	Vista Land & Lifescapes, Inc.	Security Bank	1,600.00	22-Dec-26	7.1047%	1,600.00
Corp Notes	Vista Land & Lifescapes, Inc.	Various	5,150.00	29-Dec-26	6.1879%	4,403.25
Corp Notes	Vista Land & Lifescapes, Inc.	Various	4,850.00	29-Dec-26	6.2255%	4,146.75
Corp Note	Vista Land & Lifescapes, Inc.	Various	4,000.00	31-Mar-27	6.6416%	2,888.89
Corp Note	Vista Land & Lifescapes, Inc.	Various	2,000.00	31-Mar-27	7.2359%	1,444.44
Corp Note	Vista Land & Lifescapes, Inc.	Various	6,000.00	13-Jul-28	7.7083%	2,999.98
Corp Note	Vista Land & Lifescapes, Inc.	Various	1,700.00	13-Jul-25	7.4913%	424.99
Corp Note	Vista Land & Lifescapes, Inc.	Various	500.00	27-Jul-25	7.4985%	125.00
Bank Loans	Vista Land & Lifescapes, Inc.	Chinabank	2,500.00	28-May-26	4.7500%	1,406.25
Total			59,800.00			36,417.18

In the event that the net proceeds from the Offer is less than the expected amount, any deficit shall be managed using internally generated funds of the Company.

In the event that the net proceeds from the Offer is less than the expected amount (i.e., the Oversubscription Option is not fully exercised), the Company intends to allocate the proceeds in order of priority as reflected in the table above.

The indicative timing of the disbursement of the net proceeds, including the proceeds from the Oversubscription Option shall be as follows:

					PRINCIPAL PAYMENT SCHEDULE			
Description	**Borrower/ Issuer**	**Original Principal Amount***	**Maturity**	**Interest Rate**	**3Q2024**	**4Q2024**	**1Q2025**	**Total**
Bank Loans	Vista Land	31,500.00	Various	Various	325.00	1,538.16	1,213.16	3,076.32
Bank Loans	Vista Land	1,600.00	22-Dec-26	7.1047%	112.00	112.00	-	224.00
Corp Note	Vista Land	5,150.00	29-Dec-26	6.1879%	25.75	25.75	-	51.50
Corp Note	Vista Land	4,850.00	29-Dec-26	6.2255%	24.25	24.25	-	48.50
Corp Note	Vista Land	4,000.00	31-Mar-27	6.6416%	222.22	222.22	-	444.44
Corp Note	Vista Land	2,000.00	31-Mar-27	7.2359%	111.11	111.11	-	222.22
Corp Note	Vista Land	6,000.00	13-Jul-28	7.7083%	-	166.67	166.67	333.34

Corp Note	Vista Land	1,700.00	13-Jul-25	7.4913%	-	70.83	70.83	141.66
Corp Note	Vista Land	500.00	27-Jul-25	7.4985%	-	20.83	20.83	41.66
Bank Loans	Vista Land	2,500.00	28-May-26	4.7500%	-	156.25	156.25	312.50
General Purposes					-	-	40.11	40.11
Total					820.33	2,448.07	1,667.85	4,936.26

**in PHP millions unless otherwise indicated*

Pending the above use of proceeds, the Company shall invest the net proceeds from the Offer Shares in short-term liquid investments including but not limited to short-term government securities, bank deposits and money market placements which are expected to earn interest at prevailing market rates. In the event such investments should incur losses, any shortfall will be financed from the Company's internally generated funds.

No amount of the proceeds is to be used to reimburse any officer, director, employee, or shareholder, for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

BDO Unibank, Inc., China Banking Corporation and Security Bank Corporation are among the lenders of various bank loans that will be repaid from the net proceeds of the Offer Shares. In addition, China Banking Corporation and Security Bank Corporation are among the holders of the corporate notes to be repaid from the net proceeds of the Offer Shares. Two of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, China Bank Capital Corporation and SB Capital Investment Corporation, subsidiaries of China Banking Corporation and Security Bank Corporation, respectively, also served as mandated lead arrangers and bookrunners for the said corporate notes issuance. In addition, China Banking Corporation, acting through its Trust and Asset Management Group, and Security Bank Corporation, acting through its Trust and Asset Management Group, are also the facility agent for the aforementioned corporate notes. Except for the underwriting fees and expenses in relation to the Offer Shares, no amount of the proceeds will be utilized to pay any outstanding financial obligations to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. Please see section on *"Plan of Distribution"* of this Prospectus.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event that there is any change in the Company's development plan, including force majeure, market conditions and other circumstances, the Company will carefully evaluate the situation and may reallocate the proceeds for future investments or other uses, and/or hold such funds in investments, whichever is better for the Company's and its shareholders' interest taken as a whole. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans. In the event of any substantial deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC, PSE, and the holders of the Offer Shares in writing at least thirty (30) days before such deviation, adjustment or reallocation is implemented.

In addition, the Company shall submit via the PSE's online disclosure system, the Electronic Disclosure Generation Technology ("**EDGE**"), the following disclosures to ensure transparency in the use of proceeds, namely:

i. any material disbursement;
ii. quarterly progress report on the application of the proceeds from the Offer on or before the first fifteen (15) days of the following quarter;
iii. annual summary of the application of the proceeds on or before January 31 of the following year; and
iv. approval by the Board of Directors or the Executive Committee of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least thirty (30) days prior to the said actual disbursement or implementation.

The Company shall submit a certification by the Company's treasurer and external auditor on the accuracy of the information reported by the Company to the PSE, as well as a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Prospectus, if any, in the Company's quarterly and annual reports as required in items (ii) and (iii) above. Such detailed explanation will state the approval of the Board of Directors as required in item (iv) above.

DETERMINATION OF OFFER PRICE

The Offer Price of ₱100.00 per share is at a premium to the par value of the Offer Shares, which is ₱0.10 per share.

The Offer Price was arrived at by dividing the desired gross proceeds of ₱3,000,000,000.00 (or ₱5,000,000,000.00 in the event that the Oversubscription Option is exercised in full) by the amount of Offer Shares. The Issuer has considered various factors in determining the Offer Price of ₱100.00 per share, such as the par value of the Offer Shares and the market price of preferred shares of other issuers, as well as the proceeds to be raised from the Offer.

DILUTION

The Offer Shares will not have any dilutive effect as these are non-voting, non-convertible and non- participating.

PLAN OF DISTRIBUTION

THE OFFER SHARES

The SEC is expected to issue an Order on September 13, 2024 rendering effective the Registration Statement of the Company in connection with the offer and sale to the public of the Offer Shares to be issued within the Offer Period from the effective date of the same Registration Statement.

VLL plans to issue the Offer Shares to institutional and retail investors in the Philippines through a public offering to be conducted through the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. The Offer does not include an international offering.

THE UNDERWRITERS OF THE OFFER

BDO Capital & Investment Corporation, China Bank Capital Corporation, and SB Capital Investment Corporation, pursuant to an Underwriting Agreement with VLL executed on September 13, 2024 (the "**Underwriting Agreement**"), have agreed to act as the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners for the Offer and as such, distribute and sell the Offer Shares at the Offer Price, in consideration of an underwriting fee equivalent to 0.85% of the gross proceeds of the Offer. This shall be inclusive of commissions to be paid to the Trading Participants of the PSE, which shall be equivalent to 0.125% of the total proceeds of the sale of the Trading Participants Offer Shares by the Trading Participants. The Trading Participant's selling commission is inclusive of any value added tax and creditable withholding tax. The latter shall be for the account of the Trading Participant and will be withheld and remitted to the BIR by either the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or the Issuer.

The amounts of the underwriting commitments of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners are as follows:

Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners	**Underwriting Commitment**	
	(in ₱)	(in shares)
BDO Capital	₱1,000,000,000	10,000,000
Chinabank Capital	₱1,000,000,000	10,000,000
SB Capital	₱1,000,000,000	10,000,000
TOTAL	**₱3,000,000,000**	**30,000,000**

In the event of an oversubscription, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, in consultation with the Issuer, reserve the right, but do not have the obligation, to increase the Offer Shares by up to ₱2,000,000,000.00, subject to the applicable requirements of the SEC and PSE. The Oversubscription Option, to the extent exercised during the Offer Period, shall be deemed firmly underwritten by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, in addition to the amounts above. The Issuer, in consultation with the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, shall have the discretion to allocate the Offer between the two (2) subseries at the end of the Offer Period based on the results of bookbuilding.

There is no arrangement for the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to return to VLL any unsold Offer Shares. The Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the Offer Shares being made to VLL. There is no arrangement giving the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners the right to designate or nominate member(s) to the Board of Directors of VLL.

Each of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners are each duly licensed by the SEC to engage in underwriting or distribution of the Offer Shares and have undertaken the requisite due diligence over the Issuer as underwriters of the Offer. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners may, from time to time, engage in transactions with and perform services in the ordinary course of its business for VLL.

None of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners has any direct relations with VLL in terms of ownership by either of their respective major stockholder/s.

BDO Capital & Investment Corporation

BDO Capital is the wholly owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999. It obtained its license to operate as an investment house in 1998 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of March 31, 2024, its total assets amounted to ₱4.20 billion and its capital base amounted to ₱3.93 billion.

China Bank Capital Corporation

Chinabank Capital is the wholly-owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house on November 27, 2015, with SEC Company Registration No. CS201522558 and SEC Investment House License No. CR 01-2015-00279 (renewed on November 23, 2023), as a result of the spin-off of China Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company's services include arranging, managing and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings, and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. Chinabank Capital provides financial advisory services to its clients, such as deal structuring, valuation exercises, and execution of mergers, acquisitions, divestitures, joint ventures, recapitalizations, and other corporate transactions. As of December 31, 2023, it had ₱3.62 billion and ₱3.54 billion in assets and capital, respectively.

SB Capital Investment Corporation

SB Capital Investment Corporation is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. SB Capital Investment Corporation provides a wide range of investment banking services including underwriting of debt and equity securities, project finance, loan syndications, mergers and acquisitions and other corporate/financial advisory services. SB Capital Investment Corporation is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major debt and equity issues. As of December 31, 2023, its total assets amounted to ₱1.93 billion and its capital base amounted to ₱1.88 billion.

ASSIGNED JOINT ISSUE MANAGER, JOINT LEAD UNDERWRITER AND JOINT BOOKRUNNER FOR THE TRADING PARTICIPANTS

The Assigned Joint Issuer Manager, Joint Lead Underwriter and Joint Bookrunner shall coordinate with the Trading Participants and the PSE to facilitate the reservation and allocation of the Series 2A Preferred Shares and Series 2B Preferred Shares among the Trading Participants. Examples of the Assigned Joint Issuer Manager, Joint Lead Underwriter and Joint Bookrunner for the Trading Participants' obligations include: (i) distributing the selling kits to the Trading Participants and confirming with the PSE via email that the selling kits have been sent to all Trading Participants; (ii) conducting the allocation process and preparing the Trading Participant final allocation list; (iii) transmitting the notice of final allocation to participating Trading Participants; (iv) indicating the requested number of Offer Shares by each participating Trading Participant in the allocation report; (v) confirming with the PSE that a notice of final allocation has been delivered to each participating Trading Participant; and (vi) coordinating with the Trading Participants in case the latter have questions or clarifications in relation to the Offer. For more details on responsibilities of the Assigned Joint Issuer Manager, Joint Lead Underwriter and Joint Bookrunner of the Trading Participants, please refer to the applicable Implementing Guidelines.

UNDERWRITER'S FIRM COMMITMENT TO PURCHASE

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners will fully underwrite, on a firm commitment basis, the Base Offer Shares.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the (i) inability of the Company or the Joint Issue Managers, Joint Lead Underwriters and

Joint Bookrunners to sell or market the Offer Shares or (ii) the refusal or failure by the Company, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or any other entity or person to comply with any undertaking or commitment to take up any shares remaining after the Offer Period.

In undertaking the Firm Commitment to Purchase, each of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners hereby manifests its conformity to comply with and be bound by all duly promulgated and applicable listing and disclosure rules, requirements, and policies of the PSE.

SALE AND DISTRIBUTION

The distribution and sale of the Offer Shares shall be undertaken on a firm commitment basis by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners who shall sell and distribute the Offer Shares to third party buyers/investors. The Joint Lead Underwriters and Joint Bookrunners are authorized to organize a syndicate of other underwriters, soliciting dealers and/or selling agents for the purpose of the Offer.

At least 21,000,000 Offer Shares or 70% of the Base Offer Shares are being offered through the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners for subscription and sale to Qualified Buyers, other investors, and the general public (the "**Institutional Offer**"). The Company plans to make available up to 9,000,000 Offer Shares or about 30% of the Base Offer Shares for distribution to active Trading Participants of the PSE acting as Selling Agents and to local small investors ("**LSIs**") under the Local Small Investors Program of the PSE (subject to re-allocation as described below) at the Offer Price (the "**Trading Participants and Retail Offer**"). Up to 6,000,000 Offer Shares or 20% of the Base Offer Shares (the "**Trading Participants Offer Shares**") are being offered to all of the 121 active Trading Participants and up to 3,000,000 Offer Shares or 10% of the Base Offer Shares are being offered to LSIs. Each Trading Participant shall be allocated 49,580 Offer Shares (the "**Allocation per TP**") (computed by dividing the Trading Participants Offer Shares allocated to the Trading Participants by 121). The balance of 820 Offer Shares will be allocated to the Trading Participants as may be determined by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. Trading Participants may undertake to purchase more than the Allocation per TP. Any requests for shares in excess of the Allocation per TP may be satisfied via the reallocation of any Offer Shares not taken up by other Trading Participants.

Any Trading Participants Offer Shares allocated to the Trading Participants but not taken up by them, will be allocated first to the Trading Participants who subscribed for their full allotment and indicated additional demand, at the sole discretion of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

Trading Participants who take up the Trading Participants Offer Shares shall be entitled to a selling fee of 0.125%, of the total proceeds of the sale of Trading Participants Offer Shares by such Trading Participant, inclusive of any value added tax and creditable withholding tax, and will be paid to the participating Trading Participants within fifteen (15) Business Days after the Issue Date.

The allocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer is subject to adjustment as agreed among the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares initially allocated to the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and a corresponding over-application in the Institutional Offer, Offer Shares initially allocated to the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of an over-application or under-application in both the Institutional Offer, on the one hand, and the Trading Participants and Retail Offer, on the other hand.

Any Base Offer Shares not taken up by the Qualified Buyers, Trading Participants, the general public and the clients of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall be purchased by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners pursuant to the terms and conditions of the Underwriting Agreement. Nothing herein or in the Underwriting Agreement shall limit the rights of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners from purchasing the Offer Shares for their own respective accounts.

The obligations of each of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners will be joint but not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. Unless otherwise expressly provided in the Underwriting Agreement, the failure by a Joint Issue Manager, Joint

Lead Underwriter and Joint Bookrunner to carry out its obligations thereunder shall neither relieve the other Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners of their obligations under the same Underwriting Agreement, nor shall any Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner be responsible for the obligation of another Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner.

LOCAL SMALL INVESTORS

On April 16, 2024, the PSE issued Memorandum Circular CN No. 2024-0024 ("**C.N. 2024-0024**") which provides the amendments to Article III, Part F, Section 13 and Article V, Part F of the Consolidated Listing and Disclosure Rules, effective immediately. Under C.N. 2024-0024, the allocation of offer shares to Local Small Investors in follow-on offerings shall be mandatory. As such, the Company will allocate up to 3,000,000 Offer Shares or 10% of the Base Offer Shares to the Local Small Investors through the PSE Electronic Allocation System or "PSE EASy." The procedure in subscribing to offer shares via PSE EASy is indicated in the Company's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. In the event the total demand for the Retail Offer Shares is five (5) times or more than the initial allocation of up to 3,000,000 Offer Shares, the Offer Shares in the Institutional Offer shall be reallocated to the Trading Participants and Retail Offer and the allocation for the Retail Offer Shares shall be increased to 4,500,000 Offer Shares (or 15% of the Base Offer Shares) in accordance with Article III, Part F, Section 4 of the PSE Listing Rules.

"**Local Small Investor**" or "**LSI**" shall mean a share subscriber who is willing to subscribe to a minimum board lot and whose subscription does not exceed ₱100,000.00. In the case of this Offer, the minimum subscription of LSIs shall be 50 Offer Shares or ₱5,000.00.

TRADING PARTICIPANT ALLOCATION PROCESS

Mechanics of Distribution

1. The total number of Offer Shares to be allocated to each Trading Participant is in accordance with the following process:

   a. If the total number of Offer Shares requested by a Trading Participant, based on its Firm Undertaking Report, does not exceed the Allocation per TP, the Assigned Joint Issuer Manager, Joint Lead Underwriter and Joint Bookrunner for the Trading Participants shall fully satisfy the request of such Trading Participant. Each Trading Participant is assured of not less than the Allocation per TP. The balance, if any, shall be re-distributed among those who have signified a commitment to purchase more than the Allocation per TP in their Firm Undertaking Report until all the Trading Participants Offer Shares allotted for distribution are fully allocated.

   b. If the total number of Offer Shares requested by a Trading Participant exceeds the Allocation per TP, additional shares may be sourced from the Offer Shares not taken up by the other Trading Participants. The Assigned Joint Issuer Manager, Joint Lead Underwriter and Joint Bookrunner for the Trading Participants, with guidance from the other Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, shall allocate the Offer Shares to Trading Participants by: (i) fully satisfying the orders of those Trading Participants who have firm orders that are less than or equal to the Allocation per TP; and (ii) distributing equitably the remaining Allocation per TP to other Trading Participants with orders for additional shares, but only up to their respective firm orders.

   c. In no case shall any Trading Participant be awarded more than the shares indicated in its Firm Undertaking Report.

   d. If the aggregate number of Offer Shares requested by all Trading Participants is less than the Trading Participants Offer Shares initially allocated to the Trading Participants and Retail Offer, the balance shall be returned to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners for reallocation.

2. Unless otherwise determined by the Company, in consultation with the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the distribution between the Series 2A Preferred Shares and Series 2B Preferred Shares in the final TP allocation of each Trading Participant shall follow the same proportion of the Series 2A Preferred Shares and Series 2B Preferred Shares as reflected in the relevant

Trading Participant's Firm Undertaking. This will be rounded to the prescribed board lot requirement as described in paragraph 15 of the TP Guidelines.

3. All deadlines indicated in the TP Guidelines shall be strictly followed.

TERM OF APPOINTMENT

The engagement of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall subsist so long as the SEC Permit to Sell remains valid, unless otherwise terminated pursuant to the Underwriting Agreement.

MANNER OF DISTRIBUTION

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall, at their discretion, determine the manner by which proposals for subscriptions to, and issuances of, the Offer Shares shall be solicited, with the sale of the Offer Shares to be effected only through the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners may appoint other entities, including Trading Participants, to sell on their behalf. No Offer Shares are designated to be allocated and sold to any specified persons.

OFFER PERIOD

The Offer Period shall commence at 9:00 a.m. on September 16, 2024 and end at 12:00 noon on September 25, 2024, or such other date as may be mutually agreed between the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners with the approval of the SEC and the PSE, as applicable. The deadline for payment shall be at 12:00 noon on the end of the Offer Period, or on such other dates as may be agreed upon between the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

APPLICATION TO PURCHASE

All applications to purchase the Offer Shares shall be evidenced by a duly completed and signed Application to Purchase, together with two (2) fully executed specimen signature cards authenticated by the Corporate Secretary or equivalent officer with respect to corporate and institutional investors, and shall be accompanied by the proof of payment in full of the corresponding purchase price of the Offer Shares, by check or by the appropriate payment instruction, and the required documents which must be submitted to the Receiving Agent, or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners.

Corporate and institutional purchasers must also submit the following:

(a) a certified true copy of the Applicant's latest articles of incorporation and by-laws and other constitutive documents or equivalent documents, each as amended to date, duly certified by the corporate secretary or equivalent officer;

(b) the Applicant's SEC certificate of registration, duly certified by the corporate secretary or equivalent officer;

(c) a duly notarized corporate secretary's certificate or equivalent document setting forth the resolution of the Applicant's board of directors or equivalent body authorizing (i) the purchase of the Offer Shares indicated in the application and (ii) the designated signatories for the purpose, including their respective specimen signatures;

(d) certified true copy of latest General Information Sheet ("**GIS**") duly certified by the corporate secretary or equivalent officer;

(e) photocopy of any one (1) of the following valid IDs: Philippine Identification Card, passport/driver's license, company ID, Social Security System/Government Service and Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank or the Receiving Agent, as applicable;

(f) two (2) duly accomplished signature cards with specimen signatures of the signatory or signatories of the Application to Purchase; and

(g) such other documents as may be reasonably required by the Trading Participants or Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in compliance with its internal policies regarding "knowing your customer", anti-money laundering and combating the financing of terrorism.

Individual Applicants must also submit a photocopy of any one of the following valid IDs: Philippine Identification Card, passport/driver's license, company ID, Social Security System/Government Service Insurance System ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank.

For Applications to Purchase to be submitted by the Trading Participants or LSIs, please refer to the applicable Implementing Guidelines.

An Applicant who is exempt from or is not subject to withholding tax or who claims reduced tax treaty rates shall, in addition, be required to submit the following requirements to the relevant Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner (together with their applications) who shall then forward the same to the Registrar and Paying Agent, subject to acceptance by the Company as being sufficient in form and substance:

1. Tax Residency Certificate for the period when the treaty rate is claimed, duly issued by the tax authority of the foreign country in which the income recipient is a resident.

2. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing payment/remittance of income.

3. Notarized Special Power of Attorney ("**SPA**") issued by the nonresident taxpayer to his/her authorized representative(s), which shall expressly state the authority to sign the Application Form as well as to file the tax treaty relief application or Request for Confirmation.

4. When applicable, proof that shareholding in respect of which dividends are paid is not effectively connected with a permanent establishment of the foreign enterprise in the Philippines.

Depending on the circumstances of the Applicant, additional/special requirements may be requested in accordance with existing rules and regulations issued by the BIR.

In case, the non-resident corporate taxpayer wishes to, instead, avail of the benefits of the tax sparing under the National Internal Revenue Code, it will have to submit the following documents:

1. Original copy of apostilled/duly authenticated Tax Residence Certificate issued by the tax authority of the country of domicile.

2. Original apostilled/duly authenticated copy of the non-resident foreign corporation's ("**NRFC**") articles of incorporation or proof of establishment in its country of residence.

3. Original copy of apostilled/duly authenticated SPA issued by NRFC to its authorized representative.

As in request for confirmation/tax treaty relief application, additional/special requirements may be requested in accordance with existing rules and regulations issued by the BIR.

In both cases, an original of the duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status, undertaking to immediately notify the Company and the Registrar and Depository Agent of any suspension or revocation of its tax exempt status and agreeing to indemnify and hold the Company, the Registrar and Depository Agent and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax will have to be submitted.

The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall be responsible for accepting or rejecting any application or scaling down the amount of Offer Shares applied for. The application, once accepted, shall constitute the duly executed purchase agreement covering the amount of Offer Shares so accepted and shall be valid and binding on the Company and the Applicant. The Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall advise the Selling Agents of any Applications that were rejected and/or scaled down, with copy to the Company. While the application shall constitute a valid and binding agreement once accepted, actual issuance of the Offer Shares is conditioned upon the listing of the Offer Shares.

MINIMUM PURCHASE

A minimum purchase of 50 Offer Shares shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of 10 Offer Shares.

PAYMENT FOR THE OFFER SHARES

The Offer Price of the Offer Shares must be paid in full in Philippine Pesos upon submission of the Application to Purchase, together with the requisite attachments, or in the case of Local Small Investors, upon the completion of the subscription process under the PSE Electronic Allocation System or "PSE EASy". Any and all bank charges, remittance fees, and all relative charges and fees shall be for the account of the Applicant.

Payment by the Trading Participants shall be in the form of:

(a) a Metro Manila clearing manager's/cashier's check, corporate check or personal check drawn against any Bangko Sentral ng Pilipinas authorized bank or any branch thereof located in Metro Manila having a clearing period of not more than one (1) Banking Day. Depending on the Series subscribed, all checks should be made payable to "VLL FOO 2A" or "VLL FOO 2B" crossed "Payee's Account Only," and dated the same date as the Application.

(b) Check and Cash payment. Deadline for check payments and cash payments is at 12:00 noon on September 25, 2024, the last day of the Offer Period

Participating TPs may coordinate with the Receiving Agent for other modes of payment and shall strictly adhere to the procedures to be imposed by the Receiving Agent for such other mode of payment.

For payments through banks, no applications shall be considered accepted until the funds for payment through BDO branches have been credited to the nominated bank account in cleared funds. Along with the other Application Documents, Participating TPs should send the proof of payment clearly indicating the Participating TP's company name to the Receiving Agent via email to bdoreceivingagent@bdo.com.ph.

Payment by the Local Small Investors shall be made either by:

(a) Over-the-counter cash or check deposit payment in any BDO branch via Bills Payment under the biller name:
- For VLL Series 2A Preferred Shares - **"BDO TIG AS RECEIVING AGENT 004" Institution Code - 2813**.
- For VLL Series 2B Preferred Shares - "**BDO TIG AS RECEIVING AGENT 001" Institution Code – 0695**

For check payments, only personal or corporate checks, and manager's or cashier's checks with a clearing period of not more than one Banking Day and drawn against any BSP authorized agent bank will be accepted.

The check must be dated as of the date of submission of the Application and made payable to:
- For VLL Series 2A Preferred Shares - **"BDO TIG AS RECEIVING AGENT 004"**
- For VLL Series 2B Preferred Shares **-"BDO TIG AS RECEIVING AGENT 001"**

and crossed "Payee's Account Only". Checks subject to clearing periods of over one (1) Banking Day shall not be accepted.

Deadline for cash and check payments is at 12:00 noon on September 25, 2024

(b) Digital Banking Bills Payment via BDO Online Banking or BDO Mobile Banking under the biller name:
- For VLL Series 2A Preferred Shares - "**BDO TIG AS RECEIVING AGENT 004**",
- For VLL Series 2B Preferred Shares **-**"**BDO TIG AS RECEIVING AGENT 001**".

Deadline for online payments is at 12:00 noon on September 25, 2024.

For more details on the procedures for the application to the Offer, please refer to the Company's LSI Guidelines and TP Guidelines which will be published on the PSE EDGE website prior to the start of the Offer Period.

REFUNDS

In the event an Application is rejected or the amount of Offer Shares applied for is scaled down, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, upon receipt of such rejected or scaled down Applications, shall notify the Applicant concerned that his Application has been rejected or the amount of Offer Shares applied for is scaled down, and return or refund the amount paid by the Applicant with no interest thereon. With respect to an Applicant whose Application was rejected, the Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner, the Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, shall return the check payment of or refund the amount paid by the Applicant concerned. With respect to an Applicant whose Application has been scaled down, refund shall be made by the concerned Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner, the concerned Selling Agents, the concerned Trading Participant, or the Receiving Agent, as may be applicable, by way of issuance of its own check payable to the order of the Applicant and crossed "Payees' Account Only" corresponding to the amount in excess of the accepted Application or through other means as may be agreed between the Applicant and the relevant Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner, Trading Participant, Selling Agents, or Receiving Agent. All checks shall be made available for pick up by the Applicants concerned at the office of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Trading Participants, or the Receiving Agent, as may be applicable, to whom the rejected or scaled down Application was submitted within five (5) Business Days after the last day of the Offer Period. Any checks that remain unclaimed after fifteen (15) days from the Issue Date shall be mailed or delivered, at the risk of the Applicant, to the address specified in the Application to Purchase. The Company shall not be liable in any manner to the Applicant for any check payment corresponding to any rejected or scaled-down Application which is not returned by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Selling Agent, the Trading Participants, or the Receiving Agent, as may be applicable; in which case, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, the Selling Agents, the Trading Participants, or the Receiving Agent, as may be applicable, shall be responsible directly to the Applicant for the return of the check or otherwise the refund of the payment.

SECONDARY MARKET

VLL may purchase the Offer Shares, then tradeable at that time, at any time without any obligation to make pro rata purchases of Offer Shares from all shareholders.

REGISTRY OF SHAREHOLDERS

The Offer Shares will be issued in scripless form through the electronic book-entry system of BDO Unibank, Inc. - Trust and Investments Group as Registrar for the Offer Shares and lodged with Philippine Depository & Trust Corp. as Depository Agent on Issue Date through the Trading Participants nominated by the Applicants. Applicants shall indicate in the proper space provided for in the Application to Purchase the name of the Trading Participant under whose name their Offer Shares will be registered. After Issue Date, shareholders may request the Registrar, through their nominated Trading Participant, to (a) open a scripless registry account and have their holdings of the Offer Shares registered under their name, or (b) issue stock certificates evidencing their investment in the Offer Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting shareholder.

Legal title to the Offer Shares will be shown in the Registry of Shareholders which shall be maintained by the Registrar (the "**Registry of Shareholders**"). The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Offer Shares that is effected in the Registry of Shareholders (at the cost of the requesting shareholder).

The Registrar shall send (at the cost of the Company) at least once every quarter a statement of account to all shareholders named in the Registry of Shareholders, except certificated shareholders and depository participants, confirming the number of Offer Shares held by each shareholder on record in the Registry of Shareholders. Such statement of account shall serve as evidence of ownership of the relevant shareholder as of the given date thereof.

Any request by the shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting shareholder.

For scripless shares, the maintenance and custody fee payable to the PDTC shall be for the account of the shareholder.

EXPENSES

All out-of-pocket expenses, including but not limited to, registration with the SEC and the PSE, printing, publication, communication and signing expenses incurred by the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in the negotiation and execution of the transaction will be for the account of VLL irrespective of whether the transaction contemplated herein is completed. Such expenses are to be reimbursed upon presentation of a composite statement of account. See "*Use of Proceeds*" for details of the estimated expenses.

WITHDRAWAL OF THE OFFER

The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and the PSE.

The Company may also withdraw the offer and sale of the Offer Shares at any time on or after the commencement of the Offer Period and prior to the Listing Date, if there is a supervening force majeure or fortuitous event, such as:

a. An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or occurrence of any change in local, national or international financial, political, or economic conditions which in the reasonable opinion of the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Shares in the manner contemplated by the Underwriting Agreement or this Prospectus, or would have a material adverse effect on the distribution, offer and sale of the Offer Shares in the Philippines, rendering it impracticable or inadvisable to proceed with the Offer in the manner contemplated by the Prospectus;

b. Issuance of an order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution, or listing of the Offer Shares by any court or governmental agency or authority having jurisdiction on the matter, the BSP, the SEC or the PSE;

c. Cancellation, revocation or termination of the PSE Notice of Approval, the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell;

d. Cancellation or suspension of trading in the PSE for at least three (3) consecutive trading days, or in such manner or for such period as will render impracticable the listing and trading of the Offer Shares on the Listing Date or such other date as may be approved by PSE;

e. A change or impending change in the law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; or (b) the capacity and due authorization of the Issuer to offer and issue the Offer Shares and enter into the transaction documents in connection with the Offer, or (ii) would render illegal the performance by any of the Joint Issue Managers, Joint Lead Underwriters and Bookrunners of their respective obligations hereunder;

f. Any significant, adverse, and unforeseeable change or development in the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Shares unsuitable for offering to the public;

g. The Issuer decides to or is compelled by any competent court or government authority to stop its operations which is not remedied within five (5) Business Days from such decision of the Issuer or competent court or government authority (as the case may be);

h. The Issuer and the Subsidiaries, taken as a whole, shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or (ii) the Issuer and the Subsidiaries, taken as a whole, shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or (iii) such receiver, trustee or similar officer shall be appointed; or (iv) the Issuer and the Subsidiaries, taken as a whole, shall initiate or institute (by petition, application or otherwise howsoever), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation, or similar proceeding relating to it under the laws of any jurisdiction; or (v) any such proceeding shall be instituted against the Issuer and the Subsidiaries, taken as a whole; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part thereof, of the assets of the Issuer and the Subsidiaries, taken as a whole; or (vi) any event occurs which under the laws of the Philippines or to other jurisdictions, any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;

i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;

j. Any court proceeding, litigation, arbitration or other similar proceeding is commenced or threatened against the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in connection with or with respect to the issuance or sale by the Issuer of the Offer Shares or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;

k. Any event occurs which makes it impossible for the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to perform their underwriting obligations due to conditions beyond their control, such as issuance by any court, arbitral tribunal, or government agency which has jurisdiction on the matter of an order restraining or prohibiting the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or directing the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to cease, from performing their underwriting obligations;

l. Any representation, warranty or statement of the Issuer in the Prospectus shall prove to be untrue or misleading in any material respect or Issuer shall be proven to have omitted a material fact necessary in order to make the statements in the Prospectus not misleading, which untruth or omission: (a) was not known and could not have been known to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners on or before commencement of the Offer Period despite the exercise of due diligence, and (b) has a material and adverse effect on the Issuer’s long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, provided the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners shall grant the Issuer a period of five (5) Banking Days from the date of consultation to effect such corrective measures;

m. Unavailability of PDTC and PSE facilities used for the Offer and/or Listing and such unavailability effectively prevents the ability of the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners to fully comply with the listing requirements of PSE, if the impact of such unavailability on the listing of the Offer Shares remains unresolved after discussions between the Issuer and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners in good faith; and

n. Any force majeure event, other than the events enumerated above, that has material and adverse effect on the Issuer’s long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

The Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer’s or Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners’ inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or any other entity or person to take up any shares remaining after the Offer Period.

Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an Applicant shall take place only upon the listing of the Offer Shares on the PSE. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to Listing Date pursuant to this section of the Prospectus, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.

Notwithstanding the foregoing, the Company and the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners recognize and acknowledge that the PSE, in the exercise of its authority as a self-regulatory organization and further to its mandate to maintain a fair and orderly market, may impose appropriate sanctions and penalties on the Company and/or the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners for the cancellation of the Offer if subsequently, the PSE makes a determination that the cancellation, suspension or termination of the offer and/or the underwriting commitment was not warranted based on the facts gathered by PSE after proper evaluation and after due and proper proceedings initiated by the PSE not later than five (5) Business Days after such cancellation, suspension or termination.

DESCRIPTION OF THE BUSINESS

OVERVIEW

Vista Land is one of the leading integrated property developers in the Philippines and the largest homebuilder in the country overall. For the years ended December 31, 2021, 2022, 2023 and the three months ended March 31, 2024, the Company recorded consolidated revenues from real estate sales of ₱17,397.93 million, ₱12,789.88 million, ₱15,228.48 million and ₱5,559.07 million, respectively. Vista Land provides a wide range of residential products to its customers across all income segments and has recently expanded into the retail mall and BPO segments via the acquisition of Vistamalls. Since it commenced operations in 1977, Vista Land has built over 500,000 homes. The Company has various horizontal and vertical projects in 147 cities and municipalities across 49 provinces in the country in various stages of development and level of sales. For its leasing portfolio, it has a company-wide occupancy of 87.0%.

Vista Land's primary business has historically been the development and sale of horizontal real estate projects, which comprise residential lots and units in the affordable, upper mid-cost and high-end housing segments. In addition, Vista Land develops and sells vertical residential projects, including low- to high-rise condominium developments. In terms of sales mix, 49.2% of residential sales are house and lot sales while the remaining 50.8% are sales of condominium units as of March 31, 2024. For the same period, the Company believes that it has the largest market share in the "house and lot" segment among the top seven listed real estate developers. The Company harnesses almost 50 years of professional expertise in residential real estate development and believes it has established a nationwide presence, superior brand recognition and proven track record in homebuilding. Its projects include master-planned developments and stand-alone residential subdivisions which offer lots, house and lots and condominium units to customers in the affordable, upper mid-cost and high-end market segments. The Company has developed numerous "themed" housing and land development projects inspired by Mediterranean, Swiss, Italian, American, Caribbean and American Southern architecture and design. The Company believes that strict attention to detail in the execution of these themed communities helps to distinguish it from other companies.

The Company currently owns 88.3% of the outstanding common capital stock of Vistamalls. Vistamalls is a major developer, owner and operator of retail malls in the Philippines focusing on establishing operating malls in densely populated areas underserved by similar retail malls and located in close proximity to transport hubs and key infrastructure. It also develops and operates BPO commercial centers.

In 2022, the Company launched Vista Estates. Vista Estates is Vista Land's collection of vast master planned communities offering unique, premium and sustainable lifescapes which provide its guests, residents, and investors with limitless growth opportunities. The development is comprised of business parks and IT zones, institutional complexes, such as learning institutions, places of worship, events venues, and healthcare centers, commercial and retail districts, leisure and wellness hubs, and horizontal and vertical residential enclaves. Vista Estates transcends the typical standards of a master planned megalopolis by building cities-within-cities that are inspiring in vision, compelling in creativity, and grand in diversity. As of March 31, 2024, the Company has launched a total of 26 Vista Estate projects across the country.

As of March 31, 2024, the Company's developments could be found in 147 cities and municipalities in 49 provinces throughout the Philippines. Most of the Company's developments are outside major central business districts. In 2024, the Company launched 4 projects located throughout the Philippines. The Company also has an extensive nationwide land bank available for future development. As of March 31, 2024, the Company owned approximately 2,422.50 hectares of raw land ready for development, with an additional 411.20 hectares available for development under joint venture agreements. See *"Business — Joint Ventures"* in this Prospectus.

The Company operates its residential and commercial property development business through six distinct business units. Camella Homes, Communities Philippines, Crown Asia, Brittany, and Vista Residences are focused on residential property development, while Vistamalls is involved in commercial property development. Briefly, these business units may be distinguished as follows:

- *Camella Homes.* For over 40 years, Camella Homes has serviced the affordable housing segment (houses priced between *₱3*.0 million and *₱12.0 million*) in the Mega Manila area. It markets its houses primarily under the "Camella" brand. According to the 2022 Philippine Survey and Research Center ("**PSRC**") "MANA 2022" Study, Camella was acknowledged as the most preferred brand overall in the Philippine housing market, with a brand awareness rate of 93%. As of March 31, 2024, Camella Homes recorded ₱1,344.53 million in real estate revenues, representing 24.2% of the Company's total real estate revenues;

- *Communities Philippines*. Communities Philippines and its subsidiaries offer residential properties outside the Mega Manila area under the "Camella" and "Crown Asia" brands. In the last five years, majority of Communities Philippines' new projects were launched under the "Camella" brand, the Company's affordable housing brand. The Company believes that Communities Philippines and its subsidiaries have the widest coverage of developments in the regions outside Mega Manila by any homebuilder in the Philippines and utilizes mostly Camella Homes' expertise and designs to offer houses in areas outside of the Mega Manila area that it believes are on par, in terms of quality, with the developments in the Mega Manila area. As of March 31, 2024, Communities Philippines and its subsidiaries recorded ₱1,990.48 million in real estate revenues, representing 35.8% of the Company's total real estate revenues;

- *Crown Asia*. Crown Asia caters to the upper middle-income housing segment in Mega Manila, primarily offering houses priced between ₱6.0 million and ₱35.0 million. As of March 31, 2024, Crown Asia recorded ₱329.92 million in real estate revenues, representing 5.9% of the Company's total real estate revenue.

- *Brittany*. Brittany caters to the high-end market segment in Mega Manila, offering luxury houses in master-planned communities, priced between ₱10.0 million and ₱100.0 million. As of March 31, 2024, Brittany recorded ₱478.01 million in real estate revenues, representing 8.6% of the Company's total real estate revenues;

- *Vista Residences*. Vista Residences offers vertical residential projects in the Mega Manila area in the low to upper mid-cost housing segments. Vertical home projects generally involve longer project development periods as well as facilities, amenities and other specifications not often found in horizontal homes. As of March 31, 2024, Vista Residences recorded ₱1,416.14 million in real estate revenues, representing 25.5% of the Company's total real estate revenues;

- *Vistamalls*. Vistamalls is a major developer, owner and operator of retail malls in the Philippines and also develops and operates BPO commercial centers. As of March 31, 2024, Vistamalls, through its subsidiaries, recorded ₱4,180.00 million in rental revenues representing 40.8% of the Group's total revenue.

As of March 31, 2024, the Company had the following real estate inventories of horizontal and vertical residential projects in various stages of developments:

	For the three months ended March 31, 2024 (in ₱ millions)
Camella Homes, Inc.	₱20,423.35
Communities Philippines, Inc. …………..	21,633.82
Crown Asia Properties, Inc.	2,491.74
Brittany Corporation ……....................	4,085.23
Vista Residences, Inc. …………………	5,579.00
TOTAL INVENTORY AVAILABLE	**₱54,213.14**

For the first three (3) months of 2024, the Company also launched a total of 4 residential projects with an estimated project value of about ₱10,100.00 million, consisting of 1 project for the affordable housing segment, 2 middle segment projects and 1 upper middle segment project. The projects were launched in Metro Manila, Ilocos Sur, Ilocos Norte, and Bukidnon.

For the years ended December 31, 2021, 2022, 2023, and for the three months ended March 31 2024, Vista Land recorded:

- ₱29,631.97 million, ₱28,840.82 million, ₱33,961.09 million, and ₱10,244.3 million of total revenue;

- ₱11,690.79 million, ₱13,650.46 million, ₱16,252.91 million, and ₱5,630.42 million of total operating income; and

- ₱6,967.25 million, ₱7,392.65 million, ₱10,292.07 million, and ₱3,225.56 million of net income.

As of December 31, 2021, 2022, 2023, and March 31, 2024, respectively, Vista Land had:

- ₱313,986.63 million, ₱322,214.07 million, ₱342,401.15 million, ₱347,168.64 million of total assets; and

- ₱201,459.70 million, ₱198,563.87 million, ₱209,539.79 million, ₱214,327.27 million of total liabilities.

The following tables sets out the contribution of each housing subsidiary as a percentage of total real estate sales for the periods indicated.

	For the years ended 31 December						**For the three months ended March 31, 2024**
Development	**2021**		**2022**		**2023**		
Camella Homes, Inc.	41.4%		23.2%		29.4%		24.2%
Communities Philippines, Inc. …………..	38.6%		43.7%		39.8%		35.8%
Crown Asia Properties, Inc.......................	2.7%		4.0%		3.7%		5.9%
Brittany Corporation …………………….	2.9%		9.5%		6.4%		8.6%
Vista Residences, Inc. …………………….	14.4%		19.6%		20.7%		25.5%

The following tables sets out the contribution of each subsidiary as a percentage of total revenues for the periods indicated.

	For the years ended 31 December						**For the three months ended March 31, 2024**
Development	**2021**		**2022**		**2023**		
Camella Homes, Inc.	24.3%		10.3%		13.2%		13.1%
Communities Philippines, Inc. …………..	22.6%		19.4%		17.8%		19.4%
Crown Asia Properties, Inc.......................	1.6%		1.8%		1.7%		3.2%
Brittany Corporation …………………….	1.7%		4.2%		2.9%		4.7%
Vista Residences, Inc. …………………….	8.5%		8.7%		9.3%		13.8%
Vistamalls, Inc. ……………………………	31.4%		47.6%		47.2%		40.8%

The following tables sets out the contribution of each subsidiary as a percentage of net income for the periods indicated.

	For the years ended 31 December						**For the three months ended March 31, 2024**
Development	**2021**		**2022**		**2023**		
Camella Homes, Inc.	43.0%		10.7%		10.4%		16.4%
Communities Philippines, Inc. …………..	40.1%		26.4%		21.6%		30.7%
Crown Asia Properties, Inc.......................	1.7%		0.1%		0.7%		3.9%
Brittany Corporation …………………….	1.6%		8.2%		2.9%		8.4%
Vista Residences, Inc. …………………….	11.6%		8.5%		5.6%		25.9%
Vistamalls, Inc. ……………………………	65.0%		99.4%		75.5%		66.8%

HISTORY

Vista Land & Lifescapes, Inc. was incorporated in the Republic of the Philippines on February 28, 2007 and is the holding company of a group of six (6) directly-owned subsidiaries that are engaged mainly in developing residential subdivisions and constructing housing and condominium units in the Philippines. The sixth subsidiary, Vistamalls, Inc., is engaged in the operation and development of commercial properties for lease.

Corporate Name	Date of Incorporation	Business Unit
Camella Homes, Inc.	December 8, 1994	Camella Homes
Communities Philippines, Inc.	April 12, 1996	Communities Philippines
Crown Asia Properties, Inc.	August 31, 1995	Crown Asia
Brittany Corporation	May 29, 1984	Brittany
Vista Residences, Inc.	October 29, 2009*	Vista Residences
Vistamalls, Inc. ………………………..	22 December 2015*	Vistamalls

* *Date acquired.*

The Company offers a range of products from affordable housing to middle income and high-end housing, as well as various types of subdivision lots, vertical condominium developments, retail malls and BPO offices.

On March 29, 2007, the Company entered into an exchange agreement with Fine, Polar Property Holdings Corp., Adelfa Properties, Inc., Althorp Holdings, Inc. and Cambridge Group, Inc. whereby those companies sold all of their shares in the Company's subsidiaries to the Company in exchange for 4,528,801,106 shares issued by the Company out of its capital stock. This resulted in the Company owning substantially all of the outstanding shares of its directly-owned subsidiaries including Brittany, Crown Asia Properties (North), Inc., Crown Asia Properties, Inc., Crown Communities Holdings, Inc., Crown Communities (Davao), Inc., Crown Communities (Iloilo), Inc., Crown Communities (Cebu), Inc. and Crown Communities (Pampanga), Inc.

On April 25, 2007, the Company entered into an agreement with Fine and Brittany whereby Fine subscribed to 3,020,149,650 common shares of the Company, and Fine and Brittany transferred to the Company 3,020,149,650 shares of Camella Homes. The Company subsequently acquired 1,858,241,046 shares of Camella Homes from shareholders other than Fine and Brittany through a tender offer whereby each share in Camella Homes was exchanged for one share in the Company. Following the share transfer from Fine and Brittany and tender offer, the Company owned 4,878,390,696 shares in Camella Homes representing 99.34% of the total outstanding capital stock of Camella Homes as of June 15, 2007.

On May 24, 2007, the PSE approved the listing by way of introduction of the entire outstanding capital stock of the Company, consisting of 6,388,042,152 common shares. The Company's common shares were listed on the First Board of the PSE on June 25, 2007.

On October 29, 2009, the Company acquired Polar Mines Realty Ventures, Inc., and subsequently changed its name to Vista Residences, Inc. in order to strengthen Vista Land's presence in the vertical housing segment.

On December 22, 2015, the Company acquired common shares representing approximately 79.43% of the total outstanding capital stock of Vistamalls, Inc. from Fine, Althorp Holdings, Inc., Manuela Corporation, Mr. Manuel B. Villar, Jr. and Mr. Manuel Paolo A. Villar. On February 23, 2016, the Company acquired additional common shares in Vistamalls representing 8.82% of the latter's total outstanding capital stock. Vistamalls is a major developer, owner and operator of retail malls in the Philippines. It also develops and operates BPO commercial centers. At the time of its acquisition, Vistamalls, through its subsidiaries, owned and operated 10 retail malls in key cities and municipalities in the Philippines with an aggregate GFA of 378,385 square meters and two BPO commercial centers in Metro Manila, with a combined GFA of 131,000 square meters and leases with BPO tenants employing approximately 15,000 employees. See *"— Vistamalls."*

SUBSIDIARIES AND AFFILIATES

Camella Homes. The operations of Camella Homes can be traced back to 1977 through its wholly owned subsidiary, Household Development Corporation ("**HDC**"). HDC is focused on the development of low-cost standardized housing targeted at homebuyers who rely on Government-assisted financing. At the time, HDC conducted its activities in southern and south-western Metro Manila as well as the surrounding areas, and its homes were marketed as "Camella Homes." In 1983, Camella Homes established a wholly owned subsidiary, Palmera Houses, Inc., to focus on real estate development activities in northern and eastern Metro Manila and the surrounding areas. In 1991, Camella Homes widened the scope of its activities to include the development of larger planned communities with the commencement of the first phase of Springville City in the province of

Cavite, a development which now encompasses approximately 240 hectares. In 1993, Camella Homes expanded its operations to include socialized housing developments, marketing these homes under the "Carissa" brand name. Camella Homes was listed on the PSE in 1995 as "C&P Homes." On October 30, 2007, the SEC approved the merger between Palmera Homes, Inc., Eastridge Estates, Inc., Ridgewood Estates, Inc. and HDC, the latter being the surviving entity. All of these entities are within the group of Camella Homes.

Communities Philippines. Communities Philippines and its subsidiaries offer residential properties outside the Mega Manila area in the affordable and middle-income segments. Communities Philippines' regional development efforts started in Cebu, Cagayan de Oro and Pangasinan. In 1996, Communities Philippines extended its nationwide presence by making its initial investment in Northern Luzon. Since then, Communities Philippines has launched a number of projects in 30 provinces, covering most of the Philippines' main urban areas including Pangasinan, Pampanga, Bulacan, Batangas, Iloilo, Cebu, Leyte, Misamis Oriental, Davao del Sur and General Santos.

Crown Asia. Crown Asia Properties, Inc. and Crown Asia Properties (North), Inc. were established to cater primarily to the upper middle-income housing segment. Since 1996, Crown Asia Properties, Inc. and Crown Asia Properties (North), Inc. have launched a large proportion of their projects under the "Crown Asia" brand name. Among these developments are La Mediterranea in Dasmariñas, Cavite, Maia Alta in Antipolo City, La Brea in Fairview, Quezon City, Citta Italia in Imus, Cavite and Residenza in Bacoor, Cavite. On August 13, 2008, the SEC approved the merger between Symmetrical Ventures, Inc., Crown Asia Properties (North), Inc. and Crown Asia Properties, Inc., the latter being the surviving entity.

Brittany. Established in 1984, Brittany Corporation was initially engaged primarily in the land banking business through direct acquisitions and joint venture arrangements. Brittany's first development, the La Residencia de Bacoor, was launched in 1993. From 1995 to 2000, Brittany launched successive signature projects including Belle Reve in Laguna, Crosswinds in Tagaytay City, Promenade and Fontamara in Laguna and Island Park in Dasmariñas, Cavite. Brittany expanded its operations in the high-end market with the launch of La Posada at Brittany Bay in 2001 and Portofino Heights in 2002. In 2004, Brittany entered the condominium market with the launch of its first residential condominium project called "Viera at Brittany Bay" located at Sucat, Muntinlupa.

Vista Residences. The Company acquired 100% of the voting shares of Polar Mines Realty Ventures, Inc. from Polar Property on October 29, 2009. On December 4, 2009, the Company's Board of Directors approved the change of the corporate name from "Polar Mines Realty Ventures, Inc." to "Vista Residences, Inc." and on January 29, 2010, the SEC approved the change of name. Vista Land had only begun developing vertical homes five years before the acquisition of Polar Mines Realty Ventures, Inc., which had a particular focus on the development and sales of residential high-rise condominium projects across the Philippines. The acquisition of Polar Mines Realty Ventures, Inc. was designed to increase Vista Land's presence in the vertical homes segment. The name change to Vista Residences, Inc. was designed to consolidate the development and sales of all of Vista Land's vertical and high-rise condominium projects under the brand name "Vista Residences," thus creating a uniform, clear and strong market identity for the Company's vertical development projects.

Vistamalls. Vistamalls, Inc. was incorporated in 1969 to engage in mineral exploration. In 2012, the SEC approved the change in name of the company from Polar Property Holdings Corp. to Starmalls, Inc. and the corresponding change in its primary business — to engage in the investment, real estate and leasing business. On September 17, 2019, the SEC approved the change of name from Starmalls, Inc. to Vistamalls, Inc. Vistamalls' two subsidiaries, Masterpiece Asia Properties, Inc. and Manuela Corporation are both engaged in the operation and development of commercial properties for lease. The Company believes that the acquisition of Vistamalls will create substantial synergies with its existing residential development platform that will enhance its integrated real estate development model. On December 22, 2015, the Company acquired common shares representing approximately 79.4% of the total outstanding capital stock of Vistamalls from Fine, Althorp Holdings, Inc., Manuela Corporation, Mr. Manuel B. Villar, Jr. and Mr. Manuel Paolo A. Villar, who are also among the principal shareholders of the Company. On February 23, 2016, the Company acquired additional common shares in Vistamalls representing 8.82% of the latter's total outstanding capital stock. Vistamalls is a major developer, owner and operator of retail malls in the Philippines. It also develops and operates BPO commercial centers. See *"— Vistamalls."*

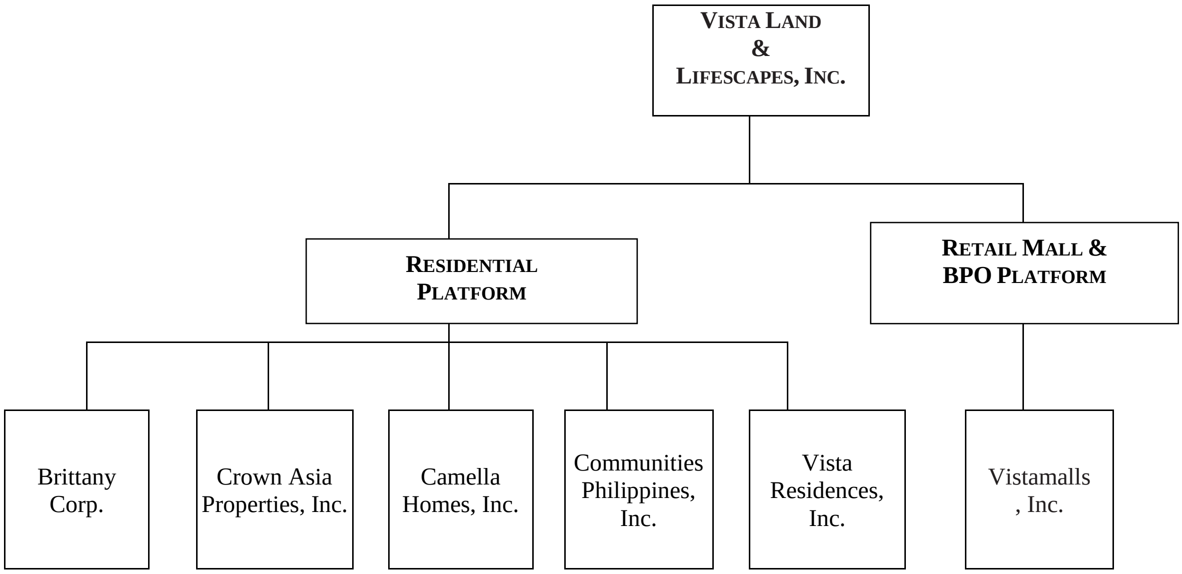
VLLI. VLL International, Inc. was incorporated as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands on 24 June 2013. The registered office of VLLI is located at Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand

Cayman, KY1-1205, Cayman Islands. VLLI is a wholly owned finance subsidiary of the Company. The objects for which VLLI is established are, pursuant to its Memorandum of Association, unrestricted and VLLI has and is capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Act (As Revised) of the Cayman Islands. The Company is the sole director of VLLI. The authorised share capital of VLLI is U.S.$50,000 and is divided into 50,000 ordinary shares of U.S.$1.00 nominal value each. 50,000 ordinary shares have been issued and paid up and are held by the Company. All issued ordinary shares are or will be registered.

Prima Casa. Prima Casa Land & Houses, Inc. was incorporated in the Republic of the Philippines and registered with the SEC on August 23, 2012. Prima Casa is engaged in the development and sale of real estate properties under affordable residential segment. Prima Casa's amended registered office address and principal place of business is at the LGF Bldg B, Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City. The majority shareholders of Prima Casa are Camella Homes, Communities Philippines and Crown Asia, which are direct subsidiaries of the Company. Thus, Prima Casa is effectively an indirect subsidiary of the Company.

CORPORATE STRUCTURE

As of the date of this Prospectus, the Company has six (6) directly-owned operating subsidiaries, five (5) of which are focused on residential development while the sixth is focused on commercial development. The Company's operating and corporate structure is set forth in the chart below.



COMPETITIVE STRENGTHS

The Company believes that its principal strengths are the following:

Integrated property developer with market leadership in horizontal residential projects targeted towards end users and retail malls with strong brand recognition across the Philippines.

Horizontal residential projects

The Company is the Philippines' largest homebuilder in the horizontal residential market with a presence in 147 cities and municipalities in 49 provinces around the country as of March 31, 2024 and having built over 500,000 homes since operations commenced in 1977.

- **Clear focus on end-users**: The Philippine residential market is dominated by end-users residing in horizontal properties; according to BMI Research, 20.6 million households resided in detached, semidetached houses or townhouses out of an estimated total occupied dwelling units of 21.5 million in the Philippines in 2012. The Company believes that it is considered the largest residential developer in the Philippines focused on this end-user market nationwide. The Company has historically been able to achieve strong take-up rates for its developments by targeting OFWs and domestic end-users who are looking to purchase property for the purposes of occupation instead of speculative or investment purposes.

- **Strong brand recognition nationwide**: The Company's market leading position in the horizontal residential market has fostered strong brand recognition, with the "Camella", "Crown Asia" and "Brittany" brands being three of the most recognized brands in the Philippine real estate market. According to the PSRC "PROJECT MANA 2" Study, the Company's "Camella", "Crown Asia" and "Brittany" brands collectively had an awareness rate of 100%, which the Company believes is well above that of its peer companies which average approximately 50%. The Company believes that this strong brand recognition demonstrates its track record of consistently developing quality products for its customers.

- **Barriers to competition**: The Company's strong local regulatory know-how, solid execution track record and nationwide footprint are difficult to replicate, serving as a strong barrier to competition at a national level from other property developers. As such, there is no other end-user focused residential developer in the Philippines which has the geographical reach and scale comparable to that of the Company.

Retail malls and BPO commercial centers

The Company, via the Vista Land Commercial Group including Vistamalls, has also achieved an early mover advantage, currently owning a portfolio of various retail malls and commercial strips and BPOs with a combined GFA of 1.6 million square meters as of March 31, 2024. For example, the Company, via Vistamalls, established Starmall EDSA Shaw in Mandaluyong City in 1988 before any other retail mall developer had entered the area, enabling it to establish its position as the dominant retail mall in the area. Since then, Mandaluyong City has seen the entry of several other retail mall operators.

Enjoying high footfall as well as a strong average occupancy rate, the Company's retail malls are strategically located in areas in close proximity to transport hubs and other key infrastructure in growth markets such as Las Piñas City, Mandaluyong City and the province of Bulacan. For example, the Company's mall in Mandaluyong City, Starmall Edsa-Shaw is directly connected to the Metro Rail Transit Line 3 (**"MRT 3"**) Shaw station, a major railway station in Metro Manila. In addition, the same mall houses various transportation terminals which serve as nodes for people transiting within and between Metro Manila and nearby provinces.

The Company believes that its growth plans for this business, which will consist of new developments as well as asset enhancements to existing retail malls, will underpin the Company's position as the leader in the retail mall space in the Philippines.

Integrated developments – Vista Estates

The Company's integrated developer model enhances its ability to leverage on the diverse skill sets of its various business segments to extract value across the real estate value chain, from the development of residential projects to the development and incubation of retail malls and BPO facilities and the development of Vista Estates which stretch across several asset classes. Supported by recurring income from its retail malls and other commercial assets, the Company believes that an integrated model will enable it to diversify its revenue streams while continuing to develop Vista Estates. In 2022, the Company launched Vista Estates. Vista Estates is Vista Land's collection of vast master planned communities offering unique, premium and sustainable lifescapes which provide its guests, residents, and investors with limitless growth opportunities. The development is comprised of business parks and IT zones, institutional complexes, such as learning institutions, places of worship, events venues, and healthcare centers, commercial and retail districts, leisure and wellness hubs, and horizontal and vertical residential enclaves. Vista Estates transcends the typical standards of a master planned megalopolis by building cities-within-cities that are inspiring in vision, compelling in creativity, and grand in diversity. As of March 31, 2024, the Company has launched a total of 26 Vista Estate projects across the country.

The synergies and enhanced scale and stability that resulted from the integration of the Vista Land residential platform and the Vistamalls retail mall and BPO platform have strengthened Vista Land's position as a top four integrated property developer.

The Company believes that its acquisition of Vistamalls in 2015, with the latter's retail mall and BPO platform, has created substantial synergies between the two businesses, and strengthened Vista Land's position as a top four integrated property developer and enhanced the Company's scale and stability achieved by the acquisition.

The following table sets out the total assets of each integrated property developer as of March 31, 2024.

	In ₱ million
SM Prime Holdings, Inc.	860,002
Ayala Land, Inc.	860,002
Megaworld Corporation	457,629
Vista Land & Lifescapes, Inc.	347,169
Robinsons Land Corporation	241,460
Filinvest Land, Inc.	196,033

**as disclosed in their SEC Form 17-Q*

Synergies

The Company believes that the combination of its residential platform and Vistamalls' retail mall and BPO platform has created strong synergies as the Company transitioned to a new, integrated developer model, particularly given that retail mall and BPO assets are now being located within Vista Estates:

- **Enhanced and more recurring revenue opportunities**: The Company believes that shifting to an integrated developer model, where residential developments are complemented by retail malls, BPO facilities and other commercial assets, has enhanced its revenue streams. For example, the Company believes that there is stronger demand from homebuyers, who are willing to pay a premium for homes located in Vista Estates with convenient access to retail malls for their everyday shopping needs or BPO facilities where they can work, resulting in higher residential selling prices and sales velocity. Likewise, the Company also believes that there is and will be stronger demand from tenants in retail malls located within Vista Estates due to a larger catchment area and stronger and more regular footfall from the resident population, resulting in higher rental rates and occupancy rates. In addition, the Company believes that BPO operators will be willing to pay higher rental rates, since locating in a Vista Estate provides them greater access to potential employees and enhances employee productivity. Moreover, the Company believes that Vista Land and Vistamalls target the same Filipino consumer base, including OFWs and OFW-dependent customers, and have complementary expertise and product offerings, which the Company believes is crucial for integrated developments. For example, Camella Homes and Communities Philippines, the Company's affordable housing segments, accounted for 24.2% and 35.8%, respectively, or 60.0% collectively, of the Company's real estate revenue for three months ended March 31, 2024. See *"— Residential Housing and Land Development."* These market segments are similar to the markets served by Vistamalls.

- **Funding synergies**: The Company also believes that its access to additional funding sources stemming from the shift towards Vista Estates will provide greater flexibility in funding future developments. For example, proceeds from pre-sales of residential units in a particular Vista Estate can be directed to fund the construction of retail malls or BPO commercial centers in the same Vista Estate, thus lowering overall borrowing requirements as well as reducing interest expense and refinancing risk to the Company. In addition, following the integration of the Vistamalls platform, the Company's enhanced scale and recurring cash flow profile is expected to improve its credit profile and associated leverage metrics, allowing for a lower cost of capital going forward.

- **Lower land costs for retail mall and BPO projects**: The Company can substantially reduce Vistamalls' land costs by locating future Vistamalls developments within Vista Estates. Such developments will also benefit from the existing infrastructure at Vista Estates. The Company's extensive land bank and established nationwide platform will also allow the Company to accelerate the expansion of Vistamalls' retail mall and BPO portfolio as compared to pre-acquisition.

Enhanced scale

In addition, the enhanced scale of the Company due to the acquisition of Vistamalls also benefits the Company while eliminating potential conflicts of interest. For example, the Company's larger balance sheet and Vista Estate capabilities enable it to embark on larger projects than before, thus resulting in economies of scale and greater bargaining power with land owners and suppliers. The Company believes that this greater scale will result in greater brand equity for Vista Land projects around the country. Finally, while the Company will initially focus on retail malls and BPO facilities in its Vista Estates, it also believes that further developing capabilities outside of its traditional residential platform will provide a segue into adding new forms of utilities and township infrastructure to its Vista Estates in the future, such as hotels, educational institutions and healthcare facilities.

Enhanced recurring income contribution and profitability from the Vistamalls retail mall and BPO platform.

The Vistamall platform, with its focus on retail malls and BPO commercial centers as well as its strong growth outlook, benefits the Company. The Vista Land Commercial Group, given its focus on recurring income, is diversifying the Company's revenue streams and increasing recurring revenue contribution; for example, the recurring revenue contribution for the Company for the three months ended March 31, 2024 is 40.8%; the recurring revenue contribution is expected to increase going forward given the strong growth outlook for the Vistamalls retail and BPO platform.

The Company believes that there is limited execution risk in respect of the expected growth of its retail mall and BPO platform. The Company expects to grow the GFA of its commercial assets to around 100,000 sqm annually, subject to various factors and feasibility of the project; adding GFA to existing assets is expected to provide higher returns and profitability versus greenfield projects given the benefit from the Company's existing assets' infrastructure and customer base. In addition, there is substantial scope for greater growth from greenfield retail malls and BPO facilities in Vista Estates with little to no need for further land acquisition given the breadth of Vista Land's land bank. The Company's existing commercial assets also enjoy high average occupancy rates with a host of repeat anchor and specialty tenants such as All Home, All Day, Coffee Project, Kinder City, Vista Cinemas and Puregold favorable rental terms including 5.0% to 10.0% per annum step-ups in most leases, exposure to variable rents, which provides for greater upside as retail spending rises further, and long lease terms for anchor tenants who collectively account for approximately 70.0% of the Company's total GFA as of March 31, 2024.

Well positioned to benefit from favorable Philippine demographic, economic and development trends, including continued demand from the OFW segment.

The Philippines has experienced robust economic growth in recent years, with GDP growth of 7.6% in 2022, 5.6% in 2023 and 5.7% in Q1 2024. Growth is expected to continue to be strong, with the International Monetary Fund's World Economic Outlook forecasting GDP growth of 6.0% in 2024 as announced in December 2023.

The Company believes that the following positive macro environment and demographic profile will be instrumental to the continued growth in demand for housing and retail space in the Philippines:

- a relatively young population (approximately 73.0% under the age of 39 and below; median age of 24.7 years) according to the Euromonitor International Passport – Economies and Consumers 2019 Edition;

- a growing population that increased at an average annual rate of 1.7% from 2015 to 2020 and is forecast to grow at a rate of 1.0% from 2020 to 2025 according to the Philippine National Statistical Coordination Board;

- a rising middle class, as evidenced by GDP per capita from U.S.$4,130 in 2024 according to the International Monetary Fund;

- a relatively low mortgage penetration rate of 3.4% mortgage-to-GDP as compared to regional peers according to the Housing Finance Information Network, Wharton, IFC, World Bank and FMO; and

- consistent growth in remittances from OFWs, with the BSP reporting U.S.$9.15 billion remitted through official channels in the first three months ended March 31, 2024.

Official data on annual housing demand from the Housing and Urban Development Coordinating Council and annual housing supply from the HSAC indicate that there is a structural supply shortage of housing in the Philippines. The Company believes that this structural imbalance is most acute in the market for affordable housing, in which its "Camella" brand is a market leader. By targeting domestic end users who are looking to purchase property for the purposes of occupation instead of for investment, the Company has historically been able to achieve strong take-up rates for its developments and Vista Estates. The Company believes that these permanent populations will further contribute to consistent retail footfall in their respective local communities, which will provide greater growth for the Company's retail malls going forward given the Company's focus on Vista Estates.

The Company's developments are also well-positioned to benefit from the progress in recently completed and ongoing infrastructure and development works nationwide. For example, the Muntinlupa-Cavite Expressway (**"MCX"**, formerly known as the Daang Hari-SLEX connector road) provides direct access to the Vista development in Daang Hari, whereas the Cavite-Laguna Expressway has improved accessibility to the Company's land bank in Cavite. Strategically positioning the Company's developments near key infrastructure networks has also been shown to positively impact selling prices. For example, selling prices of Portofino lots in Vista Estate in Daanghari have almost tripled from approximately ₱23,000.0 per square meter when the notice of the construction of the MCX in December 2011 was issued to approximately ₱35,000.0 per square meter in 2013 after construction of the Evia Lifestyle Center was commenced, and to approximately ₱56,000.0 per square meter upon the completion and launch of the MCX in July 2015. As of March 31, 2024, selling prices of lots approximately cost ₱155,000.00 per square meter.

The Company also believes that it is well positioned to benefit from growth in OFW remittances as a key driver of growth in the consumption of real estate in the Philippines. The Company believes it has one of the Philippines' most extensive global marketing networks, comprising approximately 3,000 marketing teams, 3,150 accredited licensed realtors, 100 direct marketing teams and 32,400 active agents located throughout the Philippines and approximately 350 partners and 7,200 independent agents located in countries and regions with large OFW populations, including the United States, as of March 31, 2024. In addition, demand from the OFW market has remained historically resilient, allowing the Company to maintain its strong reservation sales momentum; the Company's nationwide footprint of developments in over 147 cities and municipalities in 49 provinces across the Philippines is critical in this regard since many OFWs are purchasing homes in locations outside of the Metro Manila area. As of March 31, 2024, approximately 55% to 60% of the Company's sales originated from OFWs primarily from Europe and the Middle East.

Diverse product offerings in order to benefit from growth in different market segments and to capitalize on demand across the full spectrum of homebuyers.

The Company believes that it is one of the few homebuilders in the Philippines that is strategically positioned to target specific consumer groups with carefully marketed brands, offering a full spectrum of residential housing products with prices that range from ₱1.8 million to ₱100.0 million. The following table illustrates the Company's key brand offerings targeting specific segments across the income spectrum. The Company has a customized pricing strategy, with products priced to sell based on the end users' affordability threshold.

	Camella	Communities Philippines	Crown Asia	Brittany	Vista Residences
Market segment	Affordable	Affordable (provincial)	Upper mid-cost	High-end	Affordable to upper mid-cost
Price range	₱3.0 – 12.0 million	<₱1.8 – 12.0 million	₱6.0 – 35.0 million	₱10.0 – 100.0 million	₱6.0 – 15.0 million
Offering	Housing & lots	Housing & lots	Housing & lots	Housing & lots	Condominiums
1Q2024 Real Estate Revenue Contribution (in millions)	₱1,344.53	₱1,990.48	₱329.92	₱478.01	₱1,416.14
Percentage of 1Q2024 Real Estate Revenue	24.2%	35.8%	5.9%	8.6%	25.5%

In 2009, the Company acquired Polar Mines Realty Ventures, Inc. to increase its presence in the vertical home segment. Rebranded Vista Residences, the Company has since consolidated the development and sales of all its condominium projects, establishing a consistent, clear and strong market identity. In addition, Camella launched additional projects with house and lot packages at the sub-₱1 million price point to further address the growing housing backlog in such segment. The Company believes that its diverse product portfolio places it in a prime position to take advantage of market changes and to mitigate risks from negative market trends going forward.

With the integration of its Vistamalls retail mall and BPO platform, the Company plans to locate upcoming commercial developments in or around its Vista Estates in order to enhance attractiveness to potential residential customers and retail mall and BPO tenants. In doing so, the Company aims to further mitigate risks from adverse market movements. As of March 31, 2024, the Company has obtained rezoning approvals for those projects to be developed immediately.

Geographically diverse project portfolio and land bank across the Philippines, with strong nationwide footprint.

The Company owns an extensive land bank, most of which is located in areas in close proximity to major roads and primary infrastructure. As of March 31, 2024, the Company owned approximately 2,422.48 hectares of raw land ready for development, with an additional 411.20 hectares available for development under joint venture agreements. Significantly, the Company's land bank is distributed nationally:

- A significant portion of the Company's raw land inventory, approximately 1,108.08 hectares of aggregate land, is located in the growing Mega Manila area;

- In Luzon (excluding Mega Manila), the Company owns 748.56 hectares of land available for development;

- In Visayas, the Company owns 621.95 hectares of prime land, including a property in Iloilo with an area of approximately 368.79 hectares located near the recently completed international airport; and

- In Mindanao, the Company holds 355.09 hectares of raw land available for development.

The majority of the Company's land bank is adjacent to or near its existing projects, facilitating future expansion into Vista Estates. The integration of retail mall and BPO platform through Vistamalls, Inc. (formerly Starmalls, Inc.) has further contributed 192.46 hectares of commercial land bank to the Company's existing land bank, well suited to the development of retail malls and BPO facilities given their location in attractive areas with sizeable local catchments and proximity to infrastructure. The Company believes that its current land bank is sufficient for its existing and planned residential, commercial and Vista Estate developments for the next twenty-seven to thirty years.

The Company has an extensive nationwide presence. As of March 31, 2024, the Company's projects are spread over 147 cities and municipalities in 49 provinces, covering most of the Philippines' main urban areas. Brittany, Crown Asia, Camella Homes and Vista Residences operate in Mega Manila while Communities Philippines is the Company's vehicle for operations in other parts of Luzon, the Visayas and Mindanao.

The Company believes it has the largest and most diverse geographical footprint of all real estate companies in the Philippines. This not only enhances brand recognition across the Philippines, but also places the Company in a favorable position to react to market and population trends and provides a strong barrier to competition; for example, the Company's nationwide footprint places it in strong position with OFWs, many of whom purchase homes outside of the Metro Manila area. The Company's size and wealth of experience working with various authorities, suppliers, contractors and brokers on a national, regional and even local scale, has also been instrumental in developing specialized industry expertise and has contributed to its ability to control and reduce costs by taking advantage of economies of scale and its strong bargaining power. As an integrated developer with a comprehensive product offering, the Company is well poised to take advantage of its status as an early entrant into the development of Vista Estates outside of Mega Manila.

Prudent financial management and stronger balance sheet providing headroom for capital expenditure and expansion plans.

The integration of the Company's retail mall and BPO platform further strengthened the Company's balance sheet, providing it with further debt headroom as well as flexibility in financing its commercial operations via residential pre-sales. The Company believes that its stronger balance sheet boosted by a large asset and equity base allows it to move quickly to acquire additional land bank and other real estate assets. The Company expects its credit profile and associated cost of funding to further improve on the back of a stronger combined balance sheet, a more stable cash flow profile supported by the steady recurring income of the Vistamalls platform and lower third party funding requirements due to the use of residential pre-sales to partially fund the construction of commercial assets within Vista Estates.

The Company believes it has adopted a prudent financial management policy, as primarily evidenced by its diverse domestic and international funding sources and what it believes to be a strategy to maintain relatively conservative leverage levels. The Company believes that its financial prudence has created sufficient headroom to take advantage of opportunities to expand its businesses through external financing and other means. The Company will continue to actively manage its capital structure as well as opportunistically access the debt and equity markets.

Strong and experienced management team with a demonstrated execution track record.

The Company has a highly experienced management team with an average 25 years of sound operational and management experience in real estate, particularly in the horizontal housing, retail mall and BPO markets. The Company's management team has extensive experience in, and in-depth knowledge of, the Philippine real estate market and has also developed positive relationships with key market participants, including construction companies, regulatory agencies and local government officials in the areas where the Company's projects are located.

For the years 2021, 2022, 2023, and 2024, the Company and its officers received various awards as follows:

Year	Awardee	Award	Award-Giving Body
2021	Vista Land & Lifescapes, Inc.	Top Traded Corporate Bond Issue	PDS Annual Awards
2021	Vista Land & Lifescapes, Inc.	Prix D'excellence Developer of the Year Award	FIABCI Philippines Property and Real Estate Excellence Awards
2021	Camella Savannah	2021 Outstanding Developer – Gold Winner for Master Plan Category	FIABCI Philippines Property and Real Estate Excellence Awards
2021	Brittany	2021 Outstanding Developer – Gold Winner for Resort Category	FIABCI Philippines Property and Real Estate Excellence Awards
2021	Crown Asia	Best Development - Midrise Condominium;	Carousel Property Awards
2021	Crown Asia	Best Development - High end Housing	Carousel Property Awards
2021	Camella	Best Developer- Mid Market Segment (Housing and Condominium)	Carousel Property Awards
2021	Lumina	Best Developer – Affordable Housing	Carousel Property Awards
2022	Vista Land & Lifescapes, Inc.	Best Community Real Estate Developers	The Global Economics Awards 2022
2022	Vista Land & Lifescapes, Inc.	Teamwork, Integrity, Growth, Excellence and Efficiency, and Relationship-Building (T.I.G.E.R) Champion Growth	Maybank Philippines 25th Anniversary
2022	Vista Land & Lifescapes, Inc.'s ViCon: The first and biggest virtual property Expo in the Philippines	Philippines Digital Experience of the Year - Real Estate	The Asian Business – Asian Experience Awards 2022
2022	Manuel Paolo A. Villar	Asia's Best CEO	Corporate Governance Asia – 12th Asian Excellence Award 2022
2022	Brian N. Edang	Asia's Best CFO	Corporate Governance Asia – 12th Asian Excellence Award 2022
2022	Vista Land & Lifescapes, Inc.	Asia's Best CSR	Corporate Governance Asia – 12th Asian Excellence Award 2022

2022	Vista Land & Lifescapes, Inc.	Best Investor Relations Company	Corporate Governance Asia – 12th Asian Excellence Award 2022
2022	Lumina Homes Bacolod	Highly Commended Best Housing Development (Visayas)	The Outlook 2022: Lamudi Philippine Real Estate awards
2022	Pinevale by Crown Asia	Best Development in Innovative Condominium Property	Carousell Property Awards 2022
2022	Pinevale by Crown Asia	Best Development Value for Investment	Carousell Property Awards 2022
2022	Manuel B. Villar	Grand Cordon of the Order of the Rising Sun	Government of Japan
2022	Camille A. Villar	Government Hero of the Year - Golden Awardee - COVID 19 Response category	Stevie Awards for Women in Business 2022
2022	Camille A. Villar	Female Executive of the Year - Silver Awardee- In Asia, Australia and New Zealand	Stevie Awards for Women in Business 2022
2022	Vista Land & Lifescapes, Inc.	Top 10 Developers 2022	BCI Asia Awards Philippines
2022	Vista Land & Lifescapes, Inc.	1 Golden Arrow	2022 ACGS Golden Arrow Awards
2022	Vista Land & Lifescapes, Inc.	Top Traded Corporate Bond Issue	17th PDS Annual Awards 2022
2023	Vista Land & Lifescapes, Inc.	Best Investor Relations Company	Corporate Governance Asia
2023	Vista Land & Lifescapes, Inc.	Best CSR	Corporate Governance
2023	Manuel Paolo A. Villar	Asia's Best CEO	Corporate Governance
2023	Brian N. Edang	Asia's Best CFO	Corporate Governance
2023	Vista Land & Lifescapes, Inc.	Integrated Property Developer of the Year - Philippines	Real Estate Asia
2023	Vista Land & Lifescapes, Inc.	Marketing & Brand Initiative of the Year - Philippines	Real Estate Asia
2023	Vista Land & Lifescapes, Inc.	Best Community Real Estate Developers – Philippines 2023	The Global Economics
2023	Vista Land & Lifescapes, Inc.	Best Integrated Property Development - Sustainable Green Development	The European
2023	Vista Land & Lifescapes, Inc.	Best Residential & Commercial Real Estate Brand	The European
2023	Brian N. Edang	Vista Land - CFO of the Year in the Real Estate Industry	The European
2023	Manuel Paolo A. Villar	Best Real Estate CEO - Philippines 2023	International Finance
2023	Brian N. Edang	Best Real Estate CFO - Philippines 2023	International Finance
2023	Georgia by Vista Estates	Grand winner of Mixed-Use Development of the Year (Visayas and Mindanao)	Lamudi Philippines
2023	Praverde by Vista Estates	Highly Commended Boutique Development of the Year (Luzon)	Lamudi Philippines
2023	Camella Homes, Inc.	Developer of the Year (Luzon)	Lamudi Philippines
2023	Camella Homes, Inc.	Developer of the Year (Visayas and Mindanao)	Lamudi Philippines
2023	Camella Gran Europa by Camella Homes, Inc.	Grand Winner of Premium House of the Year (Visayas and Mindanao)	Lamudi Philippines

2023	The Spectrum by Vista Residences, Inc.	Grand winner of Mixed-Use Development of the Year (Luzon)	Lamudi Philippines
2023	Provence by Vista Estates	Best Township Development	DOT Property
2023	Brittany Corporation	Best Developer Luzon Award	DOT Property
2023	Vista Land & Lifescapes, Inc.	2 Golden Arrow	Institute of Corporate Directors
2023	Vistamalls, Inc.	1 Golden Arrow	Institute of Corporate Directors
2023	Vista Land & Lifescapes, Inc.	Philippines' Best Employers 2023	Philippine Daily Inquirer in cooperation with Statista
2023	VistaREIT, Inc.	Top 10 Real Property Taxpayers Award (Companies/Developers) - Top 4	City of Bacoor
2023	Villar Group of Companies	Top 10 Business Taxpayers of the Year Award - Top 3	City of Bacoor
2023	Kizuna Heights by Vista Residences, Inc.	Highly Commended Best Connectivity Condo Development	PropertyGuru Philippines
2023	Portofino by Brittany Corporation	Highly Commended Best Development (Luzon)	PropertyGuru Philippines
2023	Vista Land & Lifescapes, Inc.	Exemplary Developer of National Significance	Chamber of Real Estate & Builders Association, Inc. (CREBA)
2023	Crosswinds Tagaytay by Brittany Corporation	Best in Mixed-Use / Township projects	Chamber of Real Estate & Builders Association, Inc. (CREBA)
2023	Camille A. Villar	Women of Power	Philippine Daily Inquirer
2023	Manuel B. Villar	Accountancy Centenary Award of Excellence	Professional Regulation Commission Board of Accountancy
2023	Manuel B. Villar	Distinguished Achievement Award in Social Sciences and Business	Honor Society of Phi Kappa Phi, U.P. Chapter
2024	Vista Land & Lifescapes, Inc.	CFO of the Year "Chief Financial Officer" in the Real Estate Industry Philippines 2024	The European
2024	Vista Land & Lifescapes, Inc.	Leading Integrated Property Developer	The European
2024	Vista Land & Lifescapes, Inc.	Sustainable Development Philippines 2024	The European
2024	Vista Land & Lifescapes, Inc.	Best Residential & Commercial Real Estate Brand Philippines 2024	The European
2024	Vista Land & Lifescapes, Inc.	Best Real Estate Corporate Governance Philippines 2024	The European
2024	Vista Land & Lifescapes, Inc.	3G Excellence in Corporate Governance Award 2024	Cambridge Global Good Governance
2024	Vista Land & Lifescapes, Inc.	Asia's Best CEO	Corporate Governance Asia
2024	Vista Land & Lifescapes, Inc.	Asia's Best CFO	Corporate Governance Asia
2024	Vista Land & Lifescapes, Inc.	Best Investor Relations Company	Corporate Governance Asia
2024	Vista Land & Lifescapes, Inc.	Best Corporate Communications Company	Corporate Governance Asia
2024	Vista Land & Lifescapes, Inc.	Sustainable Asia Award	Corporate Governance Asia

2024	VistaREIT, Inc.	Best Senior Management IR Support	Alpha Southeast Asia
2024	VistaREIT, Inc.	Best Strategic CSR	Alpha Southeast Asia
2024	VistaREIT, Inc.	Strongest Adherence to Corporate Governance	Alpha Southeast Asia

BUSINESS STRATEGY

The Company's strategy is premised on three key pillars: (i) strengthening its market position as an integrated property developer with a key focus on residential developments and retail mall and BPO operations; (ii) diversification of revenue streams through the integration of its commercial platform while enhancing the value and attractiveness of its properties; and (iii) improvement in capital efficiency and financial flexibility.

Pursue an integrated developer model with market leadership and strong brand recognition in the Philippines.

The Company plans to continue to capitalize on its leadership position in the residential housing market and in retail malls but with a focus on creating Vista Estates. In that respect, the Company intends to (i) develop synergies; (ii) integrate commercial assets into Vista Estates; and (iii) enhance project attractiveness.

Develop further synergies with the Vistamalls retail mall and BPO platform.

The Company believes that synergies arising from its combined scale and expertise across multiple real estate segments place it in a unique position to undertake larger and higher-value projects. In addition, the Company intends to lower its financial expense by partially financing its retail mall and BPO assets using residential pre-sales as opposed to debt financing. Furthermore, there is significant value to be unlocked from its unutilized land bank, most of which has received development approvals for the construction of commercial assets, given the close proximity to existing residential developments. The Company's strategic plan of integrating themed residential developments with commercial establishments is expected to significantly improve Vista Estate planning, reduce land acquisition costs, enhance property values and, more importantly, improve returns to the Company.

Integrate other commercial assets in its Vista Estates.

The Company intends to integrate other commercial asset classes beyond retail malls and BPO facilities into its Vista Estates, such as hospitality assets and healthcare and educational institutions, which it believes will further enhance these integrated developments and thus further attract homebuyers as well. For example, Vista Estate Georgia in Iloilo already contains a comprehensive suite of facilities, including various retail segments. The Company intends to further establish its reputation as an integrated developer, while diversifying its revenue to encompass a greater variety of sources of recurring income.

Enhance project attractiveness.

The Company has adopted the concept of Vista Estates as an overarching strategy spanning across its various business segments. The Company believes that the inclusion of amenities such as retail malls, hotels, healthcare facilities and educational institutions early in the development phase of its projects will complement its residential developments, making its developments more attractive to potential home buyers. For instance, the Vista Estate development is an integrated urban development that combines lifestyle retail, prime office space, university town, healthcare, themed residential developments, and leisure components.

The Company intends to make Vista Estate as a template for its future integrated developments across the Philippines. As of March 31, 2024, the Company has identified about 60 areas (excluding sites earmarked for Vistamalls' development) from its existing projects around the country, including areas in the provinces of Iloilo, Cavite and Bulacan, and the cities of Tuguegarao in Northern Luzon and Cagayan de Oro in Mindanao, that are suitable for integrated developments.

Strengthen market leadership in horizontal residential projects while expanding the Company's retail mall and BPO footprint.

With the acquisition of Vistamalls, Vista Land is now a top four integrated property developer in the Philippines, and intends on further improving its ranking. The Company believes that its transition to an integrated developer model is rooted in its strong market leadership in horizontal residential projects, which it will continue to strengthen while simultaneously expanding its commercial portfolio through (i) continuing to focus on key market segments; (ii) improving project execution efficiency; (iii) continuing to capture demand from OFWs; and (iv) generating a strong pipeline of retail malls and BPO commercial centers that can be developed within existing Vista Estates.

Continue to focus on key market segments.

The Company believes it has identified certain niches within certain income segments which it believes are not adequately covered, including the affordable and high-end residential market as well as the retail mall and BPO segment, for which it believes there continues to be growing demand. The Company intends to continue focusing on its offerings in these sub-segments and fortify its market-leading positions through its highly-recognized brands, Camella Homes, Crown Asia, Brittany and Vistamalls. The Company will also continue to focus on the end-user market for residential real estate in the Philippines.

Improve project execution efficiency.

In order to take advantage of the growing Philippine property market, the Company intends to accelerate the development of its residential and commercial projects. The Company believes that it can maximize its revenues by shortening its project development cycle and exercising greater bargaining power with landowners and suppliers due to its enhanced scale. In addition, the integration of the Company's commercial platform is likely to improve the attractiveness of residential projects, potentially leading to higher average selling prices and sales velocity.

Capture demand from overseas Filipinos.

The Company intends to continue expanding and developing new projects outside the Metro Manila area to cater to the growing demand from OFWs for real estate located in their hometown provinces. With the BSP reporting approximately U.S.$ 37.2 million remitted from OFWs through official channels in 2023 and U.S.$ 36.1 million in 2022, the Company aims to leverage and grow its global marketing network to capture a sizeable, resilient and high-growth market.

Generate a strong pipeline of retail malls and BPO facilities that can be developed within existing Vista Estates.

The Company plans to actively develop a pipeline of retail malls and BPO facilities which can be developed on a standalone basis or integrated within Vista Estates, the latter of which supports the Company's shift to an integrated developer model and complements the Company's residential developments. The Company plans to increase its GFA of commercial assets by 100,000 square meters annually, subject to various factors and feasibility of the project. Further, the Company believes that it has the flexibility to develop more projects should market conditions allow.

Diversify revenue base.

The Company aims to diversify its revenue base, with particular focus on increasing rental revenue by (i) increasing investment in retail malls and other commercial assets; (ii) increasing mid-rise residential developments; and (iii) continuing to opportunistically invest in high-rise vertical projects as well as high-end residential developments.

Increasing investment in retail malls and other commercial assets.

The Company plans to aggressively expand its retail mall and BPO platform, with the goal of growing GFA of its commercial assets by 100,000 square meters annually, subject to various factors and feasibility of the project, via enhancements to existing assets and new developments, with further growth to come from locating such assets within Vista Estates. Apart from traditional retail and commercial developments, the Company intends to expand into other niche property development projects and township infrastructure such as in the hospitality, education and healthcare sectors by developing the relevant industry expertise, and in time, allocating a proportion of its capex budget to a comprehensive offering of niche commercial developments. The Company believes that doing so will enable it to further build its brand equity across the Philippines while adding a sizeable pool of mature, income-generating assets to further grow the Company's recurring income contribution.

Increasing mid-rise residential developments.

The Company believes that there is sufficient demand and growth potential for mid-rise residential development projects, which are less capital intensive and are completed more quickly than traditional vertical developments.

Continuing to opportunistically invest in high-rise vertical projects as well as high-end developments

The Company believes there is also growth potential in certain segments of the vertical residential market as well as high-end developments, mainly driven by OFWs. The Company believes that this provides a good platform for future development. The Company aims to continue leveraging its existing extensive marketing network and strong brand names to continue to opportunistically grow its market share in this segment.

Improve capital efficiency for land banking activities and financial flexibility.

The Company plans to take advantage of joint ventures, focus on diversifying funding sources and increase recurring rental income while utilizing proceeds from residential pre-sales to improve capital efficiency.

***Optimize use of joint ventures for capital efficiency*.**

The Company intends to improve margins while maintaining a lean balance sheet by capitalizing on opportunities to acquire and jointly develop land for new developments with various landowners as joint venture partners. The integration of the Company's retail mall and BPO platform contributes to greater operational scale, enabling the Company to negotiate and enter into joint ventures for larger and higher-value plots of land.

Focus on diversifying funding sources.

The Company also intends to diversify its funding sources and lower its cost of capital by monitoring the markets for favorable opportunities to build up its capital resources through various financing options such as loans and public debt issuances, among others. In addition, as a result of the Company's focus on integrated developments with a residential component, pre-sale proceeds from the sale of residential units can be used to partially fund the development costs of the project components.

Improve credit profile and cost of funding.

Following the Company's acquisition of the Vistamalls retail mall and BPO platform, the Company intends to improve its credit profile and thus reduce cost of funding by growing a steady stream of recurring rental income while utilizing residential pre-sales to reduce overall funding needs within its Vista Estates.

RESIDENTIAL HOUSING AND LAND DEVELOPMENT

The Company's core business is developing and selling residential subdivisions, as well as individual housing and condominium units in the Philippines. The Company sells a diverse group of products across the low-cost and affordable, upper mid-cost and high-end housing markets.

The following table sets out the contribution of each market segment as a percentage of total real estate sales for the periods indicated.

Development	For the years ended December 31			For the three months ended March 31, 2024
	2021	2022	2023	
	(%)	(%)	(%)	(%)
Affordable	79.9	66.9	69.2	60.0
Upper Middle-income	17.2	23.6	24.4	31.4

High-end	2.9	9.5	6.4	8.6

Note:

(1) The projects that cover the affordable segment are Camella and Communities Philippines. The projects that cover the upper middle-income segment are Crown Asia and Vista Residences. The project that covers the high-end segment is Brittany.

The Company's residential product lines are categorized based on internal criteria fixed by the Company. In determining whether a project will be considered affordable, upper mid-cost or high-end project, the Company takes into consideration factors such as the price point and target market for each project.

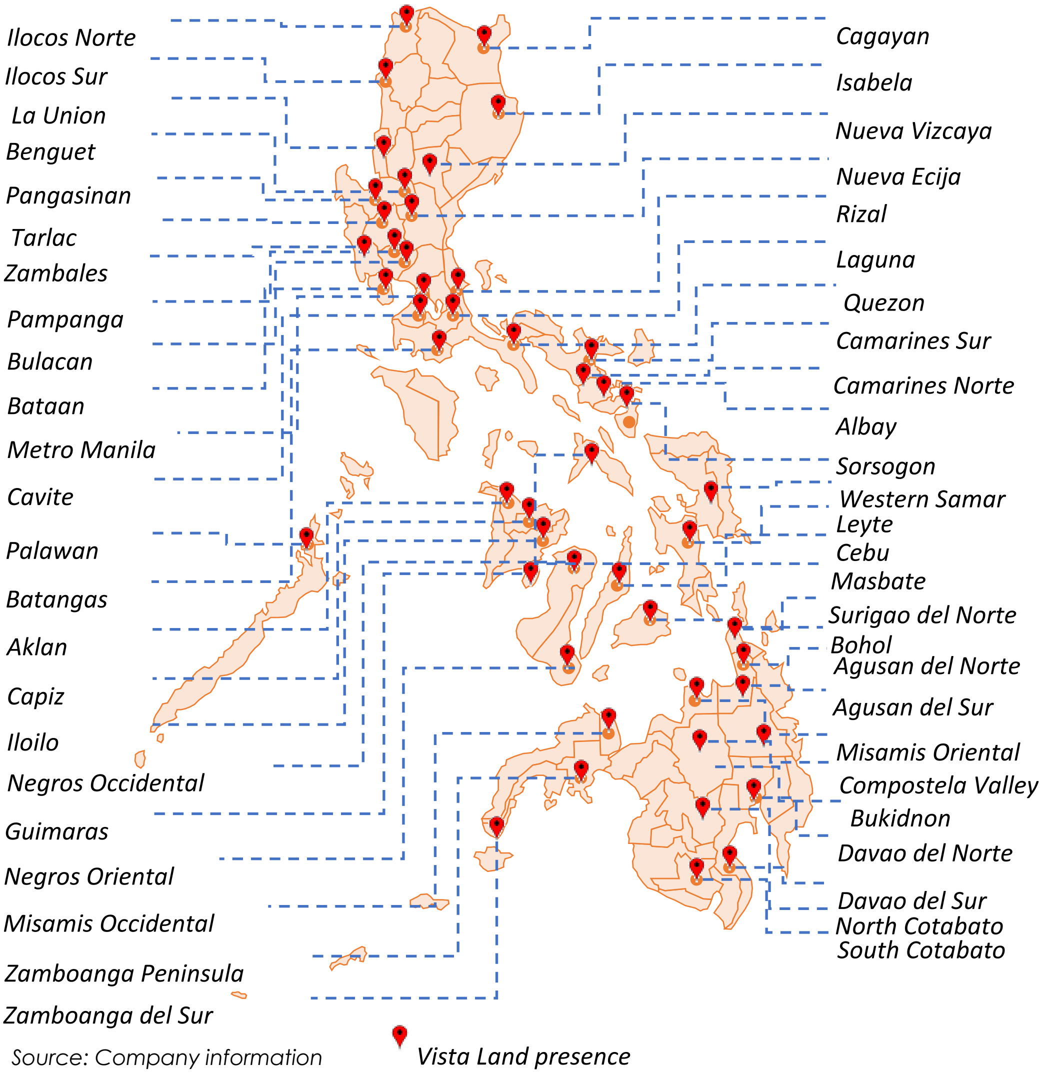
The Company operates its residential housing and land development business through five (5) distinct and independently operated business units: Brittany, Crown Asia, Camella Homes, Communities Philippines and Vista Residences. Brittany, Crown Asia, Camella Homes and Communities Philippines were combined under the Vista Land umbrella on 29 March 2007. The Company acquired the company now known as Vista Residences, Inc. on 29 October 2009.

Moreover, for the first three (3) months of 2024, the Company also launched a total of 4 residential projects with an estimated project value of about ₱10,100.00 million, consisting of 1 project for the affordable housing segment, 2 middle segment projects and 1 upper middle segment project. The projects were launched in Metro Manila, Ilocos Sur, Ilocos Norte, and Bukidnon.

In an effort to further diversify its revenue base, the Company has recently targeted the construction of medium-rise developments, which the Company believes allows it to recognize revenue quicker than typical high-rise vertical developments.

The Company has also adopted as one of its main strategies the integration of its various residential developments into Vista Estates, wherein core residential developments are supplied with amenities such as community centers, schools and health care centers, among others, to enhance the attractiveness of its developments and create large-scale mixed-use communities comprising residential, leisure and commercial facilities that cater to a range of market segments and demographics. These Vista Estates are not confined to a single business unit or development of the Company, but may be integrated across several of the Company's developments and business units according to the area. See *"—Ongoing Strategies — Vista Estates"*.

The following map shows the different provinces in which the Company has ongoing residential development projects.



Source: Company information

Camella Homes

Established 46 years ago, Camella Homes has grown to become the largest builder of affordable horizontal housing in the Philippines by volume of homes.

Camella Homes develops and markets its affordable housing projects (houses priced between ₱3.0 million and ₱12.0 million) predominately under its "Camella" brand. Through 46 years of operations, Camella Homes has attained prominence, as evidenced by the PSRC "PROJECT MANA 2" Study that proclaimed Camella as the most preferred brand overall in the Philippine housing market, following a strategy of building high quality yet affordable housing in planned residential subdivisions that incorporate the facilities and amenities traditionally found only in upscale developments. Camella Homes targets young families and Filipinos working or residing abroad.

The typical product offerings of the affordable residential developments include:

- lots-only with areas ranging from 250 to 600 square meters;
- townhouses with floor areas ranging from 40 to 63 square meters and lots of 44 to 88 square meters;
- single-attached homes, usually with two floors, floor areas of 53 to 166 square meters and lot areas of 88 to 150 square meters.

Camella Homes', including Prima Casa Land & Houses, Inc., affordable housing projects provide basic inexpensive dwelling units in properly developed communities. These developments generally provide, among others, adequate road networks, complete water and power facilities, modest community, sports and recreational facilities and ensured security with perimeter walls and gates.

For the years ended December 31, 2021, 2022, 2023, and the three months ended March 31, 2024, Camella Homes recorded real estate revenue totaling, ₱7,197.49 million, ₱2,966.81 million, ₱4,485.95 million, ₱1,344.53 million, which accounted for 41.4%, 23.2%, 29.5%, and 24.2%, respectively, of the Company's total real estate revenue during these periods.

Camella Homes' projects follow specific development themes, drawing architectural inspirations from Italy, Spain, the Mediterranean and the United States. Projects are located in strategic sites north, south, and east of Mega Manila, in close proximity to major employment zones, including business and industrial estates, commercial centers, schools and medical facilities. The projects are also strategically located near major public transportation routes.

Initially, Camella Homes sold units through a domestic marketing network, but starting in 1997 it expanded its operations and established its international network to better service the OFW communities. Through the years, sales to OFWs represented a majority of Camella Homes' sales.

The following table sets forth selected financial and operating data of Camella Homes for the periods indicated:

	For the years ended December 31			**Three months ended March 31**	
(in ₱ millions, except for ratios)	**2021**	**2022**	**2023**	**2023**	**2024**
FINANCIAL DATA					
Real estate revenue	₱7,197.49	₱2,966.81	₱4,485.95	₱1,738.58	₱1,344.53
Costs of real estate	3,454.21	1,167.34	1,645.73	685.08	458.49
Gross profit on real estate	3,743.28	1,799.47	2,840.22	1,053.50	886.04
Gross margin on real estate	52.01%	60.65%	63.31%	60.60%	65.90%

Camella Homes' three (3) largest affordable housing projects, by volume of sales, are Camella Cerritos, Nova Romania and Tierra Nevada described in more detail below.

Camella Cerritos

Camella Cerritos is an affordable housing development located at Bacoor, Cavite. This project combines the exclusivity and privacy of a themed, master-planned community with proximity to shopping malls, schools, churches, membership clubs, golf courses and health care facilities.

The development is located strategically near major access routes, commercial centers and the Ninoy Aquino International Airport. It is also located within a two-minute drive from the SM Hypermart in Molino and less than 30 minutes from other major business and commercial areas, including the Alabang Commercial Districts, Cavite, the Aguinaldo Highway, the main avenue linking Cavite and Metro Manila and the Ninoy Aquino International Airport.

The development has a total land area of 54.4 hectares and 2,326 house-and-lot units contained in six (6) phases.

Set out below is a photo at Camella Cerritos, which may not necessarily represent the current condition of the actual properties.

Nova Romania

Nova Romania is an Italian-inspired 30-hectare residential development located at Deparo, North Caloocan City, an established community in the northern part of Metro Manila.

Nova Romania is conveniently located near schools, hospitals, churches, malls and other commercial areas, particularly the SM City at Fairview. The established road and transportation systems surrounding the development connect residents to the other parts of Metro Manila, particularly the Makati and Ortigas business centers.

Nova Romania targets the housing needs of the middle-income; affordable and low income market, particularly those homeowners who prefer to reside in northern Mega Manila. This market is comprised of new families, entrepreneurs, managers and professionals working in the major business centers of Metro Manila in general, and Quezon City and the Bulacan-based industries in particular.

Set out below is a photo of a home in Nova Romania, which may not necessarily represent the current condition of the actual properties.

Tierra Nevada

Tierra Nevada, located at Cavite, is Camella Homes' largest low-cost development by total land area. Its link to Govenor's Drive provides accessibility to places of work, schools, commercial and business areas, and hospitals.

It is within the vicinity of malls and shopping centres, including SM Bacoor, Robinson's Imus, Dasmariñas, Makro and Waltermart.

Launched in 1993, the development covers a total of 100 hectares across seven phases. Over 5,207 lots have developed on the site.

Set out below is a photo of homes at Tierra Nevada, which may not necessarily represent the current condition of the actual properties.

Communities Philippines

The Company offers affordable and upper middle-income housing projects outside the Mega Manila area through its Communities Philippines unit. Communities Philippines and its subsidiaries offer housing under the "Camella" brand and utilizes Camella Homes' expertise and designs to offer houses outside of the Mega Manila area that are on par, in terms of quality, with the developments in the Mega Manila area. All sales outside of Mega Manila under the "Camella" brand are attributable to Communities Philippines while sales under the "Camella" brand within Mega Manila are attributable to the Camella Homes business unit.

For the years ended December 31, 2021, 2022, 2023, and the three months ended March 31, 2024, Communities Philippines recorded real estate revenue totaling ₱6,709.92 million, ₱5,587.23 million, ₱6,060.52 million, ₱1,990.48 million, which accounted for 38.6%, 43.7%, 39.8%, and 35.8%, respectively, of total real estate revenue during these periods.

The following table sets forth selected financial and operating data of Communities Philippines and its subsidiaries for the periods indicated:

	For the years ended December 31			**Three months ended March 31**	
	2021	**2022**	**2023**	**2023**	**2024**
(in millions, except for ratios)					
FINANCIAL DATA					
Real estate revenue..............	₱6,709.92	₱5,587.23	₱6,060.52	₱1,529.33	₱1,990.48
Costs of real estate...............	3,159.46	2,240.12	1,899.23	549.32	492.89

Gross profit on real estate....	3,550.46	3,347.11	4,161.29	980.01	1,497.58
Gross margin on real estate .	52.91%	59.91%	68.66%	64.08%	75.24%

The Communities Philippines projects are located in major cities and municipalities covering a significant portion of the Philippines' main urban areas, including the provinces of Pangasinan, Pampanga, Bulacan, Batangas, Leyte, Iloilo, Cebu, Cagayan de Oro and Davao. Examples of these developments are Plantacion Meridienne in Batangas and Savannah in Iloilo.

Plantacion Meridienne, Batangas

Plantacion Meridienne, Batangas is a project of Communities Philippines, inspired by the grand hacienda homes of the southern United States. It is located near Lipa City and is comprised of several enclaves that cater to a wide range of income classes by offering affordable housing and middle-income housing.

Launched in 1997, the first phase offered lots on just 13.3 hectares. The project has since grown to 43 hectares and now offers house and lot packages as well. Housing unit floor areas range in size from 40 to 72 square meters for bungalow units and from 54 to 211 square meters for two-storey houses.

In this project, the Company offers 16 home models: Jade, Pearl, Sapphire, Emerald, Ruby, Lalique, Murano, Lladro, Marvela, Carmela, Drina, Elaisa, Chamomile, Cranberry, Citronella and Celandine.

Plantacion Meridienne offers various facilities including complete electrical facilities, a centralized water system, an underground drainage system, perimeter walls with a 24-hour security system, a multi-purpose clubhouse, a swimming pool, basketball and tennis courts, and children's parks and playgrounds.

Set out below is a photo of a home at Plantacion Meridienne, which may not necessarily represent the current condition of the actual properties.

Plantacion Meridienne Clubhouse with Pool in Batangas

Savannah, Iloilo

Savannah, located in Iloilo, Panay Island, is a Communities Philippines development catering to both the affordable segment and the middle-income segment. The project is inspired by the "old world" communities and Victorian home style of Georgia in the United States.

The Company believes Iloilo serves as the regional hub of Western Visayas and the centre for education, medical attention, commercial servicing, government transactions and business.

Savannah was launched in 2000. The project covers a total of 400 hectares, of which 300 hectares are designated as residential areas and 100 hectares are designated as public and commercial areas. As part of this project, Communities Philippines offers almost 12 different housing products with floor areas ranging from 40 square meters to 250 square meters.

The current development has five enclaves catering to various income brackets: Savannah Glen, Orchard and Savannah Trails for the affordable segment and Savannah Glades and Savannah Crest for the middle-income segment. As part of this project, Communities Philippines offers almost 18 different housing products with floor areas ranging from 40 square meters to 250 square meters.

Set forth below is a photo of a home of Savannah, Iloilo, which may not necessarily represent the current condition of the actual properties.

Crown Asia

The Company targets the upper middle-income housing market (houses priced from ₱6 million to ₱35 million) principally through its Crown Asia unit.

Under its "Crown Asia" brand, the Company caters to the upper middle-income market by offering quality master-planned residential communities that feature distinct architectural themes. Historically, the Company's upper middle-income housing developments have ranged in size from approximately 5 to 50 hectares and have been developed in phases typically comprising approximately 250 lots. Sales prices for a lot typically range from ₱2.5 million to ₱9.0 million and sales prices for a house and a lot normally range from ₱7.2 million to ₱22.0 million per unit. Lot sizes generally range from 110 to 300 square meters. A typical home in the Company's upper mid-cost projects has two floors with a total floor area of approximately 84 to 242 square meters. The Company also designs and constructs homes in this sector with the capacity and structural integrity to allow owners to add extensions to the existing structure. Construction of a house is usually completed approximately six to eight months from commencing construction.

For the years ended December 31, 2021, 2022, 2023, and the three months ended March 31, 2024, Crown Asia recorded real-estate revenues of ₱474.06 million, ₱513.82 million, ₱561.52 million, ₱329.92 million, respectively, which accounted for 2.7%, 4.0%, 3.7%, and 5.9%, respectively, of total real estate revenue during these periods.

The following table sets forth selected financial and operating data of Crown Asia for the periods indicated:

	For the years ended December 31			Three months ended March 31	
	2021	2022	2023	2023	2024
(in millions, except for ratios)					
FINANCIAL DATA					
Real estate revenue....	₱474.06	₱513.82	₱561.52	₱171.69	₱329.92
Costs of real estate.....	269.46	241.06	289.92	96.13	119.18
Gross profit on real estate......................	204.60	272.76	271.60	75.56	210.73
Gross margin on real estate......................	43.16%	53.08%	48.37%	44.01%	63.87%

Two of Crown Asia's largest upper mid-cost housing projects, in terms of total historical sales, are Ponticelli and Citta Italia.

Ponticelli

Ponticelli is an upper middle-income residential development inspired by Italy's countryside towns. The development is located in an enclave within the Springville Subdivision of Bacoor, Cavite. With a total land area of 24 hectares, Ponticelli's first phase covers 10 hectares. Each of the 336 units has an average lot area of 160 square meters. Ponticelli's second phase covers 9.5 hectares with an average lot area of 150 square meters over its 330 units.

The development's location next to the Daang Hari roadway provides residents with convenient access to regional areas via the South Luzon Expressway to Manila and Calabarzon or via the Dasmariñas-Molino road to various parts of Cavite.

Set out below is a photo of Ponticelli, which may not necessarily represent the current condition of the actual properties.

Citta Italia

Designed after Italy's "old world" communities, Citta Italia is located in Bacoor and Imus, Cavite. Citta Italia caters to upper middle-income professionals that need to be close to either Metro Manila or the Calabarzon area.

The location puts Citta Italia close to the various commercial, recreation and entertainment areas in the Bacoor and Imus city centre, including Robinsons Place, Imus and the SM Mall, Bacoor and the Mall of Asia.

The developed area covers 102 hectares and is currently on its eighteenth phase.

Set out below is a photo of homes at Citta Italia, which may not necessarily represent the eventual state of the actual properties.

Brittany

Operating through Brittany, the Company builds premium master-planned communities and leisure projects for the high-end market. Brittany is one of the leading providers of high-end luxury homes in the Philippines. The Company believes that Brittany's thorough and creative execution of its themed developments sets it apart from its competitors.

Project land area required for this style of development ranges in size from approximately 10 to 60 hectares and is typically developed in phases of five to ten hectare segments. Selling prices for lots only are typically above ₱24.6 million with lot sizes averaging 300 square meters. Sales prices for a house-and-lot start at ₱32.0 million with a typical home in the high-end projects having two or three floor levels and a floor area range of 200 to 625 square meters.

For the years ended December 31, 2021, 2022, 2023, and the three months ended March 31, 2024, Brittany recorded real estate revenue totaling ₱504.36 million, ₱1,216.14 million, ₱973.13 million, and ₱478.01 million, respectively, which accounted for 2.9%, 9.5%, 6.4%, and 8.6%, respectively, of the Company's total real estate revenue during these periods.

The following table sets forth selected financial data of Brittany for the periods indicated:

	For the years ended December 31			**Three months ended March 31**	
	2021	**2022**	**2023**	**2023**	**2024**
(in millions, except for ratios)					
FINANCIAL DATA					
Real estate revenue	₱504.36	₱1,216.14	₱973.13	₱297.01	₱478.01
Costs of real estate	223.17	435.42	401.97	150.58	125.74
Gross profit on real estate	281.19	780.72	571.16	146.43	352.27
Gross margin on real estate	55.75%	64.20%	58.69%	49.30%	73.69%

Two examples of Brittany's high-end residential projects are Portofino and Crosswinds. Portofino is an Italian-inspired upscale residential development, which takes up 300 hectares of the 1,500 hectare master-planned Vista Estate in the Daang Hari area. It is accessible mainly via the MCX. In 2014, it was recognized as the Best Housing Development in Metro Manila by the Philippines Property Awards while Amore at Portofino received the same recognition in 2015.

Portofino offers lots only and house-and-lot packages, with lots ranging from 250 to 1,200 square meters, and includes premium features. Housing unit floor areas range in size from 211 square meters (Carletti model) to 360 square meters (Ghiberti model). Unit pricing for the Portofino houses and lots range from ₱47.0 million for the Carletti model to ₱88.1 million for the Ghiberti model.

Set out below is a photo of a home at Portofino, which may not necessarily represent the eventual state of the actual properties.

Crosswinds

Crosswinds is the Company's first leisure development project and is located in Barangay Iruhin Central, Tagaytay City. With an elevation of approximately 2,500 feet, Crosswinds offers a scenic view of Batangas and Laguna and is approximately an hour's drive away from Manila.

The total project land area for Crosswinds is 100 hectares, although certain adjacent property owners have shown interest in partnering with the Company to include their land in a potential expansion of the project. Currently, the project is in its twelfth phase and more than 85 hectares have been developed.

Set out below is a photo of Crosswinds, which may not necessarily represent the current condition of the actual properties.

Vista Residences

Vista Residences develops and sells vertical residential projects in the Mega Manila area in the affordable to high-end housing segments priced between ₱6.0 million to ₱15.0 million. Vertical home projects generally involve longer project development periods as well as facilities, amenities and other specifications not often found in horizontal homes. Vista Residences expects to develop additional low- and mid-rise condominium projects in the next several years, mostly in Southern Luzon, to increase its existing portfolio of vertical development projects. Vista's Presidio, which is part of the 60-hectare Vista Lakefront master-planned community at Sucat in Parañaque, is expected to be one of the sites for these additional residential condominiums; the Company has already completed six of the seven mid-rise buildings in the resort-themed Presidio enclave.

In the years ended December 31, 2021, 2022, 2023, and the three months ended March 31, 2024, Vista Residences recorded real estate revenue totaling ₱2,512.11 million, ₱2,505.87 million, ₱3,147.37 million, and ₱1,416.14 million respectively, which accounted for 14.4%, 19.6%, 20.7%, and 25.5%, respectively, of total real estate revenue during these periods.

The following table sets forth selected financial data of Vista Residences for the periods indicated:

	For the years ended December 31			**Three months ended March 31**	
	2021	**2022**	**2023**	**2023**	**2024**
(in millions, except for ratios)					
FINANCIAL DATA					
Real estate revenue	₱2,512.11	₱2,505.87	₱3,147.37	₱793.63	₱1,416.14
Costs of real estate.................	1,427.09	1,459.03	1,875.18	485.61	592.29
Gross profit on real estate.......	1,085.02	1,046.84	1,272.19	308.02	823.85
Gross margin on real estate	43.19%	41.78%	40.42%	38.81%	58.18%

Set out below are renditions of some of Vista Residences' projects, which may not necessarily represent the current condition of the actual properties.

VISTAMALLS

On December 22, 2015, the Company acquired common shares representing approximately 79.43% of the total outstanding common capital stock of Vistamalls. On February 23, 2016, the Company acquired additional common shares in Vistamalls representing 8.82% of the latter's total outstanding capital stock.

Vistamalls is a major developer, owner and operator of retail malls in the Philippines. It also develops and operates BPO commercial centers. At the time of its acquisition, Vistamalls, through its subsidiaries, owned and operated 10 retail malls in key cities and municipalities in the Philippines and 2 BPO commercial centers in Metro Manila, with a combined GFA of 509,385 square meters. With the acquisition of Vistamalls, the retail malls, commercial strips and BPO offices are combined under the division "Vista Land Commercial Group".

As of March 31, 2024, Vista Land Commercial Group owned and operated various retail malls and commercial strips in key cities and municipalities in the Philippines with an aggregate GFA of over 1.4 million square meters of retail malls, commercial centers, and 0.2 million GFA of BPO centers in Metro Manila, which leases with BPO tenants employing approximately 10,085 employees. The fair value of selected investment properties used as collateral to secure certain bank loans of Manuela Corporation amounted to ₱5,575.57 million as of March 31, 2024.

Retail Malls

Retail malls have become popular because of their value-for-money proposition, one-stop shopping concept and diverse tenant mix. The Company believes that it is well-placed to face the increased competition in the retail mall industry because of its competitive advantages including, among other things, the location of its existing retail malls (including proximity of a number of its malls beside major transport hubs), the existing land bank of the Group, its balance sheet strength, diverse tenant mix, proven tenant selection criteria and the presence of the key tenants within each of its retail malls. As an early mover in the underserved consumer retail segment, specifically its malls located in emerging Vista communities, the Company believes that it has been able to benefit from a lack of direct competition for many of its retail malls given that other retail mall developers have predominantly focused on major cities and central business districts. For example, Vistamall Taguig in Taguig City was established in 2017 before any other retail mall developer had entered the area. As of the date of this Prospectus, it remains to be the only retail mall serving the surrounding community.

Two examples of Vistamalls' retail malls are Starmall Edsa Shaw and Vista Mall Sta. Rosa.

Starmall Edsa Shaw

Starmall EDSA Shaw opened in 1988. Between 2009 and 2011, Starmall EDSA Shaw underwent major redevelopment, including facade enhancement, upgrade and addition of escalators and replacement of air-conditioning systems. Starmall EDSA Shaw is adjacent to other retail buildings forming a collection of retail malls at the corner of two major thoroughfares, EDSA and Shaw Boulevard, and is accessible by public and private transport. The second level is directly accessible from the adjacent MRT station.

Starmall EDSA Shaw has four levels of retail, food service and entertainment outlets and approximately 3,000 square meters of office space. Starmall EDSA Shaw is considered by the Company as a transit mall as its footfall is principally comprised of commuters and passengers of public transportation. For 2023, it had a daily average footfall of approximately 70,120.

Vista Mall Sta. Rosa

Vista Mall Sta. Rosa opened in April 2015 and the Company believes that it is the most prime BPO hub in Southern Luzon. Vista Mall Sta. Rosa is located along the busy Sta. Rosa-Tagaytay National Road and is anchored by the All Home Center, attracting residents and visitors from neighboring communities to shop for their home and everyday needs.

Phase two of Vista Mall Sta. Rosa opened in the first quarter of 2016, offering supermarket, department store, cinema and amusement, food court, foreign and local fashion, international and native cuisines, IT hub, services, government satellite offices, among others.

Set out below is a photo of Vista Mall Sta. Rosa, which may not necessarily represent the current condition of the actual properties.

Vistamalls also develops commercial centers designed for BPOs as anchor tenants. Food outlets and other retail establishments located at BPO commercial centers provide 24-hour support to BPO tenants and their employees. An example of this is the Worldwide Corporate Center ("**WCC**") is Shaw Boulevard, Mandaluyong City.

WCC houses (i) large tenants requiring customized office space, including BPO centers and a media company; (ii) smaller corporate offices, such as residential real estate marketing offices, management offices and a direct marketing company; and (iii) retail outlets designed to cater to the other tenants in the building, such as restaurants, convenience stores and service shops. It is strategically located in the vicinity of EDSA, Metro Manila's main thoroughfare, and is connected to transportation terminals, including the MRT, bus terminals and other forms of public transportation.

Manuela Corporation constructed WCC on land leased from Leca Realty Corporation ("**Leca**") pursuant to the terms of a long term lease contract originally expiring in July 2020. In August 2011, Leca and Manuela entered into an agreement to extend the lease for another 10 years (up to July 2030) and granted Manuela a right of first refusal to purchase the land subject of the lease in the event that Leca decides to sell the land. In July 2021, Leca and Manuela amended the lease contract extending lease for another 20 years (up to July 2050).

WCC has a GFA of 122,280 square meters, four levels of office space, and has a range of retail and food outlets. WCC also contains multi-level basement parking with 532 spaces. It is positioned for BPO operators as well as retail and food and beverage outlets that support the BPO tenants. As of March 31, 2024, it has an occupancy rate of 89%.

Set out below is a photo of WCC, which may not necessarily represent the current condition of the actual properties.

WCC has a diverse tenant mix of more than 120 tenants, including major tenants such as Vista Land, AllHome, AllDay Supermarket, Sykes Marketing, Concentrix, Acquire Asia, Nine Media Corporation, Interglobe Technologies, AllDay Convenience Store, Coffee Project Starbucks, Burger King and McDonald's.

ONGOING STRATEGIES

Vista Estates

In 2022, the Company launched Vista Estates. Vista Estates is Vista Land's collection of vast master planned communities offering unique, premium and sustainable lifescapes which provide its guests, residents, and investors with limitless growth opportunities. The development is comprised of business parks and IT zones, institutional complexes, such as learning institutions, places of worship, events venues, and healthcare centers, commercial and retail districts, leisure and wellness hubs, and horizontal and vertical residential enclaves. Vista Estates transcends the typical standards of a master planned megalopolis by building cities-within-cities that are inspiring in vision, compelling in creativity, and grand in diversity. As of March 31, 2024, the Company has launched a total of 26 Vista Estate projects across the country.

The Company intends Vista Estates to serve as a template for its future developments. As of March 31, 2024, the Company has identified about 60 areas (excluding sites earmarked for Vistamalls' development) from its existing projects around the country, including the provinces of Iloilo, Cavite and Bulacan, and the cities of Tuguegarao in Northern Luzon and Cagayan de Oro in Mindanao, that are suitable for Vista Estates.

Vista Estate Georgia

Vista Estate Georgia is the Company's flagship integrated real estate development in the Visayas region. Plans for Vista Estate Georgia include retail malls, hotels, office buildings for the BPO industry and hospitals. It is a 500 hectare Vista Estate, which is strategically spread over the municipalities of Oton, Pavia and San Miguel on Panay Island. It is close to the University of the Philippines in the Visayas, Central Philippine University, University of San Agustin, and West Visayas University, as well as the Western Visayas Medical Center and The Medical City Iloilo. It established its presence in Iloilo in September 2000 when it opened Savannah Glades.

Savannah is the largest residential community in Panay Island. The residential community is supported by numerous amenities, including a school (Georgia Academy, which offers primary to secondary education), five clubhouses, four basketball courts, one tennis court, jogging and biking paths and numerous gazebos, parks and children's playground. The project has seven residential enclaves covering more than 300 hectares.

The integration of the residential project with the commercial development will complete Vista Estate Georgia's transformation into a Vista Estate with adequate security and convenient transportation services.

As part of its integrated real estate development strategy, the Company plans to create more Vista Estates. As an initial step, the Company believes that a Vistamalls retail mall or BPO facility can be readily developed in its existing communities which have already allocated portions of land for commercial developments. These include its communities in the provinces of Davao, Iloilo, Cavite and Bulacan, and the cities of Cabanatuan in Northern Luzon and Cagayan de Oro in Mindanao.

Land Bank

It is an integral part of the Company's strategy to maintain an extensive land bank at all times to ensure that it has adequate land to cover its succeeding years of development for its residential and commercial development activities.

For its residential business, the Company's land bank consists of vacant or undeveloped land primarily in Metro Manila, Calabarzon, and in other major towns and cities in various provinces of the Philippines. The Company has invested in properties situated in what the Company believes are prime locations across the Philippines for existing and future housing and land development projects. As of the date of this Prospectus, some properties in the Company's raw land inventory are subject to material liens or encumbrances.

In addition to directly acquiring land for future projects, the Company has also adopted a strategy of entering into joint venture arrangements with land owners for the development of raw land into future project sites for housing and land development projects. This allows the Company to reduce its capital expenditures for land and substantially reduces the financial holding costs resulting from owning land for development. As March 31, 2024, the Company has a land bank of approximately 2,422.30 hectares of raw land for the development of its various projects, in addition to approximately 411.20 hectares (attributable to the Company) of land under joint venture agreements. The Company believes that its current land bank will be sufficient for its existing and planned projects and developments for at least twenty-seven to thirty years.

Details of the Company's raw land inventory as of March 31, 2024 are set out in the *"Description of Properties"* section of this Prospectus.

The Company intends to acquire land in various parts of the Philippines for future development, either directly or pursuant to joint venture agreements.

LAND ACQUISITION

The Company sources land for its projects either through direct purchase or through joint venture arrangements with land owners. As a matter of policy, the Company conducts due diligence before acquiring any property or entering into any joint venture. The evaluation process focuses on four major factors:

- legal documents (e.g. title) related to the property;
- property valuation;
- technical characteristics of the property (e.g. location of fault lines); and
- other factors impacting the suitability and feasibility of developing future projects.

Before the Company acquires land or enters into joint ventures to develop land, the Company conducts extensive checks on both the owner and the land itself, with a particular focus on the veracity of the title covering the land and whether it can be traced back to the original judicial decree granting title over the land. As and when needed, the Company also engages third parties, such as surveyors and engineers, to verify that the land it seeks to acquire is covered by the technical description of the title.

Before the Company acquires land or enters into joint ventures to develop land, the Company also conducts its own valuation of the property based on, among other factors, other similar properties in the market and an assessment of the potential income derivable from any development suitable for the property.

Before directly acquiring land or entering into a joint venture arrangement with a land owner, the Company also conducts engineering and environmental assessments in order to determine if the land is suitable for construction. The land must be topographically amenable to housing development.

The Company has developed specific procedures to identify land that is suitable for its needs and performs market research to determine demand for housing in the markets it wishes to enter. These factors include:

- the general economic condition of the environment surrounding the property;
- suitable land must be located near areas with sufficient demand or that the anticipated demand can justify any development;
- the site's accessibility from nearby roads and major thoroughfares;
- the availability of utility infrastructure, such as electric transmission facilities, telephone lines and water systems; and
- the overall competitive landscape and the neighbouring environment and amenities.

The Company also considers the feasibility of obtaining required governmental licenses, permits, authorisations, and adding necessary improvements and infrastructure, including sewage, roads and electricity against a purchase price that will maximise margins within the limits of available financing.

JOINT VENTURES

Historically, the Company has grown its land bank primarily through direct purchases. In the past several years, however, the Company has begun to enter into joint venture agreements with land owners for its residential development business. These joint venture arrangements offer certain advantages to the Company, particularly because the Company is not required to pay for the land in advance. The Company's interests in these joint ventures vary depending on the value of the land against the estimated development cost. The Company holds a majority interest under most of its existing joint venture arrangements.

Historically, the Company has not experienced any material difficulties in identifying and engaging joint venture partners to supply land and currently does not expect to experience any such difficulties in the future. The Company believes that this is due to its track record of reliability and success, particularly in the suburban areas where many of the Company's projects have been located, thus giving its joint venture partners confidence in the future success of their projects. Further, there is a prevalence of land owners in the Philippines who wish to develop their land but who may not have the financial resources and expertise to do so. The Company has also entered into joint venture agreements with commercial banks, such as Banco de Oro ("**BDO**"), Union Bank of the Philippines and a wholly-owned subsidiary of United Coconut Planters Bank ("**UCPB**") (now merged with Land Bank of the Philippines), to develop specific assets of the banks.

The Company's joint venture arrangements typically require the joint venture partner to contribute the land to the project, with the Company bearing all costs related to land development and the construction of subdivision facilities. The Company and its joint venture partner then agree on which of the resulting subdivided saleable lots will be allocated to the Company and which lots will be allocated to the joint venture partner, in accordance with their respective joint venture interests.

Sales and marketing costs are allocated to both the Company and the joint venture partner, with the joint venture agreement specifying a percentage of the contract price (typically 12.0% to 15.0%) for the lots allocated to the joint venture partner as the sales and marketing costs (including commissions to brokers) attributable to the sale of such lots. However, the Company is responsible for organising and conducting actual sales and marketing activities.

The joint venture partner is also required to warrant his/her title over the land and, if necessary, to clear the land of tenants and informal occupants before the Company commences development work on the land. All costs relating to clearing the land of tenants and informal occupants are the responsibility of the joint venture partner, although the Company may provide cash advances to cover a portion of these costs, which will then be deducted from any sale proceeds attributable to the joint venture partner.

On November 27, 2020, the Company entered into a joint venture agreement with Mitsubishi Estate Co. Ltd. to develop Kizuna, a mixed-use, high-rise condominium project along Taft Avenue. It is strategically located close to various schools, hospitals, commercial centers, and public transportation. The condominium offers over 1,000 residential units in 32 floors and 7 floors of parking spaces. The expected completion of the projects is during the first half of 2026.

For a discussion of certain risks associated with these joint venture arrangements see *"Risk Factors — Risks Relating to the Company's Business — The interests of joint venture partners for the Company's projects may differ from the Company's, and they may take actions that adversely affect the Company"* of this Prospectus.

SITE DEVELOPMENT AND CONSTRUCTION

Residential Development Business

For its housing development activities, site development and construction work is contracted out to various qualified and accredited independent contractors. For larger projects, such as site development work, contracts are awarded on the basis of competitive bidding. For smaller-scale projects, such as the construction of certain structures within a project or of specific housing and condominium units, the Company will directly contract specific contractors based on its previous experience with such contractor for a specific type of project. In all cases, the Company's accreditation procedure takes into consideration each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments. The Company maintains relationships with over 300 accredited independent contractors and deals with each of them on an arm's-length basis. The Company is not and does not expect to be dependent upon one or a limited number of suppliers or contractors.

The Company does not enter into long-term arrangements with contractors. The awarded contracts typically cover the provision of contractor's services in relation to a particular project or particular housing and condominium units. To ensure compliance with Company requirements and to maintain the quality of the developments, the Company has a team of project engineers who perform the following functions:

- directly managing site development and construction activities;
- coordinating the activities of the Company's contractors and suppliers;
- overseeing quality and cost controls; and
- ensuring compliance with zoning and building codes and other regulatory requirements.

Typically, the Company enters into fixed-price contracts with its contractors, with the cost of materials included as part of the price.

Housing unit construction will typically take three to 12 months to complete depending on the size. For vertical projects, midrise buildings take two to three years while high rise buildings take four to five years to complete.

Most construction materials are provided by the contractors themselves in accordance with the terms of their contracts. In certain cases, the Company guarantees payment to the Company-specified suppliers for purchases by contractors of construction materials. In these cases, the Company makes direct payments to such suppliers, with the amounts paid by the Company for construction materials deducted from payments to the contractors.

Progress payments are made to contractors during the term of the contract based on the accomplishment of pre-determined project performance milestones. The Company usually retains 10.0% of each progress payment in the form of a guarantee bond or cash for up to one year from the date the contracted work is completed and accepted by the Company. The amounts retained are used to meet contingency costs, such as addressing claims from purchasers thereby limiting the financial burden on the Company.

As of March 31, 2024, the Company has ongoing construction works for 307 residential development projects in various stages of development and level of sales across the Philippine. The Company expects that the construction of vertical projects will be completed in 2024 onwards.

Retail Mall Development and BPO Commercial Center Business

Site development and construction work is contracted out to various qualified and accredited independent contractors. For larger projects, such as major repair or construction work, contracts are awarded on the basis of competitive bidding. For operational repairs and maintenance projects, contractors are hired without a competitive process based on previous experience with the contractor. In all cases, the accreditation procedure takes into consideration each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments. Vistamalls maintains relationships with over 100 accredited independent contractors and deal with each of them on an arm's length basis.

Vistamalls' business and project development group is responsible for identifying sites for the construction of new retail malls, which in many cases are sites that are within the Group's properties. The business and project development group determines the viability of a potential plot of land for a new retail mall based on the demographics of the area, including the size of the population, its income levels, local government and local infrastructure and, in particular, accessibility to public transportation. Vistamalls also evaluates the presence of other retail commercial developments in the area. Once a suitable site is selected, the corporate planning group determines the absorbable size of the retail mall to be constructed and the GFA, which typically ranges from 20,000 to 70,000 square meters. The group then proceeds to secure all relevant government permits for the project, as well as all architectural and engineering schematics. The securing of permits and licenses and the completion of preliminary design works typically takes about two months. The construction of each retail mall is generally awarded on the basis of competitive bidding. The bid process and the preparation of detailed drawings and costings generally takes about three months. Vistamalls supervises the construction of each retail mall, which typically takes about six months to one year.

The Company plans to increase its GFA by 100,000 square meters annually, subject to various factors and feasibility of the project.

SALES AND MARKETING

Residential Development Business

The Company believes it has one of the most extensive marketing networks of all Philippine housing development companies.

Local Marketing Network

The Company's local marketing and distribution network of independent contractors and agents for its housing development activities consists of approximately 3,000 teams, with a combined total of approximately 32,400 active agents. Of these marketing teams, 3,150 are accredited licensed realtors and 100 teams are direct marketing groups.

The Company believes that it offers its marketing teams competitive compensation terms. The Company's commission structure and incentive schemes vary relative to the network's affiliation and sales structure.

The Company's exclusively contracted marketing teams are compensated through a monthly allowance and are provided administrative support by the Company, including office space and expense allowances. Broker companies are compensated with relatively higher commissions with funding allocations for business development programmes.

International Marketing Network

The Company believes that the OFW population constitutes a significant portion of the demand for its housing and land development projects. The demand comes from both the direct purchase by the OFW or purchase by relatives of the OF financed by OF remittances. As such, the Company seeks to adequately service and reach the OFW and international markets. For that purpose, the Company has established an extensive international marketing network.

This network consisted of 350 partners 7,200 independent agents located in countries and regions with large OFW populations, including the United States, as of March 31, 2024.

Through this network, the Company is well-represented in key cities abroad with the highest concentration of OFW communities. The Company's presence is significant in countries and regions such as North America, Europe, Middle East and Asia including Japan. These international brokers are established in their respective areas and serve as the Company's marketing and promotion agents in their territories, to promote the Company and its products. In addition, some of these agents bought houses from the Company in the past. The Company believes that its long-standing relationships with these agents over the years distinguish it from its competitors.

The Company, together with these international brokers and agents, regularly sponsors roadshows and participates in international fairs and exhibits, Filipino social and professional gatherings, and other OFW-related events.

Awareness efforts are primarily conducted through periodic TV advertising on Philippine primetime television and sustained TV advertising on The Filipino Channel, as well as print advertising on national and geo-based publications. As added support, the Company through a special division called Prime Properties International has set up support marketing groups focused on and dedicated to servicing the international market.

Modes of Payments

The Company's customers for its housing projects can generally purchase the Company's products through:

- cash purchases;
- bank financing;
- in-house (Company-provided) financing; and
- Government-assisted financing.

Under these four major modes of payments, the Company designs flexible and creative financing packages for its customers to make their acquisitions possible.

Cash-basis acquisitions are usually given special discounts. Negotiated discounts are also allowed for accelerated payment schedules and other bulk payments. This is to encourage capable buyers to pay upfront for their property acquisition.

Mortgage loans from private banks are available. These are offered to buyers who are perceived to be acceptable credit risks. To streamline the loan processing application, the Company has arrangements with several banks regarding the processing of applications with respect to the financing of unit purchases. As of March 31, 2024, majority of the Company's buyers opt for bank financing to finance their housing purchases.

The Company also offers in-house financing to buyers. There are cases wherein in-house financing schemes serve as steppingstones to facilitate transactions. In these instances, the buyers use the in-house financing facility but convert to bank financing within a certain period.

There are also instances where customers of the Company obtain financing from the Government. Government-subsidized loans under the government financial institution programs still continue to be the largest source of purchaser financing for the socialized market.

Mortgage Loans

Mortgage loans from commercial banks are available to individuals who meet the credit risk criteria set by the relevant bank and those individuals who are able to comply with such bank's documentary requirements and credit investigation. To assist prospective buyers obtain mortgage financing from commercial banks, the Company has arrangements with several commercial banks, such as BDO, Bank of the Philippine Islands (with BPI Family Savings Bank and its merger with Robinsons Bank), Philippine Saving Bank, Union Bank of the Philippines, UCPB (now merged with Land Bank of the Philippines), RCBC Savings Bank, Security Bank, Bank of Commerce, Malayan Bank, and China Bank Savings. Further, the Company ensures that all of its units are properly and completely documented to adequately comply with the bank's requirements.

In addition to taking security over the property, a bank may also seek repayment guarantees from the Home Guaranty Corporation ("**HGC**"). The HGC is a Government-owned and controlled corporation that operates a credit guaranty program in support of the Government's efforts to promote home ownership. It provides risk guarantees and fiscal incentives for loans and credit facilities for residential purposes provided by banks and financial institutions. In the event a buyer defaults in connection with an HGC-registered loan or credit facility, the HGC guarantees the payment to the extent of the outstanding balance, interest and yield. The interest and yield on loans and credits guaranteed by the HGC is exempt from taxation.

In-House Financing

- The Company has established processes and procedures designed to screen homebuyers applying for in-house financing to ensure that they are financially capable of paying their monthly amortizations. The Company conducts strict and thorough credit checks which include but are not limited to:
- employment/career/business background checks;
- credit card verification using national credit databases; and
- conducting physical verification of claims regarding residences and properties owned by the buyer.

The Company typically finances 80.0% to 85.0% of the total purchase price of the property being sold. The loans are then repaid through equal monthly instalments over periods ranging from five to 15 years. The interest rates charged by the Company for in-house financing typically range from 16.0% per annum to 19.0% per annum, depending on the term of the loan, with the financing agreement providing for an escalation of the interest rate in the event of a general rise in interest rates charged by the banks and other financial institutions.

Where a buyer has obtained in-house financing for a purchase, the Company will retain the title to the property until full payment of the loan. During this period, if the buyer defaults on the payment of the monthly instalments due, the Company has the right to cancel the sale and retain payments already made by the buyer. See *"Risk Factors — Risks Relating to the Company's Business — The inability of the Company's in-house financing customers to meet their payment obligations could have a material adverse effect on the Company's business and prospects"* of this Prospectus.

Customer Service and Warranties

The Company believes it is important to ensure that quality service is afforded to homebuyers throughout and after the relevant sales period, including during house lay-out, construction, move-in and introduction to the homeowners' association. The Company's Customer Care Department has qualified staff dedicated to addressing these concerns.

Apart from the standard contractual warranties on the purchased unit, for each project the Company engages the services of a professional property management group which oversees the affairs of the homeowners' association. This helps homebuyers to achieve a smooth introduction to their new neighborhood and further enhances good customer relations. The property management group's functions include financial management, security, landscape maintenance and association social activities.

Retail Mall Development and BPO Commercial Center Business

Leasing Policies

Retail Mall Development

The Company's leasing policy for tenant selection follows its target market strategy. The Vista Land Commercial Group mall leasing team is responsible for tenant selection. Tenants are evaluated in terms of their product offering, store concept, compliance with regulatory requirements and operational and financial capacity. All leases include arm's-length commercial terms, including those with the Company's affiliates. The high demand for tenancies within Vistamalls' retail malls means that it generally has a sufficient tenant pipeline to cover any vacancies that may arise in the retail malls. As of March 31, 2024, related party tenants lease approximately 79% of the total GFA.

Retail leases are generally granted for a term of two years with an average escalation of 5.0 to 10.0%, with the exception of some of the larger tenants, which are granted initial lease terms of three to five years with an escalation of 5.0% to 7.0%, renewable upon expiry for a similar period thereafter. Sixty days' notice is required of tenants for termination of their leases. Vistamalls generally requires payment of four months' rent as a security deposit and two months' advance rental prior to the commencement of a lease. Upon renewal of a lease, the rental rates are adjusted to reflect the prevailing market rent.

The table below sets forth a summary of the expiration of the Company's leases as of March 31, 2024:

Lease Expiry	Percentage (%)
Below one year	11%
1-3 years	26%
4-5 years	16%
Over 5 years	47%

BPO Commercial Centers

Tenant sourcing for WCC, BPO Polar EDSA, BPO Las Piñas and Vista Hub BGC is conducted by the BPO division, augmented by reputable brokers, such as Colliers Philippines, Santos Knight Frank, Lee Chiu Property Consultant, Jones Lang Lasalle Leechiu, and CB Richard Ellis Philippines. Before the Company enters into lease contracts with BPO tenants, it seeks to understand their fit-out requirements for the rental space and evaluate the economics of such requirements. The Company directly engages in tenant sourcing for auxiliary food and beverage and service spaces and follows the evaluation process generally applied for retail mall tenants. Tenancies are generally granted for a term of one to three years, with the exception of larger tenants operating nationally, which are granted initial lease terms of two to ten years, renewable for a five-year term thereafter.

Management of the retail malls

The Company manages the development, leasing and marketing of its retail malls internally, rather than outsourcing these functions. The malls are managed by a mall operations team consisting of the mall manager, building administrator and tenant relations officer. Operational services, including maintenance, security and janitorial services are outsourced to reputable third-party service providers and contracts with these providers are reviewed annually.

COMPETITION

Residential Development Business

The residential development market in the Philippines is intensely competitive. The Company has significant competitors for its residential housing and land development business. Compared to the commercial real estate and high-rise residential building markets, which require the resources to acquire land in expensive urban areas and the experience to manage these projects successfully, real property companies can more easily develop horizontal residential housing and land development projects in certain areas. Nevertheless, the Company's strong regulatory know-how, solid execution track record and nationwide footprint are difficult to replicate and effectively serve as a strong barrier against competition on a nationwide level. Because of the availability of joint venture arrangements with landowners and the ability to finance these projects through unit pre-sales, it is relatively easy for smaller players to enter into this business. There is, therefore, competition for land that is suitable for project development. There is also competition among various developers for residential real estate brokers.

Currently, the Company's competitors in its residential development business include companies such as Filinvest Land, Inc., Megaworld Corporation, Robinsons Land Corporation, Ayala Land, Inc,, and others. On the basis of publicly available information and its own market knowledge, the Company believes that it is the leading integrated property developer with the most extensive nationwide footprint in the Philippines. The Company's management also believes that the Company is able to offer competitive commissions and incentives for brokers and that the Company is able to compete on the basis of the pricing of its various products, which span all income segments, as well as brand recognition.

The Company also faces strong competition in the condominium market. The Company believes that its main competitors in these markets include companies such as Ayala Land, Inc., DMCI Development Homes, Inc., Megaworld Corporation, Robinsons Land Corporation, SM Prime Holdings, Inc., and others.

Retail Mall Development and BPO Commercial Center Business

Vistamalls' retail mall business competes with other retail malls in the geographic areas in which they operate. The other major retail mall operators in the Mega Manila area are Robinsons, SM Prime and Ayala Land. These national mall operators serve principally the "A", "B" and "upper C" segments of the population. In the mass market retail segment, where Vistamalls serves the "B", "Upper C", "Broad C" and "D" segments, Vistamalls' competitors consist principally of smaller mall operators such as the Ever Gotesco Group and City Malls. Vistamalls believes that it is well positioned to face increased competition in the retail mall industry given its competitive advantages including, among other things, the location of its existing retail malls, the land bank of the Group, a successful tenant mix and selection criteria and synergies within the Group.

The Company is also in the mall business serving the "A", "B" and "upper C" segments of the population in locations where the catchment area are in those segments such as in Evia Lifestyle Center and Vistamall Sta. Rosa For further discussion of certain risks associated with competition, see "*Risk Factors — Risks Relating to the Company's Business — The Company operates in a highly competitive market, and any inability to effectively compete could limit the Company's ability to maintain or increase its market share and maintain or increase profitability*" and "*Risk Factors — Risks Relating to the Company's Business — The Company may not be able to acquire land for new projects*" of this Prospectus.

EMPLOYEES AND LABOR

As of March 31, 2024, the Company and its subsidiaries, had 1,522 employees broken down by function as follows:

Function	**Number of employees**
Operations	720
Administrative	325
Technical	477
Total	1,522

The Company recognizes that there may be a need to hire additional personnel to handle increase in the volume of business over the next twelve months. However, all such hiring decisions will be made taking into account the uncertainties surrounding the current market environment in addition to the long-term requirements of the business. As such, the Company does not anticipate a significant increase in the number of employees this year. The Company has no collective bargaining agreements with its employees and none of the Company's employees belongs to a union. The Company believes it has a good relationship with its employees and no key employees have left the Company during the past three years.

The Company provides employees with on-the-job-training and other development programmes that assist them in effectively carrying out their jobs and that prepare them for career advancement in the Company.

The Company continuously strives to position itself as an employer of choice in the Philippine real estate industry. It offers what it believes to be competitive salary and benefits packages that allow it to compete in the job market for quality employees. The Company has no employee stock option plan.

RESEARCH AND DEVELOPMENT

While the Company engages in research and development activities focusing on the types of construction materials used for its housing and condominium units, construction methodology, value-engineering for its projects and quality assurance, as well as market studies on potential new retail malls and BPO commercial centers and gathering data on target retail customer base, the expenses incurred by the Company in connection with these activities for the last three fiscal years 2021 to 2023 are not material. The Company's research and development activities include organizing regular trips for its operations personnel, architects and engineers to various cities in America, Europe and Asia to enable them to become more attuned to high quality developments and latest trends from overseas.

GOVERNMENT APPROVAL AND PERMITS

All government approvals and permits issued by the appropriate government agencies or bodies that are material and necessary to conduct the business and operations of the Company are in full force and effect. As confirmed by Atty. Rossan Lee in a legal opinion dated August 7, 2024, such permits and licenses are valid and subsisting as of the date of the legal opinion.

VLL's material permits and licenses necessary for its business as currently conducted are the following:

- Certificate of Incorporation issued by the SEC on February 28, 2007
- Amended Articles of Incorporation and Certificate of Filing of Amended Articles of Incorporation issued by the SEC on January 20, 2020;
- Certificate of Registration issued by the BIR; and
- Business Permit issued by the City of Las Piñas for the year 2024.

For the list of material permits and licenses of the Company's material Subsidiaries in the Philippines, please refer to Annex "A".

INTELLECTUAL PROPERTY

The Company and its subsidiaries have a number of trademarks for its development projects as well as applications for the registration of various trademarks of its property developments pending with the Philippine Intellectual Property Office. These trademarks are important in the aggregate because name recognition and exclusivity of use are contributing factors to the success of the Company's and its subsidiaries' property developments. In the Philippines, certificates of registration of a trademark filed with the Philippine Intellectual Property Office prior to the effective date of the Philippine Intellectual Property Code in 1998 are generally effective for a period of 20 years from the date of the certificate, while those filed after the Philippine Intellectual Property Code became effective are generally effective for a shorter period of 10 years, unless terminated earlier.

The Company has also registered a number of the business names it uses for its property developments with the Department of Trade and Industry. Registering a business name with the Department of Trade and Industry precludes another entity engaged in the same or similar business from using the same business name as one that has been registered. A registration of a business name shall be effective for five years from the initial date of registration and must be renewed within the first six months following the expiration of the five-year period from the date of original registration. Pursuant to the Philippine Department of Trade and Industry Administrative Order No. 11 (Series of 2008), where the business name of a corporation appears in its articles of incorporation as the corporate name, registration is no longer necessary. A corporation may also use a business name or style different from its corporate name provided such name or style appears in its articles of incorporation.

Trademark	Registrant	Registration Date	Expiration Date	Term	Principal Condition/s
VISTA LAND	Vista Land & Lifescapes, Inc.	June 9, 2008	June 9, 2028	10 Years, Renewed	(1) Registrant must file a declaration of actual use within 1 year from the date of renewal and pay the required fee (2) Registrant must again file a declaration of actual use or non-use together with the evidence of use or reasons for non-use within 1 year from the 5th Anniversary of the date of renewal and pay the required fee
CROWN ASIA YOUR HOME OF CHOICE	Crown Asia Properties, Inc.	February 4, 2008	February 4, 2028	10 Years, Renewed	
CAMELLA HOMES & COMMUNITIES	Camella Homes, Inc.	February 4, 2008	February 4, 2028	10 Years, Renewed	
BRITTANY	Brittany Corporation	February 11, 2008	February 11, 2028	10 Years, Renewed	
COMMUNITIES PHILIPPINES	Camella Homes, Inc.	March 3, 2008	March 3, 2028	10 Years, Renewed	
Vistaland & Lifescapes	Vista Land & Lifescapes, Inc.	January 18, 2018	January 18, 2028	10 Years	(1) Renewable upon payment of the prescribed fee and filing of request (2) Registrant must file a declaration of actual use within 3 years from the filing of the application and pay the required fee (3) Registrant must again file a declaration of actual use or non-use together with the evidence of use or reasons for non-use within 1 year from the 5th anniversary of registration and pay the required fee
VISTALAND HOMEBUILDER BOND	Vista Land & Lifescapes, Inc.	July 10, 2020	July 10, 2030	10 Years	
VISTA RESIDENCES	Vista Residences, Inc.	March 11, 2016	March 11, 2026	10 Years	
STARMALL (Revised design)	Starmalls, Inc.	May 28, 2015	May 28, 2025	10 Years	
MELLA	Vista Residences, Inc.	December 3, 2016	December 3, 2026	10 Years	
VISTA CITY	Brittany Corporation	February 27, 2020	February 27, 2030	10 Years	
Lessandra	Household Development Corporation	November 8, 2020	November 8, 2030	10 Years	
Camella Condo Homes	Camella Homes, Inc.	June 7, 2012	June 7, 2032	10 Years, Renewed	
VISTAREIT	VistaREIT, Inc.	August 12, 2023	August 12, 2033	10 Years	

Trademark	Registrant	Registration Date	Expiration Date	Term	Principal Condition/s
STARMALL	Vistamalls, Inc.	*Application In Process*	*Application In Process*	*Application In Process*	*Application In Process*

INSURANCE

The Company has insurance coverage that is required in the Philippines for real and personal property. Subject to the customary deductibles and exclusions, the Company's insurance policies include coverage for, among other things, buildings and improvements, machinery and equipment, furniture, fixtures and fittings against damage from fire and natural perils, machinery breakdown, third-party liability to the public and construction works. For its vertical projects, the Company has also obtained insurance with various general contractors. The Company does not carry business interruption insurance. See *"Risk Factors — Risks Relating to the Philippines — Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance"* of this Prospectus.

MATERIAL CONTRACTS

The Company and its Subsidiaries, as the case may be, have entered into various material contracts within the past two (2) years immediately preceding the filing of this Prospectus.

On March 28, 2022, the Company entered into a Five-Year Corporate Notes Facility Agreement amounting to ₱6 billion. The Company made an initial drawdown of ₱4 billion at a fixed interest rate of 6.6416% per annum. On June 1, 2022, the Company made a subsequent drawdown of ₱2 billion at a fixed interest rate of 6.6416%. The proceeds of the corporate notes were utilized for the purpose of refinancing existing or maturing short term obligation and for other general corporate purposes.

On May 26, 2022, VistaREIT, Inc. completed its initial public offering as a real estate investment trust (REIT). In contemplation of the said offer, VistaREIT and some of the Company's subsidiaries (particularly, Vista Residences, Inc., Masterpiece Asia Properties, Inc., Crown Asia Properties, Inc., Communities Pampanga, Inc. and Manuela Corporation) implemented certain REIT formation transactions, whereby such subsidiaries, as sponsors, transferred, assigned and conveyed absolutely in favor of VistaREIT all of their rights, title and interests in various real properties, at the transfer value of ₱10,485.00 million, in exchange for an aggregate of 6,990,000,000 common shares of VistaREIT.

On May 31, 2022, the Company entered into a Five-Year Corporate Notes Facility Agreement amounting to ₱10 billion. The Company made a drawdown of ₱10 billion at a fixed interest rate of 7.1343% per annum on June 1, 2022. The proceeds of the corporate notes were utilized for the purpose of financing capital expenditures for the current year, refinancing the maturing debt of VLL, and/or general corporate purposes.

On August 19, 2022, the Company unconditionally promises to pay Bank of Commerce the principal amount of ₱1 billion together with interest rate of 6% per annum over 90 days to be repriced every month for a loan. The loan shall be payable on November 17, 2022 and shall be used for capital management.

On December 23, 2022, the Company entered into a Three-Year Corporate Notes Facility Agreement amounting to ₱12 billion. The Company made an initial drawdown of ₱8.6 billion at a fixed interest rate of 7.9314% per annum. On January 31, 2023, the Company made a subsequent drawdown of ₱2.9 billion at a fixed interest rate of 7.2595% per annum. The proceeds of the corporate notes were utilized for the purpose of refinancing existing or maturing obligations of the Vista Group and for other general corporate purposes.

On March 30, 2023, the Company entered into a Three-Year Corporate Notes Facility Agreement amounting to ₱10 billion. The Company made an initial drawdown of ₱6 billion at a fixed interest rate of 7.6139% per annum. On April 14, 2023, the Company made a subsequent drawdown of ₱4 billion at a fixed interest rate of 7.6264% per annum. The proceeds of the corporate notes were utilized for the purpose of refinancing existing or maturing obligations of the Vista Group and for other general corporate purposes.

On November 16, 2023, the Company issued an Offer Supplement relating to the offer of fixed rate bonds of ₱6 billion with an oversubscription option of up to ₱4 billion consisting of Series F Bonds: 7.5426% p.a. due 2026 and Series G Bonds: 7.6886% p.a. due 2028 to be issued from the ₱35 billion Bonds under Shelf Registration.

On December 19, 2023, the Company entered into a Five-Year Term Loan Facility Agreement amounting to ₱6.5 billion. The Company made a drawdown of ₱6.5 billion at a fixed interest rate of 7.5364% per annum on December 20, 2023. The proceeds of the loan facility were utilized for the purpose of refinancing maturing debt obligations and maturing retail bonds issued by VLL, and/or general corporate purposes.

On December 27, 2023, the Company entered into a Three-Year Term Loan Facility Agreement amounting to ₱1.6 billion. The Company made a drawdown of ₱1.6 billion at a fixed interest rate of 7.1047% per annum. The proceeds of the loan facility were utilized for the purpose of refinancing maturing debt obligations of VLL.

On March 12, 2024, the Company entered into a Five-Year Term Loan Facility Agreement amounting to ₱2.0 billion. The Company made a drawdown of ₱2.0 billion at a fixed interest rate of 7.5500% per annum. The proceeds of the loan facility were utilized for the purpose of funding capital expenditures for property development, refinancing, and for other general corporate purposes.

On April 15, 2024, the Company unconditionally promises to pay Bank of Commerce the principal amount of ₱800 million together with interest rate of 7.7500% per annum over 179 days. The loan shall be payable on October 11, 2024 and shall be used as additional working capital.

DESCRIPTION OF THE PROPERTIES

Details of the Company's raw land inventory, segregated into those properties directly owned by the Company and those properties subject to joint venture agreements, as of March 31, 2024 are set out in the table below.

Region	Area (in has)
Mega Manila	1,108.08
Mindanao	355.09
Other parts of Luzon	748.56
Visayas	621.95
	2833.68

The Company's raw land inventory per subsidiary as of March 31, 2024 is as follows:

Subsidiary	Area (in has)
Camella Homes, Inc.	715.59
Communities Philippines	1,544.08
Crown Asia	65.74
Brittany	312.15
Vista Residences	3.66
Vistamalls, Inc.	192.46
	2,833.68

The Company through its subsidiaries has 192.46 hectares of land used for retail mall development.

The land and improvements are not used to secure the borrowing of VLL and its subsidiaries (see note 20 of the 2023 Audited Financial Statements).

Property Acquisitions

With 2,833.68 hectares in its land bank as of March 31, 2024, Vista Land believes that it has sufficient properties for development of sellable inventory units in the next twenty-seven to thirty years.

Nevertheless, the Company continues to seek new opportunities for additional, large-scale, master-planned developments in order to replenish its inventory and provide investors with an entry point into attractive long-term value propositions. The focus is on acquiring key sites in the Mega Manila area and other areas with progressive economies that offer attractive potential and where projected value appreciation will be fastest.

Real Estate Inventories

The Company's real estate inventory consists of the following as of March 31, 2024:

Real Estate Property	Value
Subdivision land for sale and development	₱41,627.39 million
Residential house units for sale and development	1,056.51 million
Condominium units for sale and development	10,126.14 million
Construction materials and others	1,403.11 million

Subdivision land for sale and development represents real estate subdivision projects in which the Vista Group has been granted license to sell by the Housing and Land Use Regulatory Board ("**HLURB**") and raw land inventories.

Real estate inventories recognized as cost of sales amounted to ₱8,533.40 million in 2021, ₱5,542.97 million in 2022 and ₱6,112.02 million in 2023, and ₱1,788.59 million in the first three months of 2024, and are included as cost of real estate sales in the consolidated statements of comprehensive income. Cost of real estate sales includes acquisition cost of subdivision land, amount paid to contractors, development costs, capitalized borrowing costs and other costs attributable to bringing the real estate inventories to its intended condition.

Liabilities for Purchased Land

Liabilities for purchased land are payables to various real estate property sellers. Under the terms of the agreements executed by the Vista Group covering the purchase of certain real estate properties, the titles of the subject properties shall be transferred to the Vista Group only upon full payment of the real estate loans.

Mortgage, Lien or Encumbrance Over Properties

The lots on which Starmall Alabang is located, which lots are owned by Manuela Corporation, are currently mortgaged in favor of BDO Unibank, Inc. to secure a loan of Manuela Corporation in the aggregate principal amount of ₱2,000 million. The mortgage secures the fulfillment of the outstanding loan obligations and does not restrict the right of ownership and possession by Manuela Corporation as registered owner of the lots.

Except for mortgage discussed above, all other properties mentioned in this section are free of any lien or encumbrance.

Restriction on Ownership

The Company, through its subsidiaries, owns land as identified in this section. Under the Philippine Constitution and Philippine statutes, such activities are reserved for Philippine Nationals. Considering the foregoing, for as long as the Company or any of its subsidiaries own land in the Philippines, or continue to conduct property development in the Philippines, foreign ownership in the Company shall be limited to a maximum of: (i) 40% of the capital stock of the Company which is outstanding and entitled to vote in the election of directors; and (ii) 40% of the total outstanding capital stock of the Company, whether or not entitled to vote in the election of directors.

LEGAL PROCEEDINGS

The Company and its subsidiaries, from time to time, are subject to various civil lawsuits and legal actions arising in the ordinary course of business. Typical cases include adverse claims against a subsidiary's title over parcels of land and claims brought by buyers seeking the return of deposits or cancellations of sales. The Company believes that none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material adverse effect on the Company's consolidated financial position and results of operations.

MARKET PRICE OF AND DIVIDENDS ON VLL’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company’s common shares have been listed on the Philippine Stock Exchange (PSE) since 2007. The common shares (PSE: VLL) closed at ₱1.48/share on July 11, 2024.

DIVIDENDS AND DIVIDEND POLICY

Consistent with the Company’s Revised Manual on Corporate Governance, the shareholders have the right to receive dividends subject to the discretion of the Board. Under the Revised Corporation Code of the Philippines, a cash dividend declaration does not require any further approval from the Company’s shareholders. A stock dividend declaration requires the further approval of shareholders representing not less than two-thirds of the Company’s outstanding capital stock. Dividends may be declared only from unrestricted retained earnings.

Under the Company’s Revised Manual on Corporate Governance, it is the policy of the Company to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: (a) when justified by definite corporate expansion projects or programs approved by the Board; or (b) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or (c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company such as when there is need for special reserve for probable contingencies.

The declaration and payment of dividends are subject to certain conditions under the Company’s existing long term loan agreements with various banks and other. Under said loan agreements, the Company may declare and pay dividends provided: (a) all payments (including pre-payments) due on said loan and premiums on insurance of assets are current and updated; (b) all financial covenants set forth therein are satisfied; (c) certain financial ratios are met and such payment will not result in the violation of the required financial ratios under the loan agreements; (d) no event of default as provided in the loan agreements shall exist or occur as a result of such payment; and (e) the total amount of the cash dividends is at least 20% of the Company’s net income after taxes for the fiscal year preceding the declaration.

The Company intends to maintain an annual cash dividend payment ratio for its Shares of approximately at least 20% of its consolidated net income from the preceding fiscal year, subject to the requirements of the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends. Circumstances which could restrict the payment of cash dividends include, but are not limited to, when the Company undertakes major projects and developments requiring substantial cash expenditures or when it is restricted from paying cash dividends by its loan covenants. The Company's Board, may, at any time, modify such dividend payout ratio depending upon the results of operations and future projects and plans of the Company.

As of the date hereof, none of the Subsidiaries has a formal dividend policy. However, the Company and its management, to the extent permissible under applicable law and consistent with the Company’s and each subsidiary’s fiscal requirements, generally procures that up to 100% of each subsidiary’s unrestricted retained earnings are declared, distributed and paid as dividend by such subsidiary to the Company.

CASH DIVIDEND

₱0.0620 per share Regular Cash Dividend
Declaration Date: September 29, 2023
Record date: October 16, 2023
Payment date: October 31, 2023

₱0.0292 per share Regular Cash Dividend
Declaration Date: September 30, 2022
Record date: October 14, 2022
Payment date: October 28, 2022

₱0.0250 per share Regular Cash Dividend
Declaration Date: September 30, 2021
Record date: October 15, 2021
Payment date: October 29, 2021

₱0.05 per share Regular Cash Dividend
Declaration Date: September 30, 2020
Record date: October 16, 2020
Payment date: October 30, 2020

₱0.2646 per share Regular Cash Dividend
Declaration Date: September 30, 2019
Record date: October 16, 2019
Payment date: October 31, 2019

₱0.2252 per share Regular Cash Dividend
Declaration Date: September 28, 2018
Record date: October 15, 2018
Payment date: October 29, 2018

₱0.1342 per share Regular Cash Dividend
Declaration Date: September 29, 2017
Record date: October 16, 2017
Payment date: October 30, 2017

₱0.1185 per share Regular Cash Dividend
Declaration Date: September 28, 2016
Record date: October 13, 2016
Payment date: October 28, 2016

HIGH AND LOW SHARE PRICES

The market capitalization of VLL as of December 31, 2023 based on the closing price of ₱1.68/share was approximately ₱21,332.65 million.

As of March 27, 2024, VLL's market capitalization stood at ₱20,189.83 million based on a ₱1.59/share closing price.

Quarter	2024			2023			2022		
	High	Low	Close	High	Low	Close	High	Low	Close
1st	1.81	1.57	1.59	2.01	1.62	1.71	3.53	2.57	2.61
2nd	1.62	1.46	1.48	1.78	1.65	1.70	2.84	1.92	1.98
3rd	-	-	-	1.70	1.56	1.64	2.26	1.60	1.60
4th	-	-	-	1.73	1.57	1.68	1.73	1.39	1.65

As of June 30, 2024, the foreign equity ownership of the Company is 8.12% of the total issued common shares of 12,698,007,676 and total issued preferred shares of 3,300,000,000.

The number of shareholders of record as of June 30, 2024 was 926. Common shares outstanding as of June 30, 2024 were 12,698,007,676.

As of June 30, 2024, the Top 20 stockholders of VLL own an aggregate of 15,996,773,801 common and preferred shares or 99.99% of outstanding share capital.

The following are the top 20 holders of the securities of the Company:

Common

	Name	No. of Shares	Percentage[1]
1	FINE PROPERTIES, INC.[2]	7,125,545,458	56.12%
2	PCD NOMINEE CORPORATION (FILIPINO)	2,178,505,177	17.16%

3	PCD NOMINEE CORPORATION (FOREIGN)	1,299,425,620	10.23%
4	ALTHORP HOLDINGS, INC. [3]	1,235,292,469	9.73%
5	MANUELA CORPORATION[4]	752,208,215	5.92%
6	MANUEL B. VILLAR, JR. [4]	293,969,986	2.32%
7	MANUEL PAOLO A. VILLAR[5]	222,796,324	1.75%
8	JOHN T. LAO	2,853,000	0.02%
9	SULFICIO TAGUD JR. &/OR ESTER TAGUD	401,000	0.00%
10	ACRIS CORPORATION	300,000	0.00%
11	CHRISTIAN A. AGUILAR	290,617	0.00%
12	ALBERTO S. FLORES	200,000	0.00%
13	BENJAMARIE THERESE N. SERRANO	200,000	0.00%
14	MARIBETH TOLENTINO	200,000	0.00%
15	CHERYL JOYCE YOUNG	200,000	0.00%
16	LUCIO W. YAN &/OR CLARA Y. YAN	150,000	0.00%
17	MAXIMO S. UY &/OR LIM HUE HUA	120,000	0.00%
18	LUCIO WONG YAN	100,000	0.00%
19	ALBERTO MENDOZA &/OR JEANIE MENDOZA	94,635	0.00%
20	LUCIANO H. TAN	50,000	0.00%
	Total	13,112,902,501	103.27%
	Treasury Shares	(416,128,700)	-3.28%
	Others	1,233,875	0.01%
	TOTAL OUTSTANDING, ISSUED AND SUBSCRIBED	**12,698,007,676**	**100.00%**

[1] *Based on the total outstanding, issued and subscribed shares of 12,698,007,676 as of June 30, 2024*
[2] *Includes 1,338,599,797 lodged under PCD Nominee Corp. (Filipino)*
[3]*Includes 10,983,363 shares owned by ML&H Corporation which have been merged with Althorp Holdings, Inc. and 1,224,309,106 lodged under PCD Nominee Corp. (Filipino)*
[4]*Lodged under PCD Nominee Corp. (Filipino)*
[5]*Includes 222,596,324 lodged under PCD Nominee Corp. (Filipino)*

Series 1 Preferred Shares

	Name	No. of Shares	Percentage
1	FINE PROPERTIES, INC.	3,300,000,000	100.00%
	Total outstanding, issued and subscribed	**3,300,000,000**	**100.00%**

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES, INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING EXEMPT TRANSACTIONS

Corporate Notes

On July 15, 2019, the Company entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of five-year corporate notes due 2024 amounting to ₱15 billion at a fixed rate of 7.125% per annum. The Company made an initial drawdown of ₱14.5 billion at a fixed interest rate of 7.1250% per annum. On October 17, 2019, the Company made a subsequent drawdown of ₱0.5 billion at a fixed interest rate of 7.1250%. The proceeds of the corporate notes were utilized for the 2019 capital expenditures for commercial property projects and to fund other general corporate expenses.

On March 28, 2022, the Company entered into a Five-Year Corporate Notes Facility Agreement amounting to ₱6 billion. The Company made an initial drawdown of ₱4 billion at a fixed interest rate of 6.6416% per annum. On June 1, 2022, the Company made a subsequent drawdown of ₱2 billion at a fixed interest rate of 7.2359%. The proceeds of the corporate notes were utilized for the purpose of refinancing existing or maturing short term obligation and for other general corporate purposes.

On December 23, 2022, the Company entered into a Three-Year Corporate Notes Facility Agreement amounting to ₱12 billion. The Company made an initial drawdown of ₱8.6 billion at a fixed interest rate of 7.9314% per annum. On January 31, 2023, the Company made a subsequent drawdown of ₱2.9 billion at a fixed interest rate of 7.2595% per annum. The proceeds of the corporate notes were utilized for the purpose of refinancing existing or maturing obligations of the Vista Group and for other general corporate purposes.

On March 30, 2023, the Company entered into a Three-Year Corporate Notes Facility Agreement amounting to ₱10 billion. The Company made an initial drawdown of ₱6 billion at a fixed interest rate of 7.6139% per annum. On April 14, 2023, the Company made a subsequent drawdown of ₱4 billion at a fixed interest rate of 7.6264% per annum. The proceeds of the corporate notes were utilized for the purpose of refinancing existing or maturing obligations of the Vista Group and for other general corporate purposes.

As part of the issuance of the aforementioned corporate notes, the subsidiaries of the Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc.

The aforementioned corporate notes were offered exclusively to, and are held by primary institutional lenders in the Philippines, pursuant to Section 10.1 of the SRC and Rule 10.1.4 of the SRC implementing rules and regulations. As such, the corporate notes are considered exempt securities and no notice of exemption from the registration requirements under the SRC was required to be filed with the SEC in relation to the sale of these corporate notes.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations covering the first three (3) months of 2024 vs the first three (3) months of 2023

Statement of Profit or Loss and other Comprehensive Income

	Unaudited	**Unaudited**	**Change**	
	Jan-Mar Q12024	Jan-Mar Q12023	**Value**	**%**
	(in ₱ millions, except for ratios)			
REVENUE				
Real estate	5,559.1	4,530.3	1,028.8	22.7%
Rental income	4,180.0	3,951.3	228.7	5.8%
Interest income from installment contracts receivable	135.5	147.4	(11.9)	(8.1%)
Parking, hotel, mall administrative and processing fees, and other	369.7	470.4	(100.7)	(21.4%)
	10,244.3	9,099.4	1,144.9	12.6%
COSTS AND EXPENSES				
Costs of real estate sales	1,788.6	1,966.7	(178.1)	(9.1%)
Operating expenses	2,825.3	2,919.0	(93.7)	(3.2%)
	4,613.9	4,885.7	(271.9)	(5.6%)
OTHER EXPENSES				
Interest income from investments and other income	421.0	490.2	(69.3)	(14.1%)
Interest and other financing charges	(1,862.6)	(1,350.4)	512.2	37.9%
	(1,441.6)	(860.1)	581.5	67.6%
INCOME BEFORE INCOME TAX	**4,188.9**	**3,353.5**	835.3	24.9%
PROVISION FOR INCOME TAX	963.3	682.8	280.5	41.1%
NET INCOME	**3,225.6**	**2,670.7**	554.8	20.8%
OTHER COMPREHENSIVE INCOME				
Changes in fair value of equity investments at fair value through other comprehensive income	-	5.0	(5.0)	(100.0%)
Cumulative translation adjustments	7.8	75.8	(68.0)	(89.7%)
	7.8	80.8	(73.0)	(90.3%)
TOTAL COMPREHENSIVE INCOME	**3,233.4**	**2,751.6**	481.8	17.5%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	2,836.0	2,265.9	570.1	25.2%
Non-controlling interests	389.6	404.8	(15.2)	(3.8%)
TOTAL NET INCOME	**3,225.6**	**2,670.7**	554.8	20.8%

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	2,843.8	2,346.7	497.0	21.2%
Non-controlling interests	389.6	404.8	(15.2)	(3.8%)
TOTAL COMPREHENSIVE INCOME	**3,233.4**	**2,751.6**	481.8	17.5%
Basic/ Diluted Earnings Per Share	**0.237**	**0.190**	0.047	24.7%

Revenues

Real estate

The Company recorded revenue from real estate sales of ₱5,559.1 million for the three months ended March 31, 2024, an increase of 23% from ₱4,530.3 million for the three months ended March 31, 2023. This was primarily attributable to the increase in the overall completion rate of sold inventories of some of its business units as well as the recognition of the significant financing component for the period. The Company uses the percentage of completion method of revenue recognition where revenue is recognised in reference to the stages of development of the properties:

- Real estate revenue of Crown Asia increased by 92% to ₱329.9 million for the three months ended March 31, 2024 from ₱171.7 million for the three months ended March 31, 2023. This increase was principally attributable to the increase in the number of sold homes completed or under construction in the Mega Manila area in the upper middle-income residential segment during the period as well as the significant financing component recognized.
- Real estate revenue from Vista Residences increased by 78% to ₱1,416.1 million for the three months ended March 31, 2024 from ₱793.6 million for the three months ended March 31, 2023. This increase was principally attributable to the increase in the number of sold condominium units completed or under construction during the period. Vista Residences is the business unit of Vista Land that develops and sells vertical projects across the Philippines.
- Real estate revenue of Brittany increased by 61% to ₱478.0 million for the three months ended March 31, 2024 from ₱297 million in the same period last year. This increase was principally attributable to the increase in the number of sold homes completed or under construction in the Mega Manila area in the high-end or upscale residential segment.
- Real estate revenue of Communities Philippines increased by 30% to ₱1,990.5 million for three months ended March 31, 2024 from ₱1,529.3 million for the three months ended March 31, 2023. This increase was principally attributable to the increase in the number of sold homes completed or under construction outside the Mega Manila area in the affordable residential segment during the period.
- Real estate revenue of Camella decreased by 23% to ₱1,344.5 million for the three months ended March 31, 2024 from ₱1,738.6 million for the three months ended March 31, 2023. This decrease was principally attributable to the decrease in the number of sold homes completed or under construction in the Mega Manila area in the low-cost residential segment during the period as the company have been shifting to more affordable to high end projects.

Rental income

Rental income increased by 6% from ₱3,951.3 million for the three months ended March 31, 2023 to to ₱4,180.0 million for the three months ended March 31, 2024. The increase was primarily attributable to the increase in rates for the period.

Interest income from instalment contracts receivable

Interest income from instalment contracts receivable decreased by 8% from ₱147.4 million for the three months ended March 31, 2023 to ₱135.5 million for the three months ended March 31, 2024. The decrease was primarily attributable to the decrease in the number of buyers obtaining in-house financing.

Parking, hotel, mall administrative and processing fee, and other revenue
Parking, hotel, mall administrative and processing fee, and other revenue decreased by 21% from ₱470.4 million for the three months ended March 31, 2023 to ₱369.7 million for the three months ended March 31, 2024. The decrease was primarily attributable to the decrease in mall administrative and processing fee as well as forfeitures for the period.

Costs and Expenses
Cost and expenses decreased by 6% from ₱4,885.7 million for the three months ended March 31, 2023 to ₱4,613.9 million for the three months ended March 31, 2024.

Costs of real estate sales
Cost of real estate sales decreased by 9% from ₱1,966.7 million for the three months ended March 31, 2023 to ₱1,788.6 million for the three months ended March 31, 2024 primarily due to the implementation of various cost saving initiatives.

Operating expenses
Operating expenses decreased by 3% from ₱2,919.0 million for the three months ended March 31, 2023 to ₱2,825.3 million for the three months ended March 31, 2024 with decreases of the following:

- provision for impairment losses -net from ₱136.8 million for the three months ended March 31, 2023 to nil for the three months ended March 31, 2024 due to the improvement in collections of receivables account;

- advertising and promotions from ₱250.8 million for the three months ended March 31, 2023 to ₱155.3 million for the three months ended March 31, 2024 due to maximization of social media marketing; and

- repairs and maintenance from ₱272.8 million for the three months ended March 31, 2023 to ₱212.1 million for the three months ended March 31, 2024 as most of the projects maintenance have been spent last year.

Other Income (Expenses)

Interest income from investments and other income
Interest income from investments and other income decreased by 14% from ₱490.2 million for the three months ended March 31, 2023 to ₱421.0 million for the three months ended March 31, 2024. The decrease was because some of the investments have matured and is placed in short term instruments in preparation for the dollar maturity in November.

Interest and other financing charges
Interest and other financing charges increased by 38% from ₱1,350.4 million for the three months ended March 31, 2023 to ₱1,862.6 million for the three months ended March 31, 2024. The increase was primarily attributable to the lower capitalisation for the period.

Provision for Income Tax
Provision for income tax increased by 41% from ₱682.8 million for the three months ended March 31, 2023 to ₱963.3 million for the three months ended March 31, 2024 primarily due to the higher taxable base for the period coming from the higher contribution of the commercial leasing segment as well as residential projects not covered by incentives.

Net Income
As a result of the foregoing, the Company's net income increased by 21% from ₱2,670.7 million for the three months ended March 31, 2023 to ₱3,225.6 million for the three months ended March 31, 2024.

FINANCIAL CONDITION

As of March 31, 2024 vs December 31, 2023

	Unaudited March 31, 2024	Audited December 31, 2023	Change Value	%
	In ₱ millions			
ASSETS				
Current Assets				
Cash and cash equivalents	**12,821.4**	10,692.2	2,129.2	19.9%
Current portion of:				
Receivables	**59,933.6**	52,211.6	7,722.0	14.8%
Cost to obtain	**427.9**	308.6	119.3	38.7%
Investments at amortized cost	**14,148.9**	18,425.1	(4,276.2)	(23.2%)
Real estate inventories	**54,213.1**	63,771.2	(9,558.1)	(15.0%)
Other current assets	**6,355.0**	6,455.3	(100.3)	(1.6%)
Total Current Assets	**147,900.0**	**151,864.0**	(3,964.1)	(2.6%)
Noncurrent Assets				
Investments at amortized cost - net of current portion	**21,799.6**	20,784.3	1,015.3	4.9%
Investments at fair value through other comprehensive income	**132.2**	132.2	-	-
Receivables – net of current portion	**38,917.7**	31,191.5	7,726.2	24.8%
Cost to obtain contract – net of current portion	**177.0**	202.1	(25.1)	(12.4%)
Project development costs	**1,462.9**	1,396.3	66.6	4.8%
Advances to a related party	**7,312.2**	7,559.4	(247.3)	(3.3%)
Investment in joint venture	**515.2**	499.5	15.8	3.2%
Property and equipment	**1,816.1**	1,858.1	(42.1)	(2.3%)
Investment properties	**124,823.7**	124,656.1	167.5	0.1%
Goodwill	**147.3**	147.3	-	0.0%
Pension assets - net	**290.8**	290.8	-	0.0%
Deferred tax assets - net	**124.8**	105.7	19.1	18.1%
Other noncurrent assets	**1,749.5**	1,714.0	35.5	2.1%
Total Noncurrent Assets	**199,269.1**	**190,537.1**	8,732.0	4.6%
	347,169.1	**342,401.1**	4,767.9	1.4%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**20,002.9**	20,517.4	(514.4)	(2.5%)
Security deposits and advance rent	**2,150.3**	2,013.0	137.3	6.8%
Income tax payable	**190.0**	112.5	77.5	68.9%
Dividends payable	**252.3**	298.0	(45.7)	(15.3%)
Current portion of:				
Contract liabilities	**1,955.0**	1,588.3	366.7	23.1%
Bank loans	**26,499.1**	28,005.3	(1,506.2)	(5.4%)
Loans payables	**20,925.7**	25,874.2	(4,948.5)	(19.1%)
Notes payable	**5,502.6**	3,176.0	2,326.6	73.3%

Lease liabilities	**182.9**	388.9	(206.0)	(53.0%)
Total Current Liabilities	**77,660.8**	**81,973.6**	(4,312.8)	(5.3%)
Noncurrent Liabilities			-	
Contract liabilities – net of current portion	**750.1**	437.1	313.0	71.6%
Notes payable - net of current portion	**80,839.7**	80,143.4	696.3	0.9%
Bank loans - net of current portion	**33,630.1**	27,308.8	6,321.3	23.1%
Loans payable - net of current portion	**2,265.2**	4,267.7	(2,002.5)	(46.9%)
Lease liabilities – net of current portion	**5,265.9**	5,051.4	214.5	4.2%
Deferred tax liabilities - net	**11,091.9**	8,201.4	2,890.5	35.2%
Other noncurrent liabilities	**2,823.5**	2,156.4	667.1	30.9%
Total Noncurrent Liabilities	**136,666.5**	**127,566.2**	9,100.3	7.1%
Total Liabilities	**214,327.3**	209,539.8	4,787.5	2.3%
Equity				
Attributable to equity holders of the Parent Company				
Preferred stock	**33.0**	33.0	-	0.0%
Common stock	**13,114.1**	13,114.1	-	0.0%
Additional paid-in capital	**30,684.7**	30,684.7	-	0.0%
Other comprehensive income	**85,918.7**	86,226.5	(307.8)	(0.4%)
Treasury shares	**913.6**	905.8	7.8	0.9%
Retained earnings	**(7,740.3)**	(7,740.3)	-	0.0%
	122,923.9	**123,223.9**	(300.0)	(0.2%)
Non-controlling interest	**9,917.5**	9,637.5	280.0	2.9%
Total Equity	**132,841.4**	132,861.4	(20.0)	0.0%
	347,168.6	342,401.2	4,767.5	1.4%

As of March 31, 2024 vs. December 31, 2023

Total assets as of March 31, 2024 were ₱347,168.6 million compared to ₱342,401.1 million as of December 31, 2023, or an increase of 1% due to the following:

- Cash and cash equivalents including short term and long-term investments and investments at amortized costs decreased from ₱49,908.9 million as of December 31, 2023 to ₱48,777.2 million as of March 31, 2024 or a 2.3% decrease due uses of cash for the period specifically debt servicing and investing activities.

- Receivables including current portions thereof increased by 19% from ₱83,403.1 million as of December 31, 2023 to ₱98,851.3 million as of March 31, 2024 due primarily to due to the full adoption of PFRS 15, higher recorded sales and increase in accrued rental income for the period.

- Real estate inventories decreased by 15% from ₱63,771.2 million as of December 31, 2023 to ₱54,213.1 million as of March 31, 2024 due primarily to the reversal of capitalized interest.

- Project development costs increased by 5% from ₱1,396.3 million as of December 31, 2023 to ₱1,462.9 million as of March 31, 2024 due primarily to increase in advances for future project developments.

Total liabilities as of March 31, 2024 were ₱214,327.3 million compared to ₱209,539.8 million as of December 31, 2023, or an increase of 2%. This was due to the following:

- Security deposits and advance rent increased by 7% from ₱2,013.0 million as of December 31, 2023 to ₱2,150.3 million as of March 31, 2024 new tenants for the period that paid their security deposits and advance rents.

- Income tax payable increased by 69% from ₱112.5 million as of December 31, 2023 to ₱190.0 million as of March 31, 2024 due higher taxable income for the period.

- Dividends payable decreased by 15% from ₱298.0 million as of December 31, 2023 to ₱252.3 million as of March 31, 2024 due to settlement for the period.

- Contract liabilities including non-current portion increased by 34% from ₱2,025.4 million as of December 31, 2023 to ₱2,705.0 million as of March 31, 2024 due increase in collection made from reservation sales and for projects awaiting constructions.

- Deferred tax liabilities – net increased by 35% to ₱11,091.9 million as of March 31, 2024 from ₱8,201.4 million as of December 31, 2023 due to an increase in temporary difference that will result to a potential tax liability for the period arising from the full adoption of PFRS 15.

- Other noncurrent liabilities increased by 31% from ₱2,156.4 million as of December 31, 2023 to ₱2,823.5 million as of March 31, 2023 due primarily to the increase in noncurrent portion of liabilities for purchase land, deferred output tax and security deposits.

Total stockholder's equity was flat from ₱132,861.4 million as of December 31, 2023 to ₱132,841.4 million as of March 31, 2024 due mainly to the net income for the period offset by the adjustments pertaining to the change in accounting policy.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	03/31/2024	12/31/2023
Current ratio [(a)]	1.90:1	1.85:1
Liability-to-equity ratio [(b)]	1.61 :1	1:58:1
	03/31/2024	**03/31/2023**
Interest expense/Income before Interest expense [(c)]	30.8%	28.7%
Return on assets [(d)]	3.7%	3.3%
Return on equity [(e)]	9.7%	8.5%

Notes:

(a) Current Ratio: This ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.

(b) Liability-to-equity ratio: This ratio is obtained by dividing the Company's Total Liabilities by its Total Equity. The ratio reveals the proportion of liability and equity a company is using to finance its business. It also measures a company's borrowing capacity.

(c) Interest expense/Income before interest expense: This ratio is obtained by dividing interest expense for the period by its income before interest expense. This ratio shows whether a company is earning enough profits before interest to pay its interest cost comfortably

(d) Return on assets: This ratio is obtained by dividing the Company's net income by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.

(e) Return on equity: This ratio is obtained by dividing the Company's net income by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Current ratio was slightly higher as of end March 2024 compared to end December 2023 due to a lower current liabilities.

Liability-to-equity ratio slightly increased as the liabilities increased more than the increase in equity as of March 31, 2024 compared to the December 31, 2023.

Interest expense to Income before interest expense decreased due to the higher income before interest expense for the period compared to the same period last year.

Return on asset slightly increased in the three months ended March 31, 2024 compared to that of the three months ended March 31, 2023 due to the higher annualized income for the 2024.

Return on equity increased due primarily to the higher annualized income recorded for the period.

Material Changes to the Company's Balance Sheet as of March 31, 2024 compared to December 31, 2023 (increase/decrease of 5% or more)

Cash and cash equivalents including short term and long-term investments and investments at amortized costs decreased from ₱49,908.9 million as of December 31, 2023 to ₱48,769.8 million as of March 31, 2024 or a 2% decrease due uses of cash for the period specifically debt servicing and investing activities.

Receivables including current portions thereof increased by 19% from ₱83,403.1 million as of December 31, 2023 to ₱98,851.3 million as of March 31, 2024 due primarily to due to the full adoption of PFRS 15, higher recorded sales and increase in accrued rental income for the period.

Real estate inventories decreased by 15% from ₱63,771.2 million as of December 31, 2023 to ₱54,213.1 million as of March 31, 2024 due primarily to the reversal of capitalized interest.

Project development costs increased by 5% from ₱1,396.3 million as of December 31, 2023 to ₱1,462.9 million as of March 31, 2024 due primarily to increase in advances for future project developments.

Security deposits and advance rent increased by 7% from ₱2,013.0 million as of December 31, 2023 to ₱ 2,150.3 million as of March 31, 2024 new tenants for the period that paid their security deposits and advance rents.

Income tax payable increased by 69% from ₱112.5 million as of December 31, 2023 to ₱190.0 million as of March 31, 2024 due higher taxable income for the period.

Dividends payable decreased by 15% from ₱298.0 million as of December 31, 2023 to ₱252.3 million as of March 31, 2024 due to settlement for the period.

Contract liabilities including non-current portion increased by 34% from ₱2,025.4 million as of December 31, 2023 to ₱2,705.0 million as of March 31, 2024 due increase in collection made from reservation sales and for projects awaiting constructions.

Deferred tax liabilities – net increased by 35% to ₱10,967.1 million as of March 31, 2024 from ₱8,095.7 million as of December 31, 2023 due to an increase in temporary difference that will result to a potential tax liability for the period arising from the full adoption of PFRS 15.

Other noncurrent liabilities increased by 31% from ₱2,156.4 million as of December 31, 2023 to ₱2,823.5 million as of March 31, 2024 due primarily to the increase in noncurrent portion of liabilities for purchase land, deferred output tax and security deposits.

Material Changes to the Company's Statement of income for the 3-months of 2024 compared to the 3-months of 2023 (increase/decrease of 5% or more)

Revenue from real estate sales of ₱5,559.1 million for the three months ended March 31, 2024 increased by 23% from ₱4,530.2 million for the three months ended March 31, 2023. This was primarily attributable to the increase in the overall completion rate of sold inventories of some of its business units as well as the recognition of the significant financing component for the period.

Rental income increased by 6% from ₱3,951.3 million for the three months ended March 31, 2023 to ₱4,180.0 million for the three months ended March 31, 2024. The increase was primarily attributable to the increase in rates for the period.

Interest income from instalment contracts receivable decreased by 8% from ₱147.4 million for the three months ended March 31, 2023 to ₱135.5 million for the three months ended March 31, 2024. The decrease was primarily attributable to the decrease in the number of buyers obtaining in-house financing.

Parking, hotel, mall administrative and processing fee, and other revenue decreased by 21% from ₱470.4 million for the three months ended March 31, 2023 to ₱369.7 million for the three months ended March 31, 2024. The decrease was primarily attributable to the decrease in mall administrative and processing fee as well as forfeitures for the period.

Cost of real estate sales decreased by 9% from ₱1,966.7 million for the three months ended March 31, 2023 to ₱1,788.6 million for the three months ended March 31, 2024 primarily due to the implementation of various cost saving initiatives.

Operating expenses decreased by 3% from ₱2,919.0 million for the three months ended March 31, 2023 to ₱2,825.3 million for the three months ended 31 March 2024 with decreases of the following: (1) provision for impairment losses -net from ₱136.8 million for the three months ended March 31, 2023 to nil for the three months ended March 31, 2024 due to the improvement in collections of receivables account; (2) advertising and promotions from ₱250.8 million for the three months ended March 31, 2023 to ₱155.3 million for the three months ended March 31, 2024 due to maximization of social media marketing; and (3) repairs and maintenance from ₱272.8 million for the three months ended March 31, 2023 to ₱212.1 million for the three months ended March 31, 2024 as most of the projects maintenance have been spent last year.

Interest income from investments and other income decreased by 14% from ₱490.2 million for the three months ended March 31, 2023 to ₱421.0 million for the three months ended March 31, 2024. The decrease was because some of the investments have matured and is placed in short term instruments in preparation for the dollar maturity in November.

Interest and other financing charges increased by 38% from ₱1,350.4 million for the three months ended March 31, 2023 to ₱1,862.6 million for the three months ended March 31, 2024. The increase was primarily attributable to the lower capitalisation for the period.

Provision for income tax increased by 41% from ₱682.8 million for the three months ended March 31, 2023 to ₱963.3 million for the three months ended March 31, 2024 primarily due to the higher taxable base for the period coming from the higher contribution of the commercial leasing segment as well as residential projects not covered by incentives.

Net income increased by 21% from ₱2,670.1 million for the three months ended March 31, 2023 to ₱3,225.6 million for the three months ended March 31, 2024.

For the 3-months of 2024, except for the impact of the COVID-19 pandemic, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Results of operations covering the full year of 2023 vs. the full year of 2022

Statement of Profit or Loss and other Comprehensive Income

	Audited	Audited	Change	
	2023	2022	Value	%
	(in ₱ millions, except for ratios)			
REVENUE				

Real estate	15,228.5	12,789.9	2,438.6	19.1%
Rental income	16,021.4	13,742.3	2,279.1	16.6%
Interest income from installment contracts receivable	606.3	701.3	(95.0)	(13.5%)
Parking, hotel, mall administrative and processing fees, and other	2,104.9	1,607.3	497.6	31.0%
	33,961.1	28,840.8	5,120.3	17.8%
COSTS AND EXPENSES				
Costs of real estate sales	6,112.0	5,543.0	569.0	10.3%
Operating expenses	11,596.2	9,647.4	1,948.8	20.2%
	17,708.2	15,190.4	2,517.8	16.6%
OTHER EXPENSES				
Proceeds from insurance claims	1,841.2	-	1,841.2	100.0%
Interest income from investments and other income	1,202.3	981.2	221.1	22.5%
Interest and other financing charges	(5,685.7)	(5,217.9)	(467.8)	9.0%
	(2,642.2)	(4,236.7)	1,594.5	(37.6%)
INCOME BEFORE INCOME TAX	**13,610.7**	**9,413.7**	**4,197.0**	**44.6%**
PROVISION FOR INCOME TAX	3,318.6	2,021.1	1,297.5	64.2%
NET INCOME	**10,292.1**	**7,392.6**	**2,899.5**	**39.2%**
OTHER COMPREHENSIVE INCOME				
Changes in fair value of equity investments at fair value through other comprehensive income	15.0	22.0	(7.0)	(31.8%)
Remeasurement gain (loss) on defined benefit obligation – net of tax	(19.0)	19.6	(38.6)	(196.9%)
Cumulative translation adjustments	111.4	(18.5)	129.9	(702.2%)
	107.4	23.1	84.3	364.9%
TOTAL COMPREHENSIVE INCOME	**10,399.5**	**7,415.7**	**2,983.8**	**40.2%**
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	8,656.1	6,119.9	2,536.2	41.4%
Non-controlling interests	1,636.0	1,272.7	363.3	28.5%
TOTAL NET INCOME	10,292.1	7,392.6	2,899.5	39.2%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	8,762.9	6,140.7	2,622.2	42.7%
Non-controlling interests	1,636.6	1,275.0	361.6	28.4%
TOTAL COMPREHENSIVE INCOME	**10,399.5**	**7,415.7**	**2,983.8**	**40.2%**
Basic/ Diluted Earnings Per Share	**0.725**	**0.512**	**0.213**	**41.6%**

Revenues

Real Estate

The Company recorded revenue from real estate sales amounting to ₱15,228.5 million for the year ended December 31, 2023, an increase of 19.1% from ₱12,789.9 million for the year ended December 31, 2022. This was primarily attributable to the increase in the overall completion rate of sold inventories of its business units specifically in the affordable segment.

- Real estate revenue of Camella increased by 51.2% to ₱4,485.9 million for 2023 from ₱2,966.8 million for 2022. This increase was principally attributable to the increase in the number of sold homes completed or under construction in the Mega Manila area in the low and affordable housing segment during the period.

- Real estate revenue from Vista Residences increased by 25.6% to ₱3,147.4 million for 2023 from ₱2,505.9 million for 2022. This was principally attributable to the increase in number of sold condominium units completed or under construction during the period. Vista Residences is the business unit of Vista Land that develops and sells vertical projects across the Philippines.

- Real estate revenue of Communities Philippines increased by 8.5% to ₱6,060.5 million for 2023 from ₱5,587.2 million for 2022. This increase was principally attributable to the increase in the number of sold homes completed or under construction outside the Mega Manila area in the low and affordable housing segment during the period.

- Real estate revenue of Crown Asia increased by 9.3% to ₱561.5 million for 2023 from ₱513.8 million in 2022. This increase was principally attributable to the increase in the number of sold homes completed or under construction in the Mega Manila area in the upper middle-income housing segment during the year.

- Real estate revenue of Brittany decreased by 20.0% to ₱973.1 million for 2023 from ₱1,216.1 million last year. This increase was principally attributable to the decrease in the number of sold homes completed or under construction in the Mega Manila area in the high-end housing segment.

Rental income
Rental income increased by 16.6% from ₱13,742.3 million for the year ended December 31, 2022 to ₱16,021.4 million for the year ended December 31, 2023. The increase was primarily attributable to the recovery of the malls, increase foot traffic and the contribution of newly opened commercial centers.

Interest income from installment contract receivable and investments
Interest income from installment contract receivable and investments increased by 7.5% from ₱1,682.5 million for the year ended December 31, 2022 to ₱1,808.6 million for the year ended December 31, 2023. The increased was primarily attributable to the increase in interest income from investments of 22.5% to ₱1,202.3 million offset by the decrease in interest income from installment contract receivables of 13.5% to ₱606.3 million for the year ended December 31, 2023 as more buyers are availing of bank financing.

Parking, hotel, mall administrative and processing fees and others
Income from parking, hotel, mall administrative and processing fees and others increased by 31.0% from ₱1,607.3 million for the year ended December 31, 2022 to ₱2,104.9 million for the year ended December 31, 2023. The increase was primarily attributable to the increase mall related administrative and processing fees, parking, hotel operations as well as forfeitures.

Costs and Expenses

Cost and expenses increased by 16.6% to ₱17,708.2 million for the year ended December 31, 2023 from ₱15,190.4 million for the year ended December 31, 2022.

- Cost of real estate sales increased by 10.3% from ₱5,543.0 million for the year ended December 31, 2022 to ₱6,112.0 million for the year ended December 31, 2023 primarily due to the increase in the overall recorded sales of Vista Land's business units offset by cost savings from various cost saving initiatives implemented.

- Operating expenses increased by 20.2% from ₱9,647.4 million for the year ended December 31, 2022 to ₱11,596.2 million for the year ended December 31, 2023 primarily due to the following:

- an increase in provision for impairment losses on receivables from ₱21.7 million for the year ended December 31, 2022 to ₱848.0 million for the year ended December 31, 2023 due to provisioning for the year. Allowance for impairment losses on receivables remained at 1.8% of the total receivables.

- an increase in occupancy costs from ₱765.6 million for the year ended 31 December 2022 to ₱1,116.5 million for the year ended 31 December 2023 due to the increased in security and other occupancy related expenses of our malls.

- an increase in depreciation and amortization from ₱2,638.9 million for the year ended 31 December 2022 to ₱2,889.0 million for the year ended 31 December 2023 due to the higher depreciation for the year.

Proceeds from insurance claims
The Company recognized a gain from insurance proceed amounting to ₱1,841.2 million for the year ended 31 December 2023.

Interest and other financing charges
Interest and other financing charges increased by 9.0% from ₱5,217.9 million for the year ended December 31, 2022 to ₱5,685.6 million for the year ended December 31, 2023. The increase was primarily attributable the lower capitalization rate for the year.

<u>Provision for Income Tax</u>

Provision for income tax increased by 64.2% from ₱2,021.1 million for the year ended December 31, 2022 to ₱3,318.6 million for the year ended December 31, 2023 primarily due to a higher taxable base for the year.

<u>Net Income</u>

As a result of the foregoing, the Company's net income increased by 39.2% to ₱10,292.1 million for the year ended December 31, 2023 from ₱7,392.6 million for the year ended December 31, 2022.

For the year ended December 31, 2023, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.

The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

FINANCIAL CONDITION

As of December 31, 2023 vs. December 31, 2022

	Audited	Audited	Change	
	December 31, 2023	December 31, 2022	Value	%
	In ₱ millions			
ASSETS				
Current Assets				
Cash and cash equivalents	**₱10,692.2**	₱15,070.2	(4,378.0)	(29.1%)
Short-term cash investments	**7.3**	47.3	(40.0)	(84.6%)
Current portion of:				
Receivables	**52,211.6**	53,234.5	(1,022.9)	(1.9%)
Cost to obtain	**308.6**	385.6	(77.0)	(20.0%)
Investments at amortized cost	**18,425.1**	9,440.4	8,984.7	95.2%

Real estate inventories	**63,771.2**	53,533.9	10,237.3	19.1%
Other current assets	**6,447.9**	5,724.8	723.1	12.6%
Total Current Assets	**151,864.0**	137,436.8	14,427.2	10.5%
Noncurrent Assets				
Investments at amortized cost - net of current portion	**20,784.3**	32,059.1	(11,274.8)	(35.2%)
Investments at fair value through other comprehensive income	**132.2**	117.2	15.0	12.8%
Receivables – net of current portion	**31,191.5**	21,166.1	10,025.4	47.4%
Cost to obtain contract – net of current portion	**202.1**	354.5	(152.4)	(43.0%)
Project development costs	**1,396.3**	1,269.2	127.1	10.0%
Advances to a related party	**7,559.4**	7,042.3	517.1	7.3%
Investment in joint venture	**499.4**	468.1	31.3	6.7%
Property and equipment	**2,636.2**	2,301.1	335.1	14.6%
Investment properties	**124,656.1**	118,343.6	6,312.5	5.3%
Goodwill	**147.3**	147.3	-	-
Pension assets - net	**290.8**	320.7	(29.9)	(9.3%)
Deferred tax assets - net	**105.7**	111.5	(5.8)	(5.2%)
Other noncurrent assets	**936.0**	1,076.8	(140.8)	(13.1%)
Total Noncurrent Assets	**190,537.1**	184,777.3	5,759.8	3.1%
	₱342,401.1	₱322,214.1	₱20,187.0	6.3%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**₱20,517.4**	₱15,890.5	4,626.9	29.1%
Security deposits and advance rent	**2,013.0**	1,856.5	156.5	8.4%
Income tax payable	**112.5**	127.1	(14.6)	(11.5%)
Dividends payable	**298.0**	96.0	202.0	210.4%
Current portion of:				
Contract liabilities	**1,588.3**	1,085.1	503.2	46.4%
Bank loans	**25,874.2**	11,561.6	14,312.6	123.8%
Loans payables	**3,176.0**	3,767.3	(591.3)	(15.7%)
Notes payable	**28,005.3**	12,745.8	15,259.5	119.7%
Lease liabilities	**388.9**	368.5	20.4	5.5%
Total Current Liabilities	**₱81,973.6**	₱47,498.4	34,475.2	72.6%
Noncurrent Liabilities				
Contract liabilities – net of current portion	**₱437.0**	₱1,058.5	(621.5)	(58.7%)
Notes payable - net of current portion	**80,143.4**	89,702.4	(9,559.0)	(10.7%)
Bank loans - net of current portion	**27,308.8**	44,385.3	(17,076.5)	(38.5%)
Loans payable - net of current portion	**4,267.7**	1,567.4	2,700.3	172.3%
Lease liabilities – net of current portion	**5,051.3**	5,065.6	(14.3)	(0.3%)
Deferred tax liabilities - net	**8,201.4**	6,107.4	2,094.0	34.3%
Other noncurrent liabilities	**2,156.4**	3,179.0	(1,022.6)	(32.2%)
Total Noncurrent Liabilities	**127,566.2**	151,065.5	(23,499.3)	(15.6%)
Total Liabilities	**209,539.8**	198,563.9	10,975.9	5.5%
Equity				
Attributable to equity holders of the Parent Company				
Preferred stock	**33.0**	33.0	-	-
Common stock	**13,114.1**	13,114.1	-	-

Additional paid-in capital	**30,684.7**	30,684.7	-	-
Other comprehensive income	**905.8**	798.9	106.9	13.4%
Treasury shares	**(7,740.3)**	(7,740.3)	-	-
Retained earnings	**86,226.5**	78,311.1	7,915.4	10.1%
	123,223.8	115,201.6	8,022.2	7.0%
Non-controlling interest	**9,637.5**	8,448.6	1,188.9	14.1%
Total Equity	**132,861.3**	123,650.2	9,211.1	7.4%
	₱342,401.1	₱322,214.1	20,187.0	6.3%

Total assets as of December 31, 2023 were ₱342,401.1 million compared to ₱322,214.1 million as of December 31, 2022, or a 6.3% increase. This was due to the following:

- Cash and cash equivalents including short term and long-term cash investments, and investments at amortized costs decreased by 11.8% from ₱56,617.0 million as of December 31, 2022 to ₱49,908.9 million as of December 31, 2023 due primarily to debt servicing for the year.

- Investments at fair value through other comprehensive income increased by 12.8% from ₱117.2 million as of December 31, 2022 to ₱132.2 million as of December 31, 2023 due to the increase in fair value.

- Receivables increased by 12.1% from ₱74,400.6 million as of December 31, 2022 to ₱83,403.1 million as of December 31, 2023 due primarily to the increase in accrued rental receivables.

- Real estate inventories including raw land for residential development and construction materials increased by 19.1% from ₱53,533.9 million as of December 31, 2022 to ₱63,771.2 million as of December 31, 2023 due to increase in project launches for the year.

- Project development costs increased by 10.0% from ₱1,269.2 million as of December 31, 2022 to ₱1,396.3 million as of December 31, 2023 due to increase in advances for project developments.

- Advances to a related parties increased by 7.3% from ₱7,042.3 million as of December 31, 2022 to ₱7,559.4 million as of December 31, 2023 due to advances for the year.

- Investment in joint venture increased by 6.7% to ₱499.4 million as of December 31, 2023 from ₱468.1 million as of December 31, 2022 due to share in equity earnings during the year.

- Property and equipment increased by 14.6% to ₱2,636.2 million as of December 31, 2023 from ₱2,301.1 million as of December 31, 2022 due to additions of buildings, equipment and other fixed assets during the year.

- Investment properties increased by 5.3% to ₱124,656.1 million as of December 31, 2023 from ₱118,343.6 million as of December 31, 2022 due to additions during the year.

- Pension assets decreased by 9.3% to ₱290.8 million as of December 31, 2023 from ₱320.7 million as of December 31, 2022 as a result of actuarial adjustment for the company's retirement program.

- Other assets, including cost to obtain increased by 4.7% to ₱7,894.6 million as of December 31, 2023 from ₱7,541.7 million as of December 31, 2022 due to increase in input vat and other prepaid expenses.

Total liabilities as of December 31, 2023 were ₱209,539.8 million compared to ₱198,563.9 million as of December 31, 2022, or a 5.5% increase. This was due to the following:

- Accounts and other payables increased by 29.1% to ₱20,517.4 million as of December 31, 2023 from ₱15,890.5 million as of December 31, 2022 due to increase in accounts payable to contractors and suppliers as construction activities increased during the year.

- Security deposits and unearned rental income increased by 8.4% to ₱2,013.0 million as of December 31, 2023 from ₱1,856.5 million as of December 31, 2022 due to renewal of lease contract and new tenants of our commercial segment.

- Income tax payable decreased by 11.5% from ₱127.1 million as of December 31, 2022 to ₱112.5 million as of December 31, 2023 due to settlements for the year.

- Dividend payable increased by 210.4% from ₱96.0 million as of December 31, 2022 to ₱298.0 million as of December 31, 2023 due primarily to the declaration of dividends in October.

- Notes payable including non-current portion increased by 5.6% from ₱102,448.2 million as of December 31, 2022 to ₱108,148.7 million as of December 31, 2023 due to the issuance of corporate notes during the year..

- Loans payable including non-current portion increased by 39.5% from ₱5,334.7 million as of December 31, 2022 to ₱7,443.7 million as of December 31, 2023 due to availment of Contract to sell financing during the year.

- Contract liabilities including non-current portion decreased by 5.5% from ₱2,143.6 million as of December 31, 2022 to ₱2,025.3 million as of December 31, 2023 due to the recognition of revenues.

- Deferred tax liabilities – net increased by 34.3% from ₱6,107.4 million as of December 31, 2022 to ₱8,201.4 million as of December 31, 2023 due to the additional deferred tax liabilities recognized for the year.

- Other noncurrent liabilities decreased by 32.2% from ₱3,179.0 million as of December 31, 2022 to ₱2,156.4 million as of December 31, 2023 due primarily to the decrease in the liabilities for purchased land and retention payable

Total stockholder's equity increased by 7.4% from ₱123,650.2 million as of December 31, 2022 to ₱132,861.3 million as of December 31, 2023 due to the net income recorded for the year ended December 31, 2023 and increase in non-controlling interest.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	**12/31/2023**	**12/31/2022**
Current ratio [a]	1.85:1	2.89:1
Liability-to-equity ratio [b]	1.58:1	1.61:1
Interest expense/Income before Interest expense [c]	29.5%	35.7%
Return on assets [d]	3.0%	2.3%
Return on equity [e]	7.7%	6.0%

Notes:

(a) *Current Ratio: This ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*

(b) *Liability-to-equity ratio: This ratio is obtained by dividing the Company's Total Liabilities by its Total Equity. The ratio reveals the proportion of liability and equity a company is using to finance its business. It also measures a company's borrowing capacity.*

(c) *Interest expense/Income before interest expense: This ratio is obtained by dividing interest expense for the period by its income before interest expense. This ratio shows whether a company is earning enough profits before interest to pay its interest cost comfortably*

(d) *Return on assets: This ratio is obtained by dividing the Company's net income by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.*

(e) *Return on equity: This ratio is obtained by dividing the Company's net income by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.*

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Current ratio as of December 31, 2023 decreased from that of December 31, 2022 due primarily to the increase in current liabilities.

Liability-to-equity ratio decreased due to the increase in equity.

Interest expense as a percentage of income before interest expense decreased in the year ended December 31, 2023 compared to the ratio for the year ended December 31, 2022 due to the higher interest expense for the year.

Return on asset and return on equity increased for the year ended December 31, 2023 compared to that on December 31, 2022 due to the higher net income recorded in the year 2023.

Material Changes to the Company's Balance Sheet as of December 31, 2023 compared to December 31, 2022 (increase/decrease of 5% or more)

Cash and cash equivalents including short term and long-term cash investments, and investments at amortized costs decreased by 11.8% from ₱56,617.0 million as of December 31, 2022 to ₱49,908.9 million as of December 31, 2023 due primarily to debt servicing for the year.

Investments at fair value through other comprehensive income increased by 12.8% from ₱117.2 million as of December 31, 2022 to ₱132.2 million as of December 31, 2023 due to the increase in fair value.

Receivables increased by 12.1% from ₱74,400.6 million as of December 31, 2022 to ₱83,403.1 million as of December 31, 2023 due primarily to the increase in accrued rental receivables.

Real estate inventories including raw land for residential development and construction materials increased by 19.1% from ₱53,533.9 million as of December 31, 2022 to ₱63,771.2 million as of December 31, 2023 due to increase in project launches for the year.

Project development costs increased by 10.0% from ₱1,269.2 million as of December 31, 2022 to ₱1,396.3 million as of December 31, 2023 due to increase in advances for project developments.

Advances to a related parties increased by 7.3% from ₱7,042.3 million as of December 31, 2022 to ₱7,559.4 million as of December 31, 2023 due to advances for the year.

Investment in joint venture increased by 6.7% to ₱499.4 million as of December 31, 2023 from ₱468.1 million as of December 31, 2022 due to share in equity earnings during the year.

Property and equipment increased by 14.6% to ₱2,636.2 million as of December 31, 2023 from ₱2,301.1 million as of December 31, 2022 due to additions of buildings, equipment and other fixed assets during the year.

Investment properties increased by 5.3% to ₱124,656.1 million as of December 31, 2023 from ₱118,343.6 million as of December 31, 2022 due to additions during the year.

Pension assets decreased by 9.3% to ₱290.8 million as of December 31, 2023 from ₱320.7 million as of December 31, 2022 as a result of actuarial adjustment for the company's retirement program.

Accounts and other payables increased by 29.1% to ₱20,517.4 million as of December 31, 2023 from ₱15,890.5 million as of December 31, 2022 due to increase in accounts payable to contractors and suppliers as construction activities increased during the year.

Security deposits and unearned rental income increased by 8.4% to ₱2,013.0 million as of December 31, 2023 from ₱1,856.5 million as of December 31, 2022 due to renewal of lease contract and new tenants of our commercial segment.

Income tax payable decreased by 11.5% from ₱127.1 million as of December 31, 2022 to ₱112.5 million as of December 31, 2023 due to settlements for the year.

Dividend payable increased by 210.4% from ₱96.0 million as of December 31, 2022 to ₱298.0 million as of December 31, 2023 due primarily to the declaration of dividends in October.

Notes payable including non-current portion increased by 5.6% from ₱102,448.2 million as of December

31, 2022 to ₱108,148.7 million as of December 31, 2023 due to the issuance of corporate notes during the year.

Loans payable including non-current portion increased by 39.5% from ₱5,334.7 million as of December 31, 2022 to ₱7,443.7 million as of December 31, 2023 due to availment of Contract to sell financing during the year.

Contract liabilities including non-current portion decreased by 5.5% from ₱2,143.6 million as of December 31, 2022 to ₱2,025.3 million as of December 31, 2023 due to the recognition of revenue.

Deferred tax liabilities – net increased by 34.3% from ₱6,107.4 million as of December 31, 2022 to ₱8,201.4 million as of December 31, 2023 due to the additional deferred tax liabilities recognized for the year.

Other noncurrent liabilities decreased by 32.2% from ₱3,179.0 million as of December 31, 2022 to ₱2,156.4 million as of December 31, 2023 due primarily to the decrease in the liabilities for purchased land and retention payable

Material Changes to the Company's Statement of Income for the year ended December 31, 2023 compared to the year ended December 31, 2022 (increase/decrease of 5%or more)

The Company recorded revenue from real estate sales amounting to ₱15,228.5 million for the year ended December 31, 2023, an increase of 19.1% from ₱12,789.9 million last year. This was primarily attributable to the increase in the overall completion rate of sold inventories of its business units specifically in the affordable segment.

Rental income increased by 16.6% from ₱13,742.3 million for the year ended December 31, 2022 to ₱16,021.4 million for the year ended December 31, 2023. The increase was primarily attributable to the recovery of the malls, increase foot traffic and the contribution of newly opened commercial centers.

Interest income from installment contract receivable and investments increased by 7.5% from ₱1,682.5 million for the year ended December 31, 2022 to ₱1,808.6 million for the year ended December 31, 2023. The increased was primarily attributable to the increase in interest income from investments of 22.5% to ₱1,202.3 million offset by the decrease in interest income from installment contract receivables of 13.5% to ₱606.3 million for the year ended December 31, 2023 as more buyers are availing of bank financing.

Income from parking, hotel, mall administrative and processing fees and others increased by 31.0% from ₱1,607.3 million for the year ended December 31, 2022 to ₱2,104.9 million for the year ended December 31, 2023. The increase was primarily attributable to the increase mall related administrative and processing fees, parking, hotel operations as well as forfeitures.

Cost of real estate sales increased by 10.3% from ₱5,543.0 million for the year ended December 31, 2022 to ₱6,112.0 million for the year ended December 31, 2023 primarily due to the increase in the overall recorded sales of Vista Land's business units offset by cost savings from various cost saving initiatives implemented.

Operating expenses increased by 20.2% from ₱9,647.4 million for the year ended December 31, 2022 to ₱11,596.2 million for the year ended December 31, 2023 primarily due to (a) the increase in provision for impairment losses on receivables from ₱21.7 million for the year ended December 31, 2022 to ₱848.0 million for the year ended December 31, 2023 due to provisioning for the year. Allowance for impairment losses on receivables is at 1.2% of the total receivables, (b) an increase in occupancy costs from ₱765.6 million for the year ended 31 December 2022 to ₱1,116.5 million for the year ended 31 December 2023 due to the increased in security and other occupancy related expenses of our malls and (c) an increase in depreciation and amortization from ₱2,638.8 million for the year ended 31 December 2022 to ₱2,889.0 million for the year ended 31 December 2023 due to the higher depreciation for the year.

The Company recognized a gain from insurance proceed amounting to ₱1,841.2 million for the year ended 31 December 2023.

Interest and other financing charges increased by 9.0% from ₱5,217.9 million for the year ended

December 31, 2022 to ₱5,685.6 million for the year ended December 31, 2023. The increase was primarily attributable the lower capitalization rate for the year.

Provision for income tax increased by 64.2% from ₱2,021.1 million for the year ended December 31, 2022 to ₱3,318.6 million for the year ended December 31, 2023 primarily due to a higher taxable base for the year.

The Company's net income increased by 39.2% to ₱10,292.1 million for the year ended December 31, 2023 from ₱7,392.6 million for the year ended December 31, 2022.

For the year ended December 31, 2023, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.

The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

COMMITMENTS AND CONTINGENCIES

The Parent Company's subsidiaries are contingently liable for guarantees arising in the ordinary course of business, including surety bonds, letters of guarantee for performance and bonds for its entire real estate project.

REVIEW OF YEAR ENDED DECEMBER 31, 2022 VS YEAR ENDED DECEMBER 31, 2021

	December 31		Change	
	2022	**2021**	**Value**	**%**
	In ₱ millions, except ratios			
REVENUE				
Real estate	**12,789.9**	17,397.9	(4,608.0)	(26.5%)
Rental income	**13,742.3**	9,312.7	4,429.6	47.6%
Interest income from installment contracts receivable	**701.3**	774.4	(73.1)	(9.4%)
Parking, hotel, mall administrative and processing fees, and others	**1,607.3**	2,146.9	(539.6)	(25.1%)
	28,840.8	29,631.9	(791.1)	(2.7%)
COSTS AND EXPENSES				
Costs of real estate sales	**5,543.0**	8,533.4	(2,990.4)	(35.0%)
Operating expenses	**9,647.4**	9,407.8	239.6	2.5%
	15,190.4	17,941.2	(2,750.8)	(15.3%)
OTHER INCOME (EXPENSES)				
Interest income from investments and other income	**981.2**	1,549.4	(568.2)	(36.7%)
Interest and other financing charges	**(5,217.9)**	(4,315.3)	(902.6)	20.9%
	(4,236.7)	(2,765.9)	(1,470.8)	53.2%
INCOME BEFORE INCOME TAX	**9,413.7**	8,924.8	488.9	5.5%
PROVISION FOR INCOME TAX	**2,021.1**	1,957.6	63.5	3.2%
NET INCOME	**7,392.6**	**6,967.2**	**425.4**	**6.1%**

Revenues

Real Estate

The Company recorded revenue from real estate sales amounting to ₱12,789.9 million for the year ended December 31, 2022, a decrease of 26.5% from ₱17,397.9 million for the year ended December 31, 2021. This was primarily attributable to the decrease in the overall completion rate of sold inventories of its business units specifically in the affordable segment as a result various factors such as (a) the impact of the extended payment terms granted to buyers during the pandemic specifically in the affordable segment. (b) the implementation of the community quarantine that slowed down construction activities in certain areas (c) the rainy season in the 2nd half of the year. The Company uses the Percentage of Completion method of revenue recognition where revenue is recognized in reference to the stages of development of the properties:

- Real estate revenue of Brittany increased by 141.1% to ₱1,216.1 million for 2022 from ₱504.4 million for 2021. This increase was principally attributable to the increase in the number of sold homes completed or under construction in the Mega Manila area in the high-end housing segment.

- Real estate revenue of Crown Asia increased by 8.4% to ₱513.8 million for 2022 from ₱474.1 million for 2021. This increase was principally attributable to the increase in the number of sold homes completed or under construction in the Mega Manila area in the upper middle-income housing segment during the year.

- Real estate revenue from Vista Residences was flat at ₱2,505.9 million for 2022 from ₱2,512.1 million for 2021. This was principally attributable to the number of sold condominium units completed or under construction during the period. Vista Residences is the business unit of Vista Land that develops and sells vertical projects across the Philippines.

- Real estate revenue of Communities Philippines decreased by 16.7% to ₱5,587.2 million for 2022 from ₱6,709.9 million for 2021. This decrease was principally attributable to the decrease in the number of sold homes completed or under construction outside the Mega Manila area in the low and affordable housing segment during the period as a result of the various lockdown measures implemented in the provincial areas.

- Real estate revenue of Camella decreased by 58.8% to ₱2,966.8 million for 2022 from ₱7,197.5 million for 2021. This decrease was principally attributable to the decrease in the number of sold homes completed or under construction in the Mega Manila area in the low and affordable housing segment during the period.

Rental income

Rental income increased by 47.6% from ₱9,312.7 million for the year ended December 31, 2021 to ₱13,742.3 million for the year ended December 31, 2022. The increase was primarily attributable to the recovery of the malls, increase foot traffic and the contribution of newly opened commercial centers.

Interest income from installment contract receivable and investments

Interest income from installment contract receivable and investments decreased by 27.6% from ₱2,323.9 million for the year ended December 31, 2021 to ₱1,682.5 million for the year ended December 31, 2022. The decrease was primarily attributable to the decrease in both the interest income from investments of 36.7% to ₱981.2 million for the year ended December 31, 2022 due to settlement of dollar liabilities using our dollar investments and interest income from installment contract receivables of 9.4% to ₱701.3 million for the year ended December 31, 2022 as more buyers are availing of bank financing.

Parking, hotel, mall administrative and processing fees and others

Income from parking, hotel, mall administrative and processing fees and others decreased by 25.1% from ₱2,146.9 million for the year ended December 31, 2021 to ₱1,607.3 million for the year ended December 31, 2022. The decrease was primarily attributable to the mall administrative and processing fees as well as loan processing fees from banks. Parking fees and hotel revenues posted increases for the year.

Costs and Expenses

Cost and expenses decreased by 15.3% to ₱15,190.4 million for the year ended December 31, 2022 from ₱17,941.2 million for the year ended December 31, 2021.

- Cost of real estate sales decreased by 35.0% from ₱8,533.4 million for the year ended December 31, 2021 to ₱5,543.0 million for the year ended December 31, 2022 primarily due to the decrease in the overall recorded sales of Vista Land's business units specifically the provincial projects. The decrease was also due to cost efficiencies realized during the year as the decline in costs was significantly higher than the decline in real estate revenues.

- Operating expenses increased by 2.5% from ₱9,407.8 million for the year ended December 31, 2021 to ₱9,647.4 million for the year ended December 31, 2022 primarily due to the following:

    - a decrease in commission expenses from ₱829.7 million for the year ended December 31, 2021 to ₱606.1 million in the year ended December 31, 2022 due to decrease in real estate sales for the year and the shift to digital marketing.

    - a decrease in provision from impairment losses on receivables and investments from ₱443.3 million for the year ended December 31, 2021 to ₱21.7 million for the year ended December 31, 2022 due to the reduced probability of impairment for receivables and investments as situation are returning to normalcy.

Interest and other financing charges
Interest and other financing charges increased by 20.9% from ₱4,315.3 million for the year ended December 31, 2021 to ₱5,217.9 million for the year ended December 31, 2022. The decrease was primarily attributable decrease in interest bearing debt for the year and the lower capitalization rate for interest expense.

Provision for Income Tax

Provision for income tax increased by 3.2% from ₱1,957.6 million for the year ended December 31, 2021 to ₱2,021.1 million for the year ended December 31, 2022 primarily due to a higher taxable base for the year coming from the higher contribution of the commercial segment compared to prior year.

Net Income

As a result of the foregoing, the Company's net income increased by 6.1% to ₱7,392.6 million for the year ended December 31, 2022 from ₱6,967.2 million for the year ended December 31, 2021.

For the year ended December 31, 2022, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.

The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

FINANCIAL CONDITION

	December 31		Change	
	2022	**2021**	**Amount**	**%**
	In ₱ millions, except ratios			
ASSETS				
Current Assets				
Cash and cash equivalents	**15,070.2**	11,856.7	3,213.5	27.1%
Short-term cash investments	**47.3**	336.0	(288.7)	(85.9%)

	December 31		Change	
	2022	**2021**	**Amount**	**%**
	In ₱ millions, except ratios			
Current portion of:				
Receivables	**53,234.5**	50,916.7	2,317.8	4.6%
Cost to obtain contract	**385.6**	448.2	(62.6)	(14.0%)
Investments at amortized cost	**9,440.4**	15,751.5	(6,311.1)	(40.1%)
Real estate inventories	**53,533.9**	49,596.9	3,937.0	7.9%
Other current assets	**5,724.8**	5,587.2	137.6	2.5%
Total Current Assets	**137,436.8**	134,493.2	2,943.6	2.2%
Noncurrent Assets				
Investments at amortized cost – net of current portion	**32,059.1**	34,065.9	(2,006.8)	(5.9%)
Investments at fair value through other comprehensive income	**117.2**	124.5	(7.3)	(5.9%)
Receivables - net of current portion	**21,166.1**	20,316.7	849.4	4.2%
Cost to obtain contract - net of current portion	**354.5**	450.5	(96.0)	(21.3%)
Project development costs	**1,269.2**	1,274.1	(4.9)	(0.4%)
Advances to a related party	**7,042.3**	6,085.2	957.1	15.7%
Investment in joint venture	**468.1**	458.8	9.3	2.0%
Property and equipment	**2,301.1**	2,316.9	(15.8)	(0.7%)
Investment properties	**118,343.6**	112,991.8	5,351.8	4.7%
Goodwill	**147.3**	147.3	-	0.0%
Pension assets	**320.7**	283.0	37.7	13.3%
Deferred tax assets - net	**111.5**	48.4	63.1	130.4%
Other noncurrent assets	**1,076.8**	930.5	146.3	15.7%
Total Noncurrent Assets	**184,777.3**	179,493.4	5,283.9	2.9%
	322,214.1	313,986.6	8,227.5	2.6%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**15,890.5**	15,221.4	669.0	4.4%
Security deposits and advance rent	**1,856.5**	1,729.3	127.2	7.4%
Income tax payable	**127.1**	49.7	77.4	155.7%
Dividends payable	**96.0**	15.9	80.1	503.8%
Current portion of:				
Contract liabilities	**1,085.1**	1,234.6	(149.5)	(12.1%)
Notes payable	**12,745.8**	24,170.7	(11,424.9)	(47.3%)
Bank loans	**11,561.6**	8,067.3	3,494.3	43.3%
Loans payables	**3,767.3**	3,460.1	307.2	8.9%
Lease liabilities	**368.5**	348.2	20.3	5.8%
Total Current Liabilities	**47,498.4**	54,297.3	(6,798.9)	(12.5%)
Noncurrent Liabilities				
Contract liabilities- net of current portion	**1,058.5**	566.8	491.7	86.8%
Notes payable - net of current portion	**89,702.4**	83,759.5	5,942.9	7.1%
Bank loans - net of current portion	**44,385.3**	48,925.0	(4,539.8)	(9.3%)
Loans payable - net of current portion	**1,567.4**	319.4	1,248.0	390.7%
Lease liabilities - net of current portion	**5,065.6**	5,087.6	(22.0)	(0.4%)
Deferred tax liabilities - net	**6,107.4**	4,982.7	1,124.7	22.6%
Other noncurrent liabilities	**3,179.0**	3,521.4	(342.4)	(9.7%)
Total Noncurrent Liabilities	**151,065.5**	147,162.4	3,903.1	2.7%
Total Liabilities	**198,563.9**	201,459.7	(2,895.8)	(1.4%)
Equity				
Attributable to equity holders of the Parent				

	December 31		Change	
	2022	**2021**	**Amount**	**%**
	In ₱ millions, except ratios			
Company				
Common stock	**13,114.1**	13,114.1	-	0.0%
Preferred stock	**33.0**	33.0	-	0.0%
Additional paid-in capital	**30,684.7**	30,655.4	29.3	0.1%
Treasury shares	**(7,740.3)**	(7,740.3)	-	0.0%
Retained earnings	**78,311.1**	72,539.6	5,771.5	8.0%
Other comprehensive income	**798.9**	778.1	20.8	2.7%
	115,201.6	109,379.9	5,821.7	5.3%
Non-controlling interest	**8,448.6**	3,147.0	5,301.6	168.5%
Total Equity	**123,650.2**	112,526.9	11,123.3	9.9%
	322,214.1	**313,986.6**	8,227.5	2.6%

As of December 31, 2022 vs. December 31, 2021

Total assets as of December 31, 2022 were ₱322,214.1 million compared to ₱313,986.6 million as of December 31, 2021, or a 2.6% increase. This was due to the following:

- Cash and cash equivalents including short term and long-term cash investments, and investments at amortized costs decreased by 8.7% from ₱62,010.1 million as of December 31, 2021 to ₱56,617.0 million as of December 31, 2022 due primarily to decrease in investments at amortized costs as this was used for payment of dollar bond that matured during the year.

- Investments at fair value through other comprehensive income decreased by 5.9% from ₱124.5 million as of December 31, 2021 to ₱117.2 million as of December 31, 2022 due to the disposal during the year.

- Real estate inventories including raw land for residential development and construction materials increased by 7.9% from ₱49,596.9 million as of December 31, 2021 to ₱53,533.9 million as of December 31, 2022 due to increase in project launches for the year.

- Advances to a related parties increased by 15.7% from ₱6,085.2 million as of December 31, 2021 to ₱7,042.3 million as of December 31, 2022 due to advances for the year.

- Pension assets - net increased by 13.3% to ₱320.7 million as of December 31, 2022 from ₱283.0 million as of December 31, 2021 as a result of actuarial adjustment for the company's retirement program.

Total liabilities as of December 31, 2022 were ₱198,563.9 million compared to ₱201,459.7 million as of December 31, 2021, or a 1.4% decrease. This was due to the following:

- Security deposits and advance rent increased by 7.4% to ₱1,856.5 million as of December 31, 2022 from ₱1,729.3 million as of December 31, 2021 due to renewal of lease contract and new tenants of our commercial segment.

- Income tax payable increased by 155.7% from ₱49.7 million as of December 31, 2021 to ₱127.1 million as of December 31, 2022 due primarily to the higher taxable income for the year coming from the commercial segment.

- Dividend payable increased by 503.8% from ₱15.9 million as of December 31, 2021 to ₱96.0 million as of December 31, 2022 due primarily to the remaining dividends for the year.

- Notes payable including non-current portion decreased by 5.1% from ₱107,930.2 million as of December 31, 2021 to ₱102,448.2 million as of December 31, 2022 due primarily to the settlement of USD370.5 million dollar bond in June offset by the corporate note issuance in December.

- Loans payable including non-current portion increased by 41.1% from ₱3,779.5 million as of December 31, 2021 to ₱5,334.7 million as of December 31, 2022 due to availment of Contract to sell financing during the year.

- Contract liabilities including non-current portion increased by 19.0% from ₱1,801.4 million as of December 31, 2021 to ₱2,143.6 million as of December 31, 2022 due to advance payments from buyers of residential properties under construction.

- Deferred tax liabilities – net increased by 22.6% from ₱4,982.7 million as of December 31, 2021 to ₱6,107.4 million as of December 31, 2022 due to the additional deferred tax liabilities recognized for the year.

- Other noncurrent liabilities decreased by 9.7% from ₱3,521.4 million as of December 31, 2021 to ₱3,179.0 million as of December 31, 2022 due primarily to the decrease in the liabilities for purchased land.

Total stockholder's equity increased by 9.9% from ₱112,526.9 million as of December 31, 2021 to ₱123,650.2 million as of December 31, 2022 due to the net income recorded for the year ended December 31, 2022 and increase in non-controlling interest coming from the proceeds from the offering of Vista REIT.

For the year ended December 31, 2022, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures.

Except for the recovery as a result of the opening up of the economy, there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the registrant's continuing operations.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	December 31, 2022	December 31, 2021
Current ratio [a]	2.89:1	2.48:1
Liability-to-equity ratio [b]	1.61:1	1.79:1
Interest expense/Income before Interest expense and Income tax [c]	35.7%	32.6%
Return on assets [d]	2.3%	2.2%
Return on equity [e]	6.0%	6.2%

Notes:

a. *Current Ratio: This ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.*

b. *Liability-to-equity ratio: This ratio is obtained by dividing the Company's Total Liabilities by its Total Equity. The ratio reveals the proportion of liability and equity a company is using to finance its business. It also measures a company's borrowing capacity.*

c. *Interest expense/Income before interest expense and income tax: This ratio is obtained by dividing interest expense for the period by its income before interest expense. This ratio shows whether a company is earning enough profits before interest to pay its interest cost comfortably*

d. *Return on assets: This ratio is obtained by dividing the Company's net income by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.*

e. *Return on equity: This ratio is obtained by dividing the Company's net income by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.*

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Current ratio as of December 31, 2022 increased from that of December 31, 2021 due primarily to the increase in the current assets with the corresponding decrease in current liabilities.

Liability-to-equity ratio decreased due to the decrease in the interest bearing debt of the Group.

Interest expense as a percentage of income before interest expense increased in the year ended December 31, 2022 compared to the ratio for the year ended December 31, 2021 due to the higher interest expense for the year.

Return on asset slightly higher for the year ended December 31, 2022 compared to that on December 31, 2021.

Return on equity was flat for the year ended December 31, 2022 compared to that on December 31, 2021.

Material Changes to the Company's Balance Sheet as of December 31, 2022 compared to December 31, 2021 (increase/decrease of 5% or more)

Cash and cash equivalents including short term and long-term cash investments, and investments at amortized costs decreased by 8.7% from ₱62,010.1 million as of December 31, 2021 to ₱56,617.0 million as of December 31, 2022 due primarily to decrease in investments at amortized costs as this was used for payment of dollar bond that matured during the year.

Investments at fair value through other comprehensive income decreased by 5.9% from ₱124.5 million as of December 31, 2021 to ₱117.2 million as of December 31, 2022 due to the disposal during the year.

Real estate inventories including raw land for residential development and construction materials increased by 7.9% from ₱49,596.9 million as of December 31, 2021 to ₱53,533.9 million as of December 31, 2022 due to increase in project launches for the year.

Advances to a related parties increased by 15.7% from ₱6,085.2 million as of December 31, 2021 to ₱7,042.3 million as of December 31, 2022 due to advances for the year.

Pension assets - net increased by 13.3% to ₱320.7 million as of December 31, 2022 from ₱283.0 million as of December 31, 2021 as a result of actuarial adjustment for the company's retirement program.

Security deposits and advance rent increased by 7.4% to ₱1,856.5 million as of December 31, 2022 from ₱1,729.3

million as of December 31, 2021 due to renewal of lease contract and new tenants of our commercial segment.

Income tax payable increased by 155.7% from ₱49.7 million as of December 31, 2021 to ₱127.1 million as of December 31, 2022 due primarily to the higher taxable income for the year coming from the commercial segment.

Dividend payable increased by 503.8% from ₱15.9 million as of December 31, 2021 to ₱96.0 million as of December 31, 2022 due primarily to the remaining dividends for the year.

Notes payable including non-current portion decreased by 5.1% from ₱107,930.2 million as of December 31, 2021 to ₱102,448.2 million as of December 31, 2022 due primarily to the settlement of USD370.5 million dollar bond in June offset by the corporate note issuance in December.

Loans payable including non-current portion increased by 41.1% from ₱3,779.5 million as of December 31, 2021 to ₱5,334.7 million as of December 31, 2022 due to availment of Contract to sell financing during the year.

Contract liabilities including non-current portion increased by 19.0% from ₱1,801.4 million as of December 31, 2021 to ₱2,143.6 million as of December 31, 2022 due to advance payments from buyers of residential properties under construction.

Deferred tax liabilities – net increased by 22.6% from ₱4,982.7 million as of December 31, 2021 to ₱6,107.4 million as of December 31, 2022 due to the additional deferred tax liabilities recognized for the year.

Other noncurrent liabilities decreased by 9.7% from ₱3,521.4 million as of December 31, 2021 to ₱3,179.0 million as of December 31, 2022 due primarily to the decrease in the liabilities for purchased land.

Material Changes to the Company's Statement of Income for the year ended December 31, 2022 compared to the year ended December 31, 2021 (increase/decrease of 5% or more)

The Company recorded revenue from real estate sales amounting to ₱12,789.9 million for the year ended December 31, 2022, a decrease of 26.5% from ₱17,397.9 million last year. This was primarily attributable to the decrease in the overall completion rate of sold inventories of its business units specifically in the affordable segment as a result various factors such as (a) the impact of the extended payment terms granted to buyers during the pandemic specifically in the affordable segment. (b) the implementation of the community quarantine that slowed down construction activities in certain areas (c) the rainy season in the 2nd half of the year. The Company uses the Percentage of Completion method of revenue recognition where revenue is recognized in reference to the stages of development of the properties:

Rental income increased by 47.6% from ₱9,312.7 million for the year ended December 31, 2021 to ₱13,742.3 million for the year ended December 31, 2022. The increase was primarily attributable to the recovery of the malls, increased foot traffic and the contribution of newly opened commercial centers.

Interest income from installment contract receivable and investments decreased by 27.6% from ₱2,323.9 million for the year ended December 31, 2021 to ₱1,682.5 million for the year ended December 31, 2022. The decrease was primarily attributable to the decrease in both the interest income from investments of 36.7% to ₱981.2 million for the year ended December 31, 2022 due to settlement of dollar liabilities using our dollar investments and interest income from installment contract receivables of 9.4% to ₱701.3 million for the year ended December 31, 2022 as more buyers are availing of bank financing.

Income from parking, hotel, mall administrative and processing fees and others decreased by 25.1% from ₱2,146.9 million for the year ended December 31, 2021 to ₱1,607.3 million for the year ended December 31, 2022. The decrease was primarily attributable to the mall administrative and processing fees as well as loan processing fees from banks. Parking fees and hotel revenues posted increases for the year.

Cost of real estate sales decreased by 35.0% from ₱8,533.4 million for the year ended December 31, 2021 to ₱5,543.0 million for the year ended December 31, 2022 primarily due to the decrease in the overall recorded sales of Vista Land's business units specifically the provincial projects. The decrease was also due to cost efficiencies realized during the year as the decline in costs was significantly higher than the decline in real estate revenues.

Operating expenses increased by 2.5% from ₱9,407.8 million for the year ended December 31, 2021 to ₱9,647.4 million for the year ended December 31, 2022 primarily due to the i) decrease in commission expenses from

₱829.7 million for the year ended December 31, 2021 to ₱606.1 million in the year ended December 31, 2022 due to decrease in real estate sales for the year and the shift to digital marketing and ii) a decrease in provision from impairment losses on receivables and investments from ₱443.3 million for the year ended December 31, 2021 to ₱21.7 million for the year ended December 31, 2022 due to the reduced probability of impairment for receivables and investments as situation are returning to normalcy.

Interest and other financing charges increased by 20.9% from ₱4,315.3 million for the year ended December 31, 2021 to ₱5,217.9 million for the year ended December 31, 2022. The decrease was primarily attributable decrease in interest bearing debt for the year and the lower capitalization rate for interest expense.

Provision for income tax increased by 3.2% from ₱1,957.6 million for the year ended December 31, 2021 to ₱2,021.1 million for the year ended December 31, 2022 primarily due to a higher taxable base for the year coming from the higher contribution of the commercial segment compared to prior year.

The Company's net income increased by 6.1% to ₱7,392.6 million for the year ended December 31, 2022 from ₱6,967.2 million for the year ended December 31, 2021.

For the year ended December 31, 2022, except as discussed in *Note 36 – Other Matters* of the 2022 Audited Financial Statements on the impact of the COVID-19 pandemic, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.

The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Significant Subsidiaries

Camella Homes, Inc.

The table below presents Camella Homes, Inc.'s information on its top five key performance indicators for the years ended December 31, 2021, 2022, and 2023, and for the period ended March 31, 2024.

	For the years ended December 31			For the three months ended
	2021	2022	2023	March 31, 2024
Revenue Growth		-58.8%	51.2%	-22.7%
Gross Profit Margin	52.0%	60.7%	63.3%	65.9%
Operating Income Margin	37.8%	32.0%	34.9%	43.5%
Interest Coverage Ratio	12,301.04	220.18	6.51	-
Net Income Margin	37.6%	22.6%	21.4%	37.9%

Crown Asia Properties, Inc.

The table below presents Crown Asia Properties, Inc.'s information on its top five key performance indicators for the years ended December 31, 2021, 2022, and 2023, and for the period ended March 31, 2024.

	For the years ended December 31			For the three months ended
	2021	2022	2023	March 31, 2024
Revenue Growth		8.4%	9.3%	92.2%
Gross Profit Margin	43.2%	53.1%	48.4%	63.9%
Operating Income	19.0%	5.8%	20.2%	42.1%

Margin				
Interest Coverage Ratio	42.78	13.26	30.34	582.03
Net Income Margin	18.5%	1.7%	11.2%	38.0%

Communities Philippines, Inc.

The table below presents Communities Philippines, Inc.'s information on its top five key performance indicators for the years ended December 31, 2021, 2022, and 2023, and for the period ended March 31, 2024.

	For the years ended December 31			For the three months ended
	2021	2022	2023	March 31, 2024
Revenue Growth		-16.7%	8.5%	30.2%
Gross Profit Margin	52.9%	59.9%	68.7%	75.2%
Operating Income Margin	37.0%	39.6%	44.2%	51.8%
Interest Coverage Ratio	591.06	561.85	82.95	608.35
Net Income Margin	36.8%	29.9%	31.4%	46.4%

Brittany Corporation

The table below presents Brittany Corporation's information on its top five key performance indicators for the years ended December 31, 2021, 2022, and 2023, and for the period ended March 31, 2024.

	For the years ended December 31			For the three months ended
	2021	2022	2023	March 31, 2024
Revenue Growth		141.1%	-20.0%	60.9%
Gross Profit Margin	55.8%	64.2%	58.7%	73.7%
Operating Income Margin	13.4%	46.2%	27.1%	50.1%
Interest Coverage Ratio	373.50	16,337.97	220.69	-
Net Income Margin	13.4%	35.0%	19.6%	44.4%

Vista Residences, Inc.

The table below presents Vista Residences, Inc.'s information on its top five key performance indicators for the years ended December 31, 2021, 2022, and 2023, and for the period ended March 31, 2024.

	For the years ended December 31			For the three months ended
	2021	2022	2023	March 31, 2024
Revenue Growth		-0.2%	25.6%	78.4%
Gross Profit Margin	43.2%	41.8%	40.4%	58.2%
Operating Income Margin	29.6%	27.9%	29.7%	52.1%
Interest Coverage Ratio	9.51	9.24	5.04	47.70
Net Income Margin	26.2%	21.3%	15.5%	50.6%

Vistamalls, Inc.

The table below presents Vistamall's Inc. information on its top five key performance indicators for the years ended December 31, 2021, 2022, and 2023, and for the period ended March 31, 2024.

	For the years ended December 31			For the three months ended
	2021	2022	2023	March 31, 2024
Revenue Growth		31.4%	12.2%	-14.3%
Operating Profit Margin	57.8%	72.2%	67.8%	82.7%
EBITDA Margin	84.2%	105.3%	103.8%	94.0%
Interest Coverage Ratio	13.82	19.68	20.61	21.69
Net Income Margin	48.1%	63.0%	52.1%	62.3%

DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

The overall management and supervision of the Company is undertaken by the Board. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Currently, the Board consists of seven members, of which two are independent directors. All of the directors were elected at the Company's annual stockholders meeting on June 18, 2024 and will hold office until their successors have been duly elected and qualified.

The table sets forth each member of the Company's Board as of the date of this Prospectus.

Name	Age	Position	Citizenship
Manuel B. Villar, Jr.	74	Director, Chairman of the Board	Filipino
Manuel Paolo A. Villar	48	Director, Vice Chairman, President and Chief Executive Officer	Filipino
Cynthia J. Javarez	61	Director, Treasurer, and Chief Risk Officer	Filipino
Frances Rosalie T. Coloma	61	Director	Filipino
Camille A. Villar	39	Director, Managing Director of Vista Land Commercial	Filipino
Justina F. Callangan	71	Independent Director	Filipino
Cherrylyn P. Caoile	49	Independent Director	Filipino

The table below sets forth the Company's executive officers in addition to its executive directors listed above as of the date of this Prospectus.

Name	Age	Position	Citizenship
Jerylle Luz C. Quismundo	60	Chief Operating Officer	Filipino
Brian N. Edang	46	Chief Financial Officer and Head, Investor Relations	Filipino
Gemma M. Santos	62	Corporate Secretary	Filipino
Ma. Nalen S.J. Rosero	53	Chief Information Officer, Chief Compliance Officer, Chief Legal Counsel and Assistant Corporate Secretary	Filipino
Lorelyn D. Mercado	54	Controller	Filipino
Leamor S. Harlea	48	Chief Audit Executive	Filipino

Manuel B. Villar, Jr., *Director, Chairman of the Board.* Mr. Villar has been the Company's Director and Chairman of the Board since 2013. Mr. Villar was Senator of the Philippines from 2001 to June 2013. He served as Senate President from 2006 to 2008. He also served as a Congressman from 1992 to 2001 and as Speaker of the House of Representatives from 1998 to 2000. A Certified Public Accountant, Mr. Villar graduated from the University of the Philippines in 1970 with the degree of Bachelor of Science in Business Administration and in 1973 with the degree of Master's in Business Administration. He founded Camella Homes in the early 1970s and successfully managed said company over the years, to become the largest homebuilder in the Philippines now known as the Vista Land Group. Mr. Villar is also the Chairman of the Board of Vistamalls, Inc. (formerly Starmalls, Inc.), AllHome Corp., AllValue Holdings Corp., AllDay Marts, Inc. and Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.). He is a member of the following organizations: Makati Business Club, Manila Golf Club, Management Association of the Philippines, Financial Executive Institute of the Philippines (FINEX), Philippine Institute of Certified Public Accountants, and the Villar Social Institute for Poverty Alleviation and Governance (SIPAG).

Manuel Paolo A. Villar, *Director, Vice Chairman of the Board and President & Chief Executive Officer.* Mr. Villar has been the Company's Director and Vice Chairman of the Board since 2007. Mr. Villar graduated from the Wharton School of the University of Pennsylvania, Philadelphia, USA with a Bachelor of Science in Economics and Bachelor of Applied Science in 1999. He was an Analyst for McKinsey & Co. in the United States from 1999 to 2001. He joined the Vista Land Group in 2001 as Head of Corporate Planning then became the Chief Financial Officer of the Company in 2008. He was elected President and Chief Executive Officer of the Company in July 2011 and President of Vistamalls, Inc. (formerly Starmalls, Inc.) in June 2019. In addition, he is the CEO and Chairman of St. Augustine Gold and Copper Limited and Chairman of TVI Resources Development Philippines, Inc., Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany

Corporation, Vista Residences, Inc., and Powersource Phils Development Corp. Mr. Villar is also the majority shareholder of Prime Asset Ventures, Inc., and director of Fine Properties, Inc., VistaREIT, Inc., AllHome Corp. and AllDay Marts, Inc.

Cynthia J. Javarez, *Director, Treasurer, and Chief Risk Officer*. Ms. Javarez has been the Company's Director and Treasurer of the Board since 2007. Ms. Javarez graduated from the University of the East with a degree in Bachelor of Science in Business Administration major in Accounting. She is a Certified Public Accountant. She completed a Management Development Program at the Asian Institute of Management in 2006. Ms. Javarez was previously the Chief Financial Officer of Polar Property Holdings Corp. until 2011 and the Tax & Audit Head in the MB Villar Group of Companies until 2007. She was the Controller and Chief Financial Officer of Vista Land since 2013 until she became Chief Operating Officer from November 2018 to June 2022. She was the President of Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation and Vista Residences, Inc. until 2021. She is currently the President of Golden MV Holdings, Inc., Chairperson of the Board of Prime Asset Ventures, Inc. and is the President of Fine Properties, Inc.

Camille A. Villar, *Managing Director, Vista Land Commercial Division*. Ms. Villar has been the Company's Director and Managing Director of Vista Land Commercial Division since 2014. Ms. Villar graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management. She took Management in Business Administration, Global Executive MBA Program in Instituto de Estudios Superiores de la Eprese (IESE) Business School, Barcelona, Spain. She joined the Corporate Communications Group of Brittany in 2007 until she assumed the position of Managing Director of Vista Land Commercial. She is a Director of Vistamalls, Inc. (formerly Starmalls, Inc.) and Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.). She is also the Concurrent President of All Value Holdings Corp., the Vice Chairman of AllHome Corp. and a director of AllDay Marts, Inc. Ms. Villar is currently a Congresswoman, representing Las Pinas City.

Frances Rosalie T. Coloma, *Director*. Ms. Coloma has been the Company's Director of the Board since 2015. Ms. Coloma graduated cum laude from the University of the Philippines with the degree of Bachelor of Science in Business Administration and Accountancy. She is a Certified Public Accountant. Ms. Coloma was also the Chief Financial Officer and Chief Information Officer of Golden Bria Holdings, Inc. from 2016 to 2019. She was also the Chief Financial Officer of Vistamalls, Inc. (formerly Starmalls, Inc.) from 2012 to 2016. She is currently a Director of AllHome Corp. She is also a Director, President and Chief Executive Officer of AllDay Marts, Inc.

Justina F. Callangan, *Independent Director*. Atty. Callangan has been the Company's Independent Director of the Board since 2021. Atty. Callangan graduated cum laude from the University of the East with the degree of Bachelor of Arts in Political Science in 1973, and from San Sebastian College with the degree of Bachelor of Laws in 1980. She was a Political Science Instructor of the University of the East from 1974 to 1981 and became an Assistant Professor in Taxation and Business Laws from 1981 until her retirement from the university in 1995. Atty. Callangan started her career in the Securities and Exchange Commission as Analyst II in 1982 and held various positions with the Commission until she became Director of the Corporation Finance Department (now the Corporate Governance and Finance Department) from February 2001 to October 2017. She was also an Assistant Vice President of the Legal Department of the Urban Bank from November 1995 to November 2000. From November 2018 to December 2019, Atty. Callangan served as consultant in the Listings Department of the Philippine Stock Exchange. She was elected in August 2020 as Director representing the Public Sector in the Securities Investors Protection Fund, Inc. Currently, she is an Independent Director of Vista Land & Lifescapes, Inc., VistaREIT, Inc., ORIX Metro Leasing and Finance Corporation, Panasonic Manufacturing Philippines Corp. and AIB Money Market Fund, a SEC-registered mutual fund. She is also a consultant to ASA Philippines Foundation, Inc. and to Divina Law Office since 2018. Atty. Callangan is a Mandatory Continuing Legal Education (MCLE) Lecturer on various SEC matters in both the UP-Law Center Institute for the Administration of Justice and Center for Global Best Practices.

Cherrylyn P. Caoile, *Independent Director*. Atty. Caoile has been the Company's Independent Director of the Board since 2023. Atty. Caoile obtained her Bachelor of Science in Legal Management from the De La Salle University and earned the degree of Juris Doctor in Ateneo de Manila School of Law. She worked in Picazo Buyco Tan Fider & Santos starting in 1998, and became a partner in 2009 until 2019. She served as an Assistant Professor in Commercial Law Department for De La Salle University – College of Business & Economics from 2003 to 2005. Ms. Caoile was recently the legal consultant of House of Representatives, Committee on Economic Affairs. She is currently the Chairman of the Board of Taipan Security Services, Inc. and currently the Independent Director of Vista Land & Lifescapes, Inc., Vistamalls, Inc., and VProperty, Inc. She was formerly the Director of MJC Investment Corporation, Narra Wellness Resorts, Inc., and PALI Investments, Inc. She was appointed as the Corporate Secretary of MetroPac Water Investments, Inc. and was formerly the Assistant Corporate Secretary of

Smart Communications, Inc., Paymaya Philippines, Inc, and MPCALA Holdings, Inc.

Jerylle Luz C. Quismundo, *Chief Operating Officer.* Ms. Quismundo graduated cum laude with a degree in Bachelor of Science in Business Economics from the University of the Philippines Diliman in 1983. She took her Master in Business Administration from the same university in 1989. She has held various positions under the M.B. Villar Group of Companies since1989 and is the incumbent President of various Vista Land and Lifescapes, Inc. subsidiaries including Brittany Corporation, Camella Homes, Inc. Vista Residences, Inc., and Crown Asia Properties, Inc. She is also currently the Chairman of the Board of VistaREIT, Inc.

Gemma M. Santos, *Corporate Secretary*. Atty. Santos graduated cum laude with the degree of Bachelor of Arts, Major in History from the University of the Philippines in 1981, and with the degree of Bachelor of Laws also from the University of the Philippines in 1985. She is Of Counsel of Picazo Buyco Tan Fider & Santos Law Offices. She is also the Corporate Secretary of Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.) and VistaREIT, Inc. and a director of Philippine Associated Smelting and Refining Corporation (PASAR), Fine Properties, Inc., and Bulakan Water Co., Inc., and Chairman of the Board of the Bulacan Water District.

Ma. Nalen S.J. Rosero. *Chief Legal Counsel, Chief Information Officer and Compliance Officer, and Assistant Corporate Secretary.* Atty. Rosero graduated Salutatorian from the San Beda College of Law in 1997. She was an Associate of the Litigation Group of the ACCRA Law Offices from 1997 to 2000. She is currently the Chief Legal Counsel, Chief Information Officer, Chief Compliance Officer and Assistant Corporate Secretary of Vista Land & Lifescapes, Inc. She is also the Corporate Secretary and Director of the following companies: Household Development Corporation, Brittany Corporation, Crown Asia Properties, Vista Residences, Inc., Communities Philippines, Inc., Camella Homes, Inc., Mandalay Resources, Inc., Prima Casa Land & Houses, Inc., Vista Leisure Club, Inc., and Brittany Estates Corporation. She is also currently serving as the Chief Compliance Officer and Assistant Corporate Secretary of VistaREIT, Inc. She is also the Corporate Secretary of Vistamalls, Inc. (formerly Starmalls, Inc.).

Brian N. Edang. *Chief Financial Officer and Head, Investor Relations.* Mr. Edang is a Certified Public Accountant. He graduated cum laude with a Bachelor of Science in Accountancy from the University of St. La Salle - Bacolod. He is currently the Treasurer and Director of the following companies: Vista Residences, Inc., Brittany Corporation, Crown Asia Properties, Inc., Communities Philippines, Inc., and Camella Homes, Inc. Prior to joining the group, he was with SGV & Co. (EY Philippines) as an external auditor from 1999 to 2004. He is the Head Investor Relations of Vista Land from 2007 up to present and the Chief Financial Officer of the Company since November 2018. Mr. Edang is a member of the Philippine Institute of Certified Public Accountants (PICPA) and the Financial Executives Institute of the Philippines (FINEX). He is also currently serving as a director of VistaREIT, Inc

Lorelyn D. Mercado. *Controller*. Ms. Mercado graduated from the University of Batangas with a degree in Bachelor of Science in Business Administration-Accounting. She took Master in Business Administration at the De La Salle University. She used to be the Chief Accountant of Vista Residences, Inc. and Adelfa Properties, Inc., She is currently the Chief Accountant of Vista Land & Lifescapes, Inc. and its subsidiaries, and a Director in Vista Residences, Inc., Brittany Corporation, Crown Asia Properties, Inc., and Camella Homes, Inc.

Leamor S. Harlea, *Chief Audit Executive.* Ms. Harlea graduated from the Philippine Christian University with the degree of Bachelor of Science in Accountancy. She is a member of the Philippine Institute of Public Accountants (PICPA). She is currently the Chief Audit Executive and Audit Division Head of the Company and its subsidiaries.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

To the best knowledge of the Company, during the past five (5) years up to the date of this Prospectus, none of the above-named directors or executive officers has been subject to the following:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- Any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities, commodities, or banking activities; or

- Found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

FAMILY RELATIONSHIPS

The Chairman of the Board, Mr. Manuel B. Villar, Jr., is the father of Mr. Manuel Paolo A. Villar, who is the President and Chief Executive Officer of the Company and Ms. Camille A. Villar who is a director and the Managing Director of Vista Land Commercial.

COMMITTEES OF THE BOARD

The Amended By-Laws of Vista Land provide for the following committees:

Audit Committee

The Company's Audit Committee is responsible for assisting the Board in its fiduciary responsibilities by providing an independent and objective assurance to its management and shareholders of the continuous improvement of its risk management systems, business operations and the proper safeguarding and use of its resources and assets. The Audit Committee provides a general evaluation of and assistance in the overall improvement of its risk management, control and governance processes.

The Audit Committee checks all financial reports against compliance with Manual on Corporate Governance, pertinent accounting standards, and regulatory requirements; performs oversight financial management functions; pre-approves all audit plans and interacts directly with the external auditors of the Company; seeks to elevate to international standards the accounting and auditing processes and practices of the Company; and seeks to develop a transparent financial management system to better ensure the integrity of internal control activities throughout the Company.

The Audit Committee must be comprised of at least three (3) members, one of whom shall be an independent director. Each member of the Audit Committee must have an adequate understanding of the Company's financial management systems and environment. The Audit Committee reports to the Board and is required to meet at least four times a year. As of the date of this Prospectus, Cherrylyn P. Caoile serves as the chairman of the Audit Committee and Justina F. Callangan and Frances Rosalie T. Coloma serve as members of the audit committee.

Compensation and Remuneration Committee

The Compensation and Remuneration Committee seeks to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provides oversight over remuneration of senior management and other key personnel, ensuring that compensation is consistent with the Company's culture, strategy and control environment. The Compensation and Remuneration Committee also establishes a formal and transparent procedure for developing a policy on executive remuneration, develops a form on full business interest disclosure as part of the pre-employment requirements for all incoming officers, which among others, compels all officers to declare under the penalty of perjury, any existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired by the Company, and reviews the Company's human resources development or personnel handbook. The Compensation and Remuneration Committee must have at least three (3) members, one of whom must be an independent director. As of the date of this Prospectus, Manuel Paolo A. Villar serves as the chairman of the Remuneration and Compensation Committee and Camille A. Villar and Cherrylyn P. Caoile serve as members of the Remuneration and Compensation Committee.

Nomination Committee

The Company's Nomination Committee is responsible for providing shareholders with an independent and objective evaluation of and assurance that the members of its Board are competent and will foster the Company's long-term success and secure its competitiveness. In that respect, the Nomination Committee formulates the screening policies to enable it to effectively review the qualification of the nominees for independent directors and conducts nominations of independent directors prior to the shareholders' meetings in accordance with the procedures set forth under the SRC. The Nomination Committee must have at least three (3) members, one of whom must be an independent director. As of the date of this Prospectus, Manuel B. Villar, Jr. serves as the chairman of the Nomination Committee and Manuel Paolo A. Villar and Cynthia J. Javarez serve as members of the Nomination Committee.

Executive Committee

The Executive Committee, which may be organized from time to time upon determination of the Board of Directors, shall have and may exercise, when the Board is not in session, the powers of the Board in the management of the business and affairs of the Company, except with respect to certain actions specifically reserved for Board action. The Executive Committee must have at least three (3) members, one of whom must be the President.

The Revised Manual on Corporate Governance of Vista Land also provides that the Board may also establish the following committees:

Corporate Governance Committee

Upon its establishment, the Corporate Governance Committee shall be tasked with assisting the Board in the performance of its corporate governance policies, including ensuring that the Company complies with and properly observes the principles and practices related to corporate governance. The Corporate Governance Committee shall be composed of at least three (3) members. As of the date of this Prospectus, Justina F. Callangan serves as the chairman of the Corporate Governance Committee and Manuel B. Villar, Jr. and Cherrylyn P. Caoile serve as members of the Corporate Governance Committee.

Board Risk Oversight Committee

Subject to the Company's size, risk profile, and complexity of operations, the Board may establish a separate Board Risk Oversight Committee that shall be responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness. The Board Risk Oversight Committee shall be composed of at least three (3) members. As of the date of this Prospectus, Cherrylyn P. Caoile serves as the chairman of the Board Risk Oversight Committee and Cynthia J. Javarez and Justina F. Callangan serve as members of the Board Risk Oversight Committee.

Related Party Transaction Committee

Subject to the Company's size, risk profile, and complexity of operations, the Board may also establish a Related Party Transaction Committee, which shall be tasked with reviewing all material related party transactions of the Company and should be composed of at least three (3) members. As of the date of this Prospectus, Justina F. Callangan serves as the chairman of the Related Party Transaction Committee and Frances Rosalie T. Coloma and Cherrylyn P. Caoile serve as members of the Related Party Transaction Committee.

EXECUTIVE COMPENSATION

The Company pays compensation to its directors and key executive officers. Other executive officers of the Company receive fixed salaries on a monthly basis from the respective subsidiaries of the Company that they manage. The actual compensation for its executive officers for the years the years ended December 31 2022, and 2023 (actual), and 2024 (projected) are shown below:

Names	Position	Year	Salary	Bonus	Others
Manuel Paolo A. Villar	President & CEO				
Jerylle Luz C. Quismundo	COO				
Brian N. Edang (starting 2018)	CFO and Head Investor Relations				
Ma. Nalen S.J. Rosero	Chief Legal Counsel/CIO				
Lorelyn D. Mercado	Controller				
Aggregate executive compensation for above named officers		**Actual 2022**	₱56.9M	₱8.8M	None
		Actual 2023	₱57.9M	₱8.9M	None
		Projected 2024	₱60.2M	₱9.2M	None
Aggregate executive compensation of all other officers and directors, unnamed		**Actual 2022**	₱151.6M	₱23.4M	None
		Actual 2023	₱161.6M	₱24.9M	None
		Projected 2024	₱166.0M	₱25.6M	None

Standard Arrangements

Other than payment of reasonable per diem of ₱125,000 per non-executive director for every meeting, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly by the Company's subsidiaries, for any services provided as a director for 2021, 2022 and 2023.

Other Arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly by the Company's subsidiaries, during 2021, 2022 and 2023 for any service provided as a director.

Employment Contract between the Company and Executive Officers

There are no special employment contracts between Vista Land and the named executive officers.

Warrants and Options held by the Executive Officers and Directors

There are no outstanding warrants or options held by the Company's Chief Executive Officer, the named executive officers, and all officers and directors as a group.

Significant Employee

While the Company values the contribution of each of its executive and non-executive employees, the Company believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

Security ownership of certain record and beneficial owners of more than 5.0% of the Company's voting securities as of June 30, 2024:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership[1]
Common	Fine Properties, Inc. LGF, Bldg B, Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City Shareholder	Fine Properties, Inc./ Record Owner is also Beneficial Owner[2]	Filipino	7,125,545,458[5]	44.54%
Preferred	Fine Properties, Inc. LGF, Bldg B, Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City Shareholder	Fine Properties, Inc./ Record Owner is also Beneficial Owner[2]	Filipino	3,300,000,000	20.63%
Common	PCD Nominee Corporation 6764 Ayala Avenue, Legazpi Village, Makati City Shareholder	Record Owner is not the Beneficial Owner[4]	Filipino	2,161,102,849	13.62%
Common	PCD Nominee Corporation 6764 Ayala Avenue, Legazpi Village, Makati City Shareholder	Record Owner is not the Beneficial Owner[4]	Non-Filipino	1,317,024,423	8.12%
Common	Althorp Holdings, Inc. 3L Starmall Las	Fine Properties, Inc./ Record owner is also the	Filipino	1,235,292,469	7.72%

[1] Based on the total issued and outstanding capital stocks as of June 30, 2024 of 15,998,007,676 shares (common and preferred).

[2] Mr. Manuel B. Villar, Jr. and his spouse are the controlling shareholders of Fine Properties, Inc. The right to vote the shares held by Fine Properties, Inc. has in the past been exercised by either Mr. Villar or Ms. Cynthia J. Javarez.

[3] Fine Properties Inc. is the controlling shareholder of Althorp Holdings, Inc. Mr. Manuel B. Villar, Jr. and his spouse are the controlling shareholders of Fine Properties, Inc. The right to vote the shares held by Fine Properties, Inc. has in the past been exercised by either Mr. Villar or Ms. Cynthia J. Javarez.

[4] PCD Nominee Corporation is the registered owner of shares beneficially owned by participants in the Philippine Depository & Trust Corporation, a private company organized to implement an automated book entry system of handling securities transactions in the Philippines (PCD). Under the PCD procedures, when an issuer of a PCD-eligible issue will hold a stockholders' meeting, the PCD shall execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients. Except as indicated above, as of Record Date, the Company is not aware of any investor beneficially owning shares lodged with the PCD which comprise more than five percent (5%) of the Company's total outstanding capital stock.

[5] Includes 1,338,599,797 lodged under PCD Nominee Corp. (Filipino).

	Piñas, CV Starr Ave., Pamplona, Las Piñas City Shareholder	Beneficial Owner[3]

Security ownership of management as of June 30, 2024:

Title of class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	% of Class[1]
Common	Manuel B. Villar, Jr. C. Masibay St. BF Resort Village, Talon, Las Piñas City	293,969,986	Indirect[2]	Filipino	1.838%
		9,113,046,142	Indirect[3]	Filipino	56.964%
Preferred	Manuel B. Villar, Jr. C. Masibay St. BF Resort Village, Talon, Las Piñas City	3,300,000,000	Indirect[4]	Filipino	20.628%
Common	Manuel Paolo A. Villar C. Masibay St. BF Resort Village, Talon, Las Piñas City	200,000	Direct	Filipino	0.001%
		222,596,324	Indirect[2]	Filipino	1.391%
Common	Cynthia J. Javarez B3A/L2 Vetta di Citta Italia Imus, Cavite	160	Direct	Filipino	0.000%
Common	Camille Lydia A. Villar C. Masibay St. BF Resort Village, Talon, Las Piñas City	1,000	Indirect[2]	Filipino	0.000%
Common	Frances Rosalie T. Coloma 1-10 Granwood Villas, BF Homes, Quezon City	4,815	Direct	Filipino	0.000%
Common	Justina F. Callangan B164 L17 Castello St., Casa Milan Subd., Fairview, Quezon City	75	Direct	Filipino	0.000%
Common	Cherrylyn P. Caoile U12 Verde De Pasadena Townhomes, 209 Pasadena Drive, San Juan City	1,000	Indirect	Filipino	0.000%
Common	Gemma M. Santos 17 Matungao, Bulacan, Bulacan	1,000	Direct	Filipino	0.000%
Common	Jerylle Luz C. Quismundo #15 Garnet Ext., Doña Juana, Rosario, Pasig City	3,865	Direct	Filipino	0.000%
Common	Lorelyn D. Mercado Blk 2 Lot 1 Via Parini St.,	100	Direct	Filipino	0.000%

	Napoli, Di Citta Italia, Molino, Bacoor, Cavite				
-	Brian N. Edang B11 L16 Pacita 2, San Pedro, Laguna	-	N/A	Filipino	0.000%
-	Ma. Nalen SJ. Rosero Blk 5 Lot 1A New Victorianne Row, La Posada Subd., Sucat, Muntinlupa	-	N/A	Filipino	0.000%
-	Leamor S. Harlea Block 3 Lot 20 Via Regina Roma di Citta Italia, Molino 3, Bacoor Cavite	-	N/A	Filipino	0.000%
Total		12,929,823,792			80.821%

[1] *Based on the total outstanding, issued and subscribed shares of* 15,998,007,676 *(common and preferred) as of June 30, 2024*
[2] *Shares lodged under PCD Nominee Corporation (Filipino)*
[3] *Includes 7,125,545,458 shares held thru Fine Properties, Inc., 1,235,292,469 shares held thru Althorp Holdings, Inc. and 752,208,215 shares held thru Manuela Corp.*
[4] *Shares held thru Fine Properties, Inc.*

Except as indicated in the above table, the above named officers have no indirect beneficial ownership in the Company.

Except as aforementioned, no other officers of the Company holds, directly or indirectly, shares in the Company.

Voting Trust Holders of 5.0% or More

As of March 31, 2024, there were no persons holding more than 5.0% of a class of shares under a voting trust or similar agreement.

Changes in Control

The Company is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Company. No change in control of the Company has occurred since the beginning of its last fiscal year.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

RELATED PARTY TRANSACTIONS

As of March 31, 2024, Fine and its subsidiaries hold 65.84% of the total issued and outstanding share capital of the Company.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred herein as affiliates). Related parties may be individuals or corporate entities.

The Company and its subsidiaries, in their regular conduct of business, has entered into transactions with affiliates and other related parties principally consisting of advances and reimbursement of expenses and purchase and sale of real estate properties. See *"Risk Factors and Other Considerations"— "Risk Related to the Company's Business"* of this Prospectus. The Company's policy is to settle its intercompany receivables and payable on a net basis. Transactions entered by the Company with related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at reporting date are unsecured, interest free and settlement occurs in cash.

Advances to a related party totaled ₱7,312.16 million as of March 31, 2024, ₱7,559.44 million as of December 31, 2023, ₱7,042.28 million as of December 31, 2022 and ₱6,085.19 million as of December 31, 2021.

For further information on the Company's related party transactions, see Note 26 to the Company's unaudited interim consolidated financial statements as at March 31, 2024 included in this Prospectus.

CORPORATE GOVERNANCE

The Board of Directors, Management, officers and staff of Vista Land commit themselves to the principles and best practices contained in the Company's Manual for Corporate Governance. The Company's Board and its employees acknowledge that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness and effect implementation within the organization.

Vista Land seeks to promote and enhance compliance of good corporate governance of all its subsidiaries, including those that are not listed on the PSE and not covered by the SEC Code of Corporate Governance.

The Company's Board adopted a Manual on Corporate Governance on March 31, 2007 and revised the same on June 21, 2010. The Company's Manual on Corporate Governance describes the terms and conditions by which the Company intends to conduct sound corporate governance practices that are consistent with the relevant laws and regulations of the Republic of the Philippines, and which seek to enhance business transparency and build shareholder value.

Ultimate responsibility and oversight of the Company's adherence to superior corporate governance practices rests with the Board of Directors. As a policy matter, the Board holds monthly meetings, at which any number of relevant corporate governance issues may be raised for discussion.

Practical oversight of the Company's corporate governance standards is exercised through the Board's three standing committees:

- The Audit Committee is charged with internal audit oversight over all of the Company's business transactions and the effective management of risk.

- The Nomination Committee is charged with ensuring that potential candidates for the Board are fully qualified as well as ensuring that the Board maintains adequate independent membership.

- The Compensation and Remuneration Committee is charged with ensuring that fair and competitive compensation policies are maintained.

To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the company, as well as the mechanism for monitoring and evaluating Management's performance. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.

In October 2012, in compliance with SEC Memo Circular No. 4 series of 2012, the Board approved and adopted the Audit Committee Charter.

There were no deviations from the Manual. The Company has adopted in the Manual the leading practices and principles of good corporate governance, and full compliance therewith have been made since the adoption of the Manual.

The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

On May 31, 2017, in compliance with SEC Memo Circular No. 19 series of 2016, the Board approved and adopted the revised Manual on Corporate Governance.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Vista Land has not had any disagreements on accounting and financial disclosures with SGV & Co. SGV & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SGV & Co. will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

AUDIT AND AUDIT-RELATED FEES

VLL and its subsidiaries paid its external auditors the following fees for the past three years: (in thousands)

	Audit &Audit-related Fees	Tax Fees	Other Fees
2023	₱37,744	–	–
2022	₱35,502	–	–
2021	₱30,350	–	–

Under the VLL Audit and Risk Committee Charter, the Audit Committee (composed of Cherrylyn P. Caoile, Justina F. Callangan, and Frances Rosalie T. Coloma) recommends to the Board and stockholders the appointment of the external auditor and the fixing of audit fees. In arriving at its recommendation, the Audit Committee takes into consideration the volume of audit work required, estimated time to complete the audit and level of expertise required. The Board and stockholders approve the Audit Committee's recommendation.

TAX FEES

Tax consultancy services are secured from entities other than the appointed external auditor.

INTERESTS OF NAMED EXPERTS

LEGAL MATTERS

All legal opinions/matters in connection with the Offer will be passed upon by Picazo Buyco Tan Fider & Santos (“**Picazo Law**”) for the Company and Romulo Mabanta Buenaventura Sayoc & de los Angeles for the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners (“**Romulo Law**”). Picazo Law and Romulo Law have no direct or indirect interest in Vista Land. Picazo Law and Romulo Law may from time to time be engaged to advise in the transactions of the Company and perform legal services on the basis that Picazo Law and Romulo Law provide such services to its other clients.

INDEPENDENT AUDITORS

SGV & Co., independent auditors, audited the consolidated financial statements of the Company as at December 31, 2023 and 2022 and for years ended December 31, 2023, 2022, 2021, and reviewed the Company’s unaudited interim consolidated financial statements as at March 31, 2024, all included in this Prospectus. SGV & Co. has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Company, in accordance with the professional standards on independence set by the Board of Accountancy and Professional Regulation Commission.

The aggregate fees billed by SGV & Co. are shown below (with comparative figures for 2022):

	(Amount in thousands of Pesos)	
	2023	**2022**
Audit and Audit Related Fees	₱37,744	₱35,502

There is no arrangement that experts will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Offer Shares. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Offer Shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Offer Shares under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Offer Shares in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a holder of Offer Shares may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Bondholder.

PROSPECTIVE HOLDERS OF OFFER SHARES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A SHARE, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL OR FOREIGN TAX LAWS.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines," otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not doing business in the Philippines." A "resident foreign corporation" is a non-Philippine corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business within the Philippines.

The term "non-resident holder" means a holder of the Offer Shares:

- *who is an individual who is neither a citizen nor a resident of the Philippines, or an entity which is a non-resident foreign corporation; and*
- *should an income tax treaty be applicable, whose ownership of the Offer Shares is not effectively connected with a fixed base or a permanent establishment in the Philippines.*

Philippine Taxation

The following is a general description of certain Philippine tax aspects of the Securities. It is based on the present provisions of the National Internal Revenue Code of 1997, as amended by Republic Act No. 10963 or the TRAIN Law and Republic Act No. 11534 or the CREATE Law (the "**Tax Code**"), the regulations promulgated thereunder and judicial and ruling authorities in force as of the date of this Offering Circular, all of which are subject to changes occurring after such date, which changes could be made on a retroactive basis.

The CREATE Law was signed into law by then President Duterte on March 26, 2021 and took effect on April 11, 2021 (with effective dates on specific provisions). The key provisions of CREATE Law include, but not limited to, reduction of regular corporate income tax rate from 30% to 25% (or 20% for corporations with net taxable income not exceeding ₱5,000,000.00 and with total assets not exceeding ₱100,000,000.00 excluding land on which the office, plant, and equipment are situated) effective July 1, 2020; reduction of minimum corporate income tax rate from 2% to 1% for July 1, 2020 until June 30, 2023, thereafter, the rate will revert to 2%; reduction of income tax (final tax) rate on payments to non-resident foreign corporations from 30% to 25% effective January 1, 2021; and repeal of improperly accumulated earnings tax (**"IAET"**).

Taxes on Dividends on the Offer Shares

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final withholding tax at the rate of 10.0%, which shall be withheld by the Company. Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20.0% final withholding tax on the gross amount thereof, while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax at 25.0% of the gross amount, subject, however, to the applicable preferential tax rates under income tax treaties executed between the Philippines and the country of residence or domicile of such non-resident alien individuals.

Cash and property dividends received from a domestic corporation by another domestic corporation or by a resident foreign corporation are not subject to income tax while those received by a non-resident foreign corporation are generally subject to income tax at a final withholding tax rate of 25%. The 25.0% income tax rate for dividends paid to a non-resident foreign corporation may be reduced to a lower rate of 15.0% if tax sparing applies, which is when (i) the country where the non-resident foreign corporation is domiciled imposes no tax on foreign sourced dividends or (ii) the country of domicile of the nonresident foreign corporation allows at least 15.0% credit equivalent for taxes deemed to have been paid in the Philippines.

In order to avail of the 15% tax sparing rate, a non-resident foreign corporation must file an application with the BIR for a confirmatory ruling on its entitlement pursuant to Revenue Memorandum Order No. 46-20 (Guidelines and Procedures for the Availment of the Reduced Rate of 15% on Intercompany Dividends Paid by a Domestic Corporation to a Non-resident Foreign Corporation Pursuant to Section 28 (B) (5) (b) of the National Internal Revenue Code of 1997, as Amended, dated December 23, 2020). The application has to be filed within 90 days from "the remittance of the dividends or from the determination by the foreign tax authority of the deemed paid tax credit/non-imposition of tax because of the exemption, whichever is later." A domestic corporation is not required to first secure a ruling from the BIR in order to use the tax sparing rate when it remits the dividends. However, it is required to determine if under the law of the country of domicile of the non-resident foreign corporation, such non-resident foreign corporation is granted the applicable "deemed paid" tax credit, or an exemption from income tax on such dividends.

The abovementioned tax rates are without prejudice to applicable preferential tax rates under income tax treaties in force between the Philippines and the country of domicile of the non-resident holder. (Please see discussion on tax treaties below.)

Preferential Rates under the Income Tax Treaties

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

Country	Dividends	Stock transaction tax on sale or disposition effected through the PSE (%)(9)	Capital Gains Tax Due on Disposition of Shares Outside the PSE
Canada	25(1)	0.6	May be exempt(13)
China	15(2)	Exempt(10)	May be exempt(13)
France	15(3)	Exempt(11)	May be exempt(13)
Germany	15(4)	Exempt(12)	May be exempt(13)
Japan	15(5)	0.6	May be exempt(13)
Singapore	25(6)	0.6	May be exempt(13)
United Kingdom	25(7)	0.6	Exempt(14)
United States	25(8)	0.6	May be exempt(13)

Notes:

(1) *15% if the recipient company which is a resident of Canada controls at least 10% of the voting power of the company paying the dividends; 25% in all other cases.*

(2) *10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends; 15% in all other cases.*

(3) *10% if the recipient company (excluding a partnership) holds directly at least 10% of the voting shares of the company paying the dividends; 15% in all other cases.*

(4) *5% if the recipient company (excluding a partnership) holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company (excluding a partnership) holds directly at least 25% of the capital of the company paying the dividends.; 15% in all other cases*

(5) *10% if the recipient company holds directly at least 10% of either the voting shares of the company*

paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends; 15% in all other cases.

(6) *15% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company; 25% in all other cases.*

(7) *15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends; 25% in all other cases.*

(8) *20% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation; 25% in other cases. Notwithstanding the rates provided under the Convention between the Government of the Republic of the Philippines and the Government of the United States of America with respect to Taxes on Income, corporations which are residents of the United States may avail of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.*

(9) *If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 0.6% of the gross selling price as provided under Section 127 of the Tax Code as amended by the Section 39 of the TRAIN.*

(10) *Article 2(1)(b) of the Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed on November 18, 1999.*

(11) *Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic Signed on January 9, 1976 was signed in Paris, France on June 26, 1995 signed on June 26, 1995.*

(12) *Article 2 (3)(a) of Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Income and Capital signed on September 9, 2013.*

(13) *Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.*

(14) *Under the income tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.*

When availing of capital gains tax exemption on the sale of shares of stock under an income tax treaty, a tax treaty exemption ruling from the BIR shall be necessary in order to completely implement the transfer. For sale of shares made outside the PSE, a Certificate Authorizing Registration ("**CAR**") from the BIR is required before the transfer is registered in the stock and transfer book. The BIR issues the CAR only after verifying that the applicable taxes have been paid. Thus, in lieu of proof of payment of capital gains tax, the tax treaty relief ruling should be submitted to the BIR office processing the CAR.

The BIR revised its procedures for availment of tax treaty relief on dividends by issuing Revenue Memorandum Order No. 14-21 (Streamlining the Procedures and Documents for the Availment of Treaty Benefits, dated March 31, 2021) as clarified by Revenue Memorandum Circular No. 77-21 (Clarification on Certain Provisions of Revenue Memorandum Order No. 14-21, dated June 15, 2021). In accordance with the foregoing regulations, all income items derived by nonresident taxpayers entitled to tax treaty relief shall be confirmed by the BIR through filing of: (i) a request for confirmation by the withholding agent, or (b) a tax treaty relief application by the nonresident taxpayer, with the required supporting documents in either case.

*Request for Confirmation (**"RFC"**)*

The withholding agent/income payor may apply the preferential tax treaty rate on the dividend income of the non-resident foreign shareholder by relying the submission by such shareholder of the following documents before the dividend income is paid: (a) on an application form for treaty purposes (BIR Form 0901-D for dividends), an authenticated/apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the shareholder, and (c) the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on dividend income. If the tax treaty rate was applied, the withholding agent/income payor must file with the BIR's International Tax Affairs Division ("**ITAD**") a request for confirmation of the use of the tax treaty rate. The request for confirmation must be filed after the payment of the withholding tax and in no case later than the last day of the fourth month following the close of the relevant taxable year. Revenue Memorandum Circular No. 77-21 prescribes the filing of one consolidated request for confirmation per nonresident income recipient, regardless of the number and type of income payments during the year. Revenue Memorandum Circular No. 77-21 also provides for a list of all documentary requirements that have to be submitted in support of the request for confirmation.

If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the request for confirmation will be denied and it will require the withholding agent/income payor to pay the deficiency taxes plus surcharge, interest and penalties.

*Tax Treaty Relief Application (“**TTRA**”)*

In case the withholding agent/income payor used the regular rate under the Tax Code, the non-resident foreign shareholder may, at any time after its receipt of the dividend income, file a TTRA with ITAD. Similar to a request for confirmation, the must also be supported by the documents specified in Revenue Memorandum Circular No. 77-21.

If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient’s entitlement to treaty benefits, and the shareholder may apply for a refund of excess withholding tax within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the shareholder may also be filed simultaneously with the TTRA.

The Company shall withhold taxes at a reduced rate on dividends to a non-resident holder if the nonresident submitted to the Company a Tax Residency Certificate (“**TRC**”) and BIR Form No. 0901-D prior to the payment of dividends. TRC is a certificate issued by the tax authority of the country of residence and shall establish the fact of residency in a contracting state of the non-resident.

On March 31, 2021, the BIR issued Revenue Memorandum Order No. 14-2021 (“**RMO 14-2021**”). RMO 14-2021 was issued to streamline the procedures and documents for the availment of the tax treaty benefits. To avail of the tax treaty relief benefits, the following guidelines and procedures will be observed:

1. The non-resident income recipient should submit to the withholding agent or income payor the submitted Application Form for Treaty Purposes, Tax Residency Certificate duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty on whether to apply a reduced rate of, or exemption from, withholding at source on the income derived by the non-resident income recipient. The documents should be submitted to each withholding agent or income payor prior to the payment of income for the first time. The failure to provide the said documents when requested may lead to the withholding using the regular withholding rates without the tax treaty benefit rate.

2. When the preferential tax rates have been applied by the withholding agent, it shall file with the ITAD a request for confirmation on the propriety of the withholding tax rates applied by the withholding agent. On the other hand, if the regular withholding rates have been imposed on the income, the non-resident income recipient shall file a tax treaty relief application (“**TTRA**”) with ITAD. In either case, each request for confirmation and TTRA shall be supported by the documentary requirements set out in the issuance.

3. The request for confirmation shall be filed by the withholding agent at any time after the payment of withholding tax but shall in no case be later than the last day of the fourth month following the close of each taxable year. On the other hand, the filing of the TTRA may be filed by the non-resident income recipient at any time after the receipt of the income.

If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the nonresident income recipient is not entitled to treaty benefits, it will issue a BIR Ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties. On the contrary, if the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the nonresident income recipient's entitlement to the treaty benefits. In this case, the nonresident income recipient may apply for a refund of the excess withholding tax.

The original or certified true copy of the following documents, as may be applicable, shall be submitted to the International Tax Affairs Division of the BIR when claiming the tax treaty relief:

D. General Requirements:

1. Letter-request
2. Application Form duly signed by the non-resident income earner or its/his/her authorized representative
3. Tax Residency Certificate for the relevant period, duly issued by the tax authority of the foreign country in which the investor is a resident
4. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing the payment/remittance of income
5. Withholding tax return with Alphalist of Payees
6. Proof of payment of withholding tax
7. Notarized Special Power of Attorney issued by the non-resident income earner to its/his/her authorized representative(s), which shall expressly state the authority to sign the Application Form as well as to file the tax treaty relief application or request for confirmation

E. Additional general requirements for legal persons and arrangements, and individuals:

1. Authenticated copy of the non-resident legal person or arrangement's Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language.
2. Original copy of the Certificate of Non-Registration of the investor or certified true copy of License to Do Business in the Philippines duly issued by the Philippine SEC for legal persons and arrangements, or original copy of the Certificate of Business Registration/Presence duly issued by the DTI for individuals.

F. Additional general requirements for fiscally transparent entities:

1. A copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity;
2. List of owners/beneficiaries of the foreign entity;
3. Proof of ownership of the foreign entity; and
4. Tax Residency Certificate issued by the concerned foreign tax authority to the owners or beneficiaries of the fiscally transparent entity.

The BIR may require additional documents during the course of its evaluation as it may deem necessary. Upon the confirmation of the entitlement to the tax treaty benefit or confirmation of the correctness of the withholding tax rates applied, the BIR will issue a certification to that effect. Any adverse ruling may be appealed to the Department of Finance within 30 days from receipt.

If the income of the nonresident Shareholder has been subjected to regular withholding rates, the Shareholder may file a claim for refund with the BIR independently of, or simultaneously with, the TTRA. Nonetheless, all claims for refund shall be filed within the two-year prescriptive period provided under Section 229 of the National Internal Revenue Code, as amended.

Transfer taxes (*e.g.*, documentary stamp tax, local transfer tax) may be payable if the dividends declared are property dividends, depending on the type of property distributed as dividends. Stock dividends distributed pro-rata to any holder of shares of stock are generally not subject to Philippine income tax. However, the sale, exchange or disposition of shares received as stock dividends by the shareholder is subject to stock transaction tax if the transfer is through a local stock exchange; or if the transfer is made outside of the exchange, capital gains tax; and documentary stamp tax.

If the dividends of the non-resident taxpayer have been subjected to the regular rate, he/she/it may subsequently file a claim for refund of the difference between the amount of withholding tax actually paid in the Philippines and the amount of tax that should have been paid under the treaty after obtaining a certificate confirming his/her/its entitlement to treaty benefits. For this purpose, a duly accomplished BIR Form No. 1913 shall be filed together with the letter-request. The claim for refund may be filed independently of, or simultaneously with, the TTRA. (See RMO 14-2021, sec. 10). However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information and may also involve the filing of a judicial appeal, it may be impractical to pursue obtaining such a refund.

The foregoing requirements shall be submitted, (i) in respect of an issuance of the Offer Shares, to the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners or Selling Agents who shall then forward the same with the Application to Purchase to the Stock Transfer Agent; or (ii) in respect of a transfer from a holder of Offer Shares to a purchaser, to the Stock Transfer Agent within three (3) days from settlement date.

Unless properly provided with satisfactory proof of the tax-exempt status of an Applicant or a holder of the Offer Shares, the Stock Transfer Agent and Paying Agent may assume that said Applicant or holder is taxable and proceed to apply the tax due on the Offer Shares. Notwithstanding the submission by the Applicant or holder, or the receipt by the Issuer or any of its agents, of documentary proof of the tax-exempt status of an Applicant or holder, the Issuer may, in its sole and reasonable discretion, determine that such shareholder is taxable and require the Stock Transfer Agent and Paying Agent to proceed to apply the tax due on the Offer Shares. Any question on such determination shall be referred to the Issuer.

Sale, Exchange or Disposition of Shares after the Offer Period

Capital gains tax

The net capital gains realized by a citizen, resident alien, non-resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock outside the facilities of the PSE, are subject to capital gains tax at the rate of 15.0% of the net capital gains realized during the taxable year.

The net capital gains realized by a resident foreign corporation or a non-resident foreign corporation during each taxable year from the sale, exchange or disposition of shares of stock in a domestic corporation outside the facilities of the PSE are also subject to the final tax rate of 15% based on the net capital gains realized during the taxable year.

If an applicable income tax treaty exempts net gains from such sale from capital gains tax, either a request for confirmation on the propriety of the withholding tax or an application for tax treaty relief has to be filed with the BIR in accordance with BIR regulations, and approved by the BIR, to avail of the exemption. (Please see discussion below on tax treaties.) The transfer of shares shall not be recorded in the books of a company, unless the BIR has issued a CAR.

Taxes on transfer of shares listed and traded at the PSE

Unless an applicable income tax treaty exempts the sale from income and/or percentage tax (please see discussion below on tax treaties), a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder (other than a dealer in securities) is subject to a percentage tax usually referred to as a stock transaction tax at the rate of six-tenths of one percent (6/10 of 1.0%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed, which shall be paid by the seller or transferor. This tax is required to be collected by and paid to the Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of a capital gains tax. Under certain income tax treaties, the exemptions from capital gains tax may not be applicable to stock transaction tax.

In addition, VAT of 12.0% is imposed on the commission earned by the PSE-registered broker, and is generally passed on to the client, the seller or transferor.

The stock transaction tax will not apply if the shares are sold outside the facilities of the PSE, including during a trading suspension. PSE Memorandum CN-No. 2012-0046 dated August 22, 2012 provides that immediately after December 31, 2012, the Philippine SEC shall impose a trading suspension for a period of not more than six (6) months, on shares of a listed company who has not complied with the Rule on Minimum Public Ownership ("**MPO**") which requires listed companies to maintain a minimum percentage of listed securities held by the public at 10.0% of the listed companies issued and outstanding shares at all times. The sale of such listed company' shares during the trading suspension may be effected only outside the trading system of the PSE and shall therefore be subject to taxes on the sale of shares that are not listed or traded at the stock exchange (i.e., capital gains tax and documentary stamp tax, and may even include donor's tax).

The stock transaction tax will also not apply if the shares sold are issued by a corporation that does not meet the MPO requirement, even if the sale is done through the facilities of the PSE. Revenue Regulations No. 16-2012 ("**R.R. 16-12**") provides that the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the MPO requirement after December 31, 2012 will be subject to capital gains tax and documentary stamp tax. R.R. 16-12 also requires publicly listed companies to submit public ownership reports to the BIR within 15 days after the end of each quarter.

Documentary Stamp Taxes on Shares

The original issue of shares is subject to documentary stamp tax of ₱2.00 on each ₱200.00 par value, or fraction thereof, of the shares issued. On the other hand, the transfer of shares is subject to a documentary stamp tax at a rate of ₱1.50 on each ₱200.00, or fractional part thereof, of the par value of the Shares. The documentary stamp tax is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable either by the vendor or the purchaser of the shares.

However, the sale, barter or exchange of Offer Shares should they be listed and traded through the PSE are exempt from documentary stamp tax.

Estate and Gift Taxes

The transfer of the Offer Shares upon the death of a registered holder to his heirs by way of succession, whether such an individual was a citizen of the Philippines or an alien, regardless of residence, shall be subject to an estate tax which is levied on the net estate of the deceased at a uniform rate of 6.0%. An Investor shall be subject to donor's tax at a uniform rate of 6.0% based on the value of the total gift on the transfer of the Commercial Papers by gift in excess of ₱250,000.00 made during a calendar year, regardless of the relation of the donor to the donee.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. The estate tax and the donor's tax, in respect of the Offer Shares, shall not be collected: (1) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or (2) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

In case the Offer Shares are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the Offer Shares exceeded the value of the consideration may be deemed a gift, and donor's taxes may be imposed on the transferor of the Offer Shares, based on Section 100 of the Philippine Tax Code, provided that a transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

Taxation outside the Philippines

Shares of stock in a domestic corporation are considered under Philippine law to be situated in the Philippines and any gain derived from their sale is entirely from Philippine sources; hence, such gain is subject to Philippine income tax and the transfer of such shares by gift (donation) or succession is subject to the donors' tax or estate tax.

The tax treatment of a non-resident holder in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of its domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations of non-resident holders of shares of stock under laws other than those of the Philippines.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE

PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

REGULATORY FRAMEWORK

The statements herein are based on the laws in force as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the regulatory and environmental considerations that may be relevant to the Company, its Subsidiaries or the Offer. Nonetheless, all the regulatory and environmental laws discussed below are applicable to the Company and its Subsidiaries.

Presidential Decree No. 957, otherwise known as The Subdivision and Condominium Buyer's Protective Decree, and Batas Pambansa Blg. 220, as amended, are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision.

P.D. 957 and B.P. 220 cover subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes, and condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units ("**LGUs**"), enforces these decrees and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the pertinent LGU of the area in which the project is situated. The development of subdivision and condominium projects can commence only after the LGU has issued the development permit.

The issuance of a development permit is dependent on, among others (i) compliance with required project standards and technical requirements which may differ depending on the nature of the project, and (ii) issuance of the barangay clearance, the HSAC locational clearance, DENR permits, and DAR, as applicable, conversion or exemption orders as discussed below.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HSAC. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the HSAC and the written conformity or consent of the duly organized homeowners' association, or in the absence of the latter, by the majority of the lot buyers in the subdivision. Owners of, or dealers in, real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HSAC. Project permits and licenses to sell may be suspended, cancelled or revoked by the HSAC by itself or upon complaint from an interested party for reasons such as insolvency or violation of any of the provisions of P.D. 957. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HSAC's rules of procedure and other applicable laws.

Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HSAC. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance by the owner or dealer with the applicable laws and regulations.

Subdivision Projects

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HSAC. The first type of subdivision, aimed at low-cost housing, must comply with B.P. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with P.D. 957, which sets out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision with an area of one hectare or more and covered by P.D. 957 is required to reserve at least 30% of the gross land area of such subdivision, which shall be non-saleable, for open space for common uses, which include roads and recreational facilities. A developer of a subdivision is required to reserve at least 3.5% of the gross project area for parks and playgrounds.

Republic Act No. 7279, otherwise known as the Urban Development and Housing Act, as amended, further requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standards set by the HLURB and other existing laws. To comply with this requirement, the developers may choose to develop for socialized housing an area equal to 20% of the total area of the main subdivision project or allocate and invest an amount equal to 20% of the main subdivision total project cost, which shall include the cost of the land and its development as well as the cost of housing structures therein, in development of a new settlement through purchase of socialized housing bonds, slum upgrading, participation in a community mortgage programme, the undertaking of joint-venture projects and the building of a large socialized housing project to build a credit balance.

Under the 2022 Strategic Investment Priorities Plan issued by the Board of Investments, mass housing projects remain eligible for government incentives subject to certain policies and guidelines.

The Maceda Law applies to all transactions or contracts involving the sale or financing of real estate through installment payments, including residential condominium units. Under the Maceda Law, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who default on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without right of refund.

Condominium Projects

Republic Act No. 4726, otherwise known as The Condominium Act ("**R.A. No. 4726**"), as amended, likewise regulates the development and sale of condominium projects. R.A. No. 4726 requires the annotation of the master deed on the title of the land on which the condominium project shall be located. The master deed contains, among other things, the description of the land, building/s, common areas and facilities of the condominium project. A condominium project may be managed by a condominium corporation, an association, a board of governors or a management agent, depending on what is provided in the declaration of restrictions of the condominium project. However, whenever the common areas are held by a condominium corporation, such corporation shall constitute the management body of the project.

Any transfer or conveyance of any unit or an apartment, office or store or other space, shall include the transfer or conveyance of the undivided interests in the common areas, or, in a proper case, the membership or shareholdings in the condominium corporation.

A condominium corporation shall not, during its existence, sell, exchange, lease, or otherwise dispose of the common areas owned or held by it in the condominium project unless authorized by the affirmative vote of a simple majority of the registered owners with prior notification to all registered owners. Further, the condominium corporation may expand or integrate the project with another upon the affirmative vote of a simple majority of the registered owners, subject only to the final approval of the HLURB.

Shopping Malls

Shopping malls are regulated by the local government unit of the city or municipality where the shopping mall is located. Shopping mall operators must secure a mayor's permit or municipal license before operating. Shopping mall operators must also comply with the provisions of Republic Act No. 9514 or the Fire Code, and other applicable local ordinances. Shopping malls that have restaurants and other food establishments as tenants must obtain a sanitary permit from the Department of Health. Those that discharge commercial wastewater must further apply for a wastewater discharge permit from the DENR and pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism ("**DOT**"). A shopping mall can only be accredited upon compliance with the minimum physical, staff and service requirements promulgated by the DOT.

ZONING AND LAND USE

Land use may be also limited by zoning ordinances enacted by LGUs. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant LGU. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

SPECIAL ECONOMIC ZONE

PEZA is a Government corporation that operates, administers and manages designated special economic zones ("**Ecozones**") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the Government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centres. PEZA-registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty free importation of equipment, machinery and raw materials.

Some of the Company's investment properties are located in Ecozones. Tenants of those properties may register with PEZA to avail themselves of certain benefits under Republic Act No. 7916 and its Implementing Rules and Regulations, such as income tax holidays or a preferential rate of 5% with respect to gross income taxation, thereby making tenancy in such properties potentially more attractive.

Enterprises offering IT services (such as call centers and other BPO firms using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructure and support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located within or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board and the DENR.

ENVIRONMENTAL LAWS

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain ECC prior to commencement. The DENR, through its regional offices or through the Environmental Management Bureau ("**EMB**"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("**EIS**") to the EMB while a project in an environmentally critical area are generally required to submit an Initial Environmental Examination ("**IEE**") to the proper DENR regional office. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the projects' environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The

EIS System successfully culminates in the issuance of an ECC. The ECC is a Government certification, that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase. The ECC also provides for other terms and conditions, any violation of which would result in a fine or the cancellation of the ECC.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("**EGF**") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("**EMF**") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

Republic Act No. 8749, otherwise known as the Philippine Clean Air Act of 1999 and its implementing rules and regulations, aims to protect the right of the people to clean and healthy air by implementing pollution prevention measures, establishing air quality management systems, and holding polluters accountable for environmental damage. The State declared its policy of balancing development and environmental protection by having a holistic national program of air pollution management, encouraging cooperation and self-regulation among citizens and industries though the application of market-based instruments, focusing primarily on pollution prevention rather than on control and providing for a comprehensive management program for air pollution, promoting public information and education to encourage the participation of an informed and active public in air quality planning and monitoring and enforcing a system of accountability for short and long-term adverse environmental impact of a project, program or activity. Pursuant thereto, the rights of citizens to utilize and enjoy all natural resources according to the principle of sustainable development, to be informed of the nature and extent of the potential hazard of any activity, undertaking or project and to be served timely notice of any significant rise in the level of pollution and the accidental or deliberate release into the atmosphere of harmful or hazardous substances, and to bring action in court to enforce environmental laws and seek compensation for personal damages, among others, are recognized under the law.

Republic Act No. 9275, otherwise known as the Philippine Clean Water Act of 2004 and its implementing rules and regulations, were enacted to streamline the processes and procedures in the prevention, control, and abatement of pollution of the water resources of the country, and provide for a comprehensive water pollution management program focused on pollution prevention. The EMB, in partnership with other Philippine government agencies and the respective local government units, is tasked to identify existing sources of water pollutants and strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law. The Philippine Clean Water Act also authorizes the DENR to formulate water quality criteria and standards for oil and gas exploration which encounter re-injection constraints.

Republic Act No. 6969, otherwise known as the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 and its implementing rules and regulations, aim to monitor and regulate chemicals being imported, manufactured, used, and disposed in the country. In particular, it regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substance and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry into the Philippines or the keeping in storage of hazardous wastes, which include by-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. The law requires importers, manufacturers, and users of certain chemicals to secure a Chemical Control Order from the DENR. In addition, all entities generating hazardous wastes, as defined by the law, to register as a Hazardous Waste Generator.

Republic Act No. 9003, otherwise known as the Ecological Solid Waste Management Act of 2000, provides guidelines for the proper management of solid waste, which includes discarded commercial waste and non-hazardous institutional and industrial waste. Such management includes waste segregation at source, collection, storage, transport, and disposal. Such law prohibits, among others, littering in public areas, open burning of wastes, and the establishment and operation of open dump sites. The same law mandates all, especially, the local government units, to adopt a systematic, comprehensive and ecological solid waste management program which shall ensure protection of public health and environment, utilize environmentally sound methods, set targets and guidelines for solid waste avoidance and reduction, and ensure proper segregation, collection, transport and storage of solid waste. The National Solid Waste Management Commission, together with other government agencies and the different local government units, are responsible for the implementation and enforcement of the said law.

PROPERTY REGISTRATION

The Philippines has adopted a system of land registration which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper surveying, application, publication and service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents such as homestead, sales and free patents, must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer of encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the purchase price. Any mortgage existing thereon must be released within six months from the delivery of title. To evidence ownership of condominium units, a Condominium Certificate of Title is issued by the Register of Deeds.

NATIONALITY RESTRICTIONS

The Philippine Constitution limits ownership of land in the Philippines to Filipino citizens or to corporations the outstanding capital stock of which is at least 60% owned by Philippine Nationals. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%.

Republic Act No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991, and the Ninth Regular Foreign Investment Negative List, provide that certain activities are nationalized or partly- nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under these regulations, and in accordance with the Philippine Constitution, ownership of private lands is partly- nationalized and thus, landholding companies may only have a maximum of 40% foreign equity.

Considering the foregoing, for as long as the Company or any of its subsidiaries own land in the Philippines, or continue to conduct property development in the Philippines, foreign ownership in the Company shall be limited to a maximum of 40% of the capital stock of the Company which is outstanding and entitled to vote. Accordingly, the Company shall disallow the issuance or the transfer of shares to persons other than Philippine Nationals and shall not record transfers in its books if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign ownership discussed above. Philippine National, as defined under the Foreign Investment Act, means a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and the entitlement to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and the entitlement to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals.

Compliance with the required ownership by Philippine Nationals of a corporation is determined on the basis of its outstanding capital stock whether fully paid or not, but only such stocks which are generally entitled to vote are considered.

In the case of Express Investments v. Bayan Telecommunications, Inc. (G.R. No. 174457-59) (the "**Express Investments Case**"), the Supreme Court ruled that "the term 'capital' in Section 11, Article XII of the Constitution refers only to shares of stock that can vote in the election of directors."

On May 20, 2013, the SEC, however, issued Memorandum Circular No. 8 or the Guidelines on Compliance with the Filipino-Foreign Ownership Requirements Prescribed in the Constitution and/or Existing Laws by Corporations Engaged in Nationalized and Partly Nationalized Activities. The Circular provides that for purposes of determining compliance with nationality restrictions, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors; and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors, which seems to contradict the Express Investments Case above. In the 2016 case of Jose M. Roy III v. Chairperson Teresita Herbosa, *et al.* (G.R. No. 207246), the Supreme Court affirmed the validity of Memorandum Circular No. 8 in determining compliance with foreign equity restrictions of corporations engaged in nationalized activities.

More recently, in the case of Narra Nickel Mining and Development Corporation, et.al vs. Redmont Consolidated Mines Corp (G.R. No. 195580) and its corresponding motions for reconsideration (the "**Narra Nickel Case**"), the Supreme Court affirmed that the Grandfather Rule, wherein shares owned by corporate shareholders are attributed either as part of Filipino or foreign equity by determining the nationality not only of such corporate shareholders, but also such corporate shareholders' own shareholders, until the nationality of shareholder individuals is taken into consideration, is to be used jointly and cumulatively with the Control Test, which merely takes into account the nationality of the listed shareholders of the corporation. Such joint and cumulative application shall be observed as follows: (1) if the corporation's Filipino equity falls below 60%, such corporation is deemed foreign-owned, applying the Control Test; (2) if the corporation passes the Control Test, the corporation will be considered a Filipino corporation only if there is no doubt as to the beneficial ownership and control of the corporation; and (3) if the corporation passes the Control Test but there is doubt as to the beneficial ownership and control of the corporation, the Grandfather Rule must be applied.

On January 28, 2015, the Supreme Court issued a Resolution dismissing with finality the Motion for Reconsideration of its decision in the Narra Nickel Case. Thus, the Supreme Court affirmed that the Grandfather Rule is to be used jointly and cumulatively with the Control Test, as follows: (1) if the Filipino equity of the corporation falls below 60%, it is immediately considered foreign-owned, applying the Control Test; (2) if the corporation passes the Control Test, the corporation will be considered a Filipino corporation only if there is no doubt as to the beneficial ownership and control of the corporation; and (3) if the corporation passes the Control Test but there is doubt as to the beneficial ownership and control of the corporation, the Grandfather Rule must be applied.

Thus, although the Narra Nickel Case in no way abandons the use of the Control Test and the Foreign Investments Act provisions in determining the nationality of a corporation, it appears to expand and/or modify the doctrine laid in the Gamboa Case cited above. Under the Constitution, however, no doctrine or principle of law laid down by the Supreme Court in a decision *en banc* or in division may be modified or reversed except by the court sitting *en banc*.

PROPERTY TAXATION

Real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of 1% of the assessed value of the property is also levied annually.

In the event there are unpaid real property taxes relating to real property, such taxes constitute a lien on the property which shall be superior to any other lien, mortgage, or encumbrance of any kind whatsoever and shall be extinguished only upon payment of the delinquent taxes and penalties. Failure to pay the real property tax will result in the payment of interest at the rate of 2% per month on the unpaid amount or a fraction thereof, until the delinquent tax shall have been fully paid; provided, however, that in no case shall the total interest on the unpaid tax or portion thereof exceed 36 months.

COMPETITION LAW

Republic Act No. 10667, otherwise known as the Philippine Competition Act (the **"PCA"**), was signed into law on July 21, 2015 and took effect on August 8, 2015. This Act aims to codify anti-trust laws in the Philippines and it provides the competition framework in the country. The Philippine Competition Act was enacted to provide free and fair competition in trade, industry, and all commercial economic activities. It prohibits anti-competitive agreements between or among competitions, and mergers and acquisitions which have the object or effect of substantially preventing, restricting, or lessening competition. It also prohibits practices which involve abuse of dominant position, such as selling goods or services below cost to drive out competition, imposing barriers to entry or prevent competitors from growing, and setting prices or terms that discriminate unreasonably between customers or sellers or the same goods, subject to exceptions.

To implement its objectives, the Philippine Competition Act provides for the creation of a Philippine Competition Commission (**"PCC"**), an independent quasi-judicial agency to be composed of five (5) commissioners. Among the PCC's powers are to: conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties. To conduct a search and seizure, the PCC must apply for a warrant with the relevant court.

On June 3, 2016, the PCC issued the implementing rules and regulations (**"IRR"**) of the Philippine Competition Act. Under the IRR, as a general rule, parties to a merger or acquisition are required to provide notification when: (a) the aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity of the acquiring or the acquired entities exceed ₱1.0 billion (**"Size of Party"**) and (b) the value of the transaction exceeds ₱1.0 billion, as determined in the IRR (**"Size of Transaction"**); while Parties to a joint venture transaction shall also be subject to the notification requirement if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱1.0 billion, or (b) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱1.0 billion.

The Size of Party and Size of Transactions have been gradually increased by the PCC to ensure that the thresholds maintain their real value over time and relative to the size of the economy. Beginning March 1, 2019 and for every subsequent year, the notification thresholds will be indexed based on the official estimates by the Philippine Statistics Authority of the nominal GDP growth for the previous calendar year rounded up to the nearest hundred million.

Under Commission Resolution No. 02-2020, effective March 1, 2020, the threshold in relation to the Size of Person was increased to ₱6,000,000,000.00, and the threshold for the Size of Transaction was increased to ₱2,400,000,000.00.

On September 11, 2020, in response to the COVID-19 pandemic, President Rodrigo Duterte signed into law Republic Act No. 11494, otherwise known as the "Bayanihan to Recover as One Act" which became effective on September 15, 2020. Under the Bayanihan to Recover as One Act, all mergers and acquisitions entered into within a period of two (2) years from its effectivity, with transaction values below ₱50 billion shall be exempt from compulsory notification under the PCA. In addition, the PCC's power to review mergers and acquisitions motu proprio shall be suspended for one (1) year from effectivity of the Bayanihan to Recover as One Act. The PCC issued Memorandum Circular No. 20-003 reiterating the foregoing exemptions and clarified that mergers and acquisitions entered into prior to the Bayanihan to Recover as One Act which exceed the following thresholds: (a) Size of Party exceeds ₱6.0 billion; and (b) Size of Transaction exceeds ₱2.4 billion, are still subject to compulsory notification under the PCA, and all mergers and acquisitions entered into prior to the effectivity of the Bayanihan to Recover as One Act may still be subject to the *motu proprio* review of the PCC. On October 5, 2020, the PCC issued the Rules for the Implementation of Section 4 (eee) of Republic Act No. 11494, Otherwise Known as the "Bayanihan to Recover as One Act," Relating to the Review of Mergers and Acquisitions.

On September 16, 2022, and with the expiration of the 2-year moratorium under the Bayanihan to Recover as One Act, the PCC provisionally set the thresholds in relation to the Size of Person and Size of Transaction by increasing these to ₱6,100,000,000.00 and ₱2,500,000,000.00, respectively. The thresholds have since been increased, and beginning March 1, 2024, the Size of Person and Size of Transaction thresholds have been increased to ₱7,800,000,000.00 and ₱3,200,000,000.00, respectively.

The Size of Person is determined by computing the aggregate value of the assets in the Philippines and revenues from sales in, into, or from the Philippines of the filing ultimate parent entity, including all entities that it controls, directly or indirectly.

For transactions involving the purchase of assets such as land, the Size of Transaction is determined by taking the higher of the gross revenues the asset generates in the Philippines or the value of the asset itself, both as indicated in the most recently audited financial statements. For joint venture transactions, the Size of Transaction is determined by computing the higher of the aggregate value of the assets combined or contributed "in" the Philippines or the gross revenues generated "in" the Philippines by the assets to be combined or contributed "in" the Philippines. In determining the value of the assets, the following shall be included: (1) Value of all assets that are not owned by any of the joint venture parties for which agreements have been secured by any of the joint venture parties for the joint venture to obtain at any time, whether or not such entity is subject to the requirements of the act; (2) any amount of credit or any obligations of the joint venture which any of the joint venture parties agreed to extend or guarantee to the joint venture, at any time; and (3) the value of the assets owned by any of the joint venture parties that will be combined in the Philippines or contributed into the proposed joint venture.

GOVERNMENT PERMITS AND LICENSES

The Company believes that the Company and its subsidiaries have all the material permits and licenses which are necessary to operate their respective businesses as currently conducted, and the failure to possess any of which would have a material adverse effect to their respective businesses. As confirmed by Atty. Rossan Lee in a legal opinion dated August 7, 2024, such permits and licenses are valid and subsisting as of the date of the legal opinion.

COST AND EFFECT OF COMPLIANCE WITH ENVIRONMENTAL LAWS

In general, there have been no materially significant or extraordinary costs incurred by the Company and its subsidiaries in respect of environmental compliance. The costs of compliance with applicable environmental laws depend on the nature of the project and are conditioned on various factors, particularly local conditions.

The Company incurs expenses for the purposes of complying with environmental laws that consist primarily of payments for Government regulatory fees. Such fees are standard in the industry and are minimal.

The Company secures ECCs prior to commencement of its projects and exerts best efforts to comply with the terms and conditions specified therein. Further, the Company, through its construction and property management arms, continues to keep itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost-efficient means.

THE PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company, the Joint Issue Managers, Joint Lead Underwriters and Joint Bookrunners, or any of their respective subsidiaries, affiliates or advisors in connection with the offer and sale of the Shelf Registered Shares.

Brief History

The Philippines initially had two stock exchanges, the Manila Stock Exchange, which was established on August 8, 1927, and the Makati Stock Exchange, which was established on May 27, 1963. Each exchange was self-regulating, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Philippine government resulted in the unification of the two bourses into the PSE. The PSE was incorporated on December 23, 1992 by officers of both the Makati and the Manila Stock Exchanges. On March 4, 1994, the SEC granted the PSE its license to operate as a securities exchange and simultaneously canceled the licenses of the two exchanges. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor. On June 24, 2022, the PSE closed its trading floor at the PSE Tower, Bonifacio Global City to embrace digital trading. Traders are to conduct activities off-site instead of their trading booths, embracing remote setup. While the PSE shifted to “floorless trading,” bell ringing ceremonies for new listings would still be conducted in the PSE headquarters.

On June 29, 1998, the Philippine SEC granted the Self-Regulatory Organization status to the PSE, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 3, 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC.

The PSE has an authorized capital stock of ₱120 million. As of December 31, 2022, the PSE has 85,477,846 issued and outstanding shares, of which 3,513,952 are treasury shares, resulting in 81,963,894 total shares outstanding. Each of the 184 member-brokers was granted 50,000 common shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a “Trading Participant Certificate” was immediately conferred on each member broker allowing the use of the PSE’s trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President of the PSE.

On December 15, 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE’s Main Board or the Small, Medium and Emerging Board. In 2013, the PSE issued Rules on Exchange Traded Funds (“**ETF**”) which provides for the listing of ETFs on an ETF Board separate from the PSE’s existing boards. Previously, the PSE allowed listing on the First Board, Second Board, or the SME Board. With the issuance by the PSE of Memorandum No. CN-No. 2013-0023 dated June 6, 2013, revisions to the PSE Listing Rules were made, among which changes are the removal of the Second Board listing and the requirement that lock-up rules be embodied in a company’s articles of incorporation of the Issuer. Each index represents the numerical average of the prices of component shares.

The PSE has a benchmark index, referred to as the Philippine Stock Exchange Index (”**PSEi**” previously “**PHISIX**”), which as at the date thereof reflects the price movements of selected shares listed on the PSE, based on traded prices of shares from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective April 3, 2006, simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. The PSEi is composed of shares of 30 selected companies listed on the PSE. On July 26, 2010, the PSE launched a new trading system, PSE Trade.

With the increasing calls for good corporate governance and the need to consistently provide full, fair, accurate and timely information, the PSE has adopted an online daily disclosure system to support the provision of material information coming from listed companies and enhance access to such reports by the investing public. In December 2013, the PSE replaced its online disclosure System with a new disclosure system, the PSE Electronic Disclosure Generation Technology (“**EDGE**”). The PSE EDGE, a new disclosure system co-developed with the Korea Exchange, went live. The PSE EDGE system provided a dedicated portal for listed company disclosures and also offered a free-to download mobile application for easy access by investors, with a variety of features to (i) further standardize the disclosure reporting process of listed companies on the PSE, (ii) improve investors' disclosure searching and viewing experience, and (iii) enhance overall issuer transparency in the market.

The main index for PSE is the PSEi, which is a capitalization-weighted index composed of stocks representative of the Industrial, Properties, Services, Holding Firms, Financial and Mining & Oil Sectors of the PSE. It measures the relative changes in the free float-adjusted market capitalization of the 30 largest and most active common stocks listed at the PSE. The selection of companies in the PSEi is based on a specific set of public float, liquidity and market capitalization criteria. There are also six sector-based indices as well as a broader all shares index.

In June 2015, the PSE Trade system was replaced by PSE Trade XTS which utilizes NASDAQ's X-stream Technology. The PSE Trade XTS, which replaced the NSC trading platform provided by NYSE Euronext Technologies SAS, is equipped to handle large trading volumes. It is also capable of supporting the future requirements of the PSE should more products and services be introduced.

In November 2016, the Exchange received regulatory approvals to introduce new products in the stock market – the Dollar Denominated Securities and the Listing of PPP Companies.

In June 2018, the PSE received approval from the Philippine SEC to introduce short selling in the equities market.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of ten guidelines embodying principles of good business practice and is based on internationally recognized corporate governance codes and best practices.

The table below sets out movements in the composite index as of the last business day of each calendar year from 1995 to 2023, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Year	**Composite Index at Closing**	**Number of Listed Companies**	**Aggregate Market Capitalization (in ₱ billions)**	**Combined Value of Turnover (in ₱ billions)**
1995	2,594.2	205	1,545.7	379.0
1996	3,170.6	216	2,121.1	668.8
1997	1,869.2	221	1,251.3	586.2
1998	1,968.8	222	1,373.7	408.7
1999	2,142.9	225	1,936.5	781.0
2000	1,494.5	229	2,576.5	357.7
2001	1,168.1	231	2,141.4	159.6
2002	1,018.4	234	2,083.2	159.7
2003	1,442.4	236	2,973.8	145.4
2004	1,822.8	235	4,766.3	206.6
2005	2,096.0	237	5,948.4	383.5
2006	2,982.5	239	7,173.2	572.6
2007	3,621.6	244	7,977.6	1,338.3
2008	1,872.9	246	4,069.2	763.9
2009	3,052.7	248	6,029.1	994.2
2010	4,201.1	253	8,866.1	1,207.4
2011	4,372.0	245	8,697.0	1,422.6
2012	5,812.7	254	10,952.7	1,771.7
2013	5,889.8	257	11,931.3	2,546.2
2014	7,230.6	263	14,251.7	2,130.1
2015	6,952.1	265	13,465.1	2,172.5
2016	6,840.6	265	14,438.8	1,929.5
2017	8,558.4	267	17,583.1	1,958.4
2018	7,466.0	267	16,146.7	1,736.8

2019	7,815.3	271	16,710.0	1,770.0
2020	7,139.7	271	15,890.0	1,770.0
2021	7,122.63	276	18,081.1	2,233.1
2022	6,566.4	286	16,558.5	1,788.7
2023	6,450.0	283	16,740.2	1,474.8

Source: Philippine Stock Exchange, Inc. and PSE Annual Reports

Trading

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one (1) broker at the same price are crossed at the PSE at the indicated price. Payment of purchases of listed securities must be made by the buyer on or before the second trading day (the settlement date) after the trade.

Generally, equities trading on the PSE starts at 9:30 a.m. until 12:00 p.m., when there will be a one-hour lunch break. In the afternoon, trading resumes at 1:00 p.m. and ends at 3:00 p.m. Trading days are Monday to Friday, except legal holidays and days when the BSP clearing house is closed and such other days as may be declared by the Philippine SEC or the PSE, to be a non-trading day.

Minimum trading lots range from five to 1,000,000 shares depending on the price range and nature of the security traded. The minimum trading lot for a company's shares is 100 shares. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated through the enforcement of static and dynamic thresholds.

The upper static threshold enforces a 50%, while the lower static threshold enforces as 30%, trading band within which the price of a stock is allowed to move. When the price of a listed security moves up by 50% (price ceiling) or down by 30% (floor price) on a particular day (to be reckoned from the last closing price or the last adjusted closing price, whichever is higher), the price of that security is automatically frozen by the PSE, unless there is an official statement from the corporation or a government agency justifying such price fluctuation, in which case the affected security can still be traded but only at the frozen price. If the subject corporation fails to submit such explanation, a trading halt is imposed by the PSE on the listed security the following day. Resumption of trading shall be allowed only when the disclosure of the subject corporation is disseminated, subject again to the trading ban.

The dynamic threshold is the maximum allowable price difference between an update in the Last Traded Price ("**LTP**") of a given stock or group of stocks and its preceding LTP that is equal to a percentage set by the PSE, subject to the classification of a stock or a group of stocks based on its trade frequency. The dynamic threshold of a listed stock may vary from 10%, 15% and 20% depending on its trade frequency.

In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- In case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE.

- In case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C); otherwise, such order will be rejected by the PSE.

Non-Resident Transactions

When the purchase/sale of Philippine shares involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three business days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

Settlement

The Securities Clearing Corporation of the Philippines ("**SCCP**") is a wholly-owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP started its commercial operations on January 3, 2000 received its permanent license to operate on January 17, 2002. It is responsible for:

- synchronizing the settlement of funds and the transfer of securities through delivery versus payment clearing and settlement of transactions of clearing members, who are also PSE trading participants;

- guaranteeing the settlement of trades in the event of a trading participant's default through the implementation of its fails management system and administration of the Clearing and Trade Guaranty Fund; and

- performance of risk management and monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a two (2)-day rolling settlement environment, which means that settlement of trades takes place two (2) days after transaction date (T+2). The deadline for settlement of trades is 12:00 noon of T+2. Securities sold should be in scripless form and lodged under the book entry system of the PDTC. Each PSE trading participant maintains a cash settlement account with one of the nine existing settlement banks of SCCP which are BDO Unibank, Inc., Rizal Commercial Banking Corporation, Metropolitan Bank & Trust Company, Deutsche Bank, Union Bank of the Philippines, The Hongkong and Shanghai Banking Corporation Limited, Maybank Philippines, Inc., Asia United Bank, and China Banking Corporation. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement ("**CCCS**") system on May 29, 2006. CCCS employs multilateral netting, whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each clearing member. All cash debits and credits are also netted into a single net cash position for each clearing member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the central counterparty to each PSE-eligible trade cleared through it.

Scripless Trading

In 1995, the PDTC (formerly the Philippine Central Depository, Inc.), was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the Philippine SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, BDO, RCBC, Metrobank, DB, HSBC, Unionbank, and Maybank Philippines.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares in favor of the PCD Nominee Corporation ("**PCD Nominee**"), a corporation wholly-owned by the PDTC, whose sole purpose is to act as nominee and legal title holder of all shares lodged in the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares in the account of the PCD Nominee through the PDTC participant will be recorded in the issuing corporation's registry. This trust arrangement between the participants and PDTC through the PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the Philippine SEC. No consideration is paid for the transfer of legal title to the PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant-custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (T+2) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the SCCP Central Clearing and Central Settlement system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his shareholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged, and the shares will no longer be eligible for settlement through the PCD system. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the upliftment of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee. The expenses for upliftment are for the account of the uplifting shareholder.

The difference between the depository and the registry is in the recording of ownership of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee to confirm new balances of the shares lodged with the PDTC. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of the PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the PCD Nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

Amended Rule on Lodgment of Securities

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the Revised Listing Rules.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof to wit:

- For a new company to be listed at the PSE as of July 1, 2009, the usual procedure will be observed but the transfer agent of the company shall no longer issue a certificate to PCD Nominee but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the depository participants on the listing date.

- On the other hand, for an existing listed company, the PDTC shall wait for the advice of the transfer agent that it is ready to accept surrender of PCD Nominee jumbo certificates and upon such advice the PDTC shall surrender all PCD Nominee jumbo certificates to the transfer agent for cancellation. The transfer agent shall issue a registry confirmation advice to PDTC evidencing the total number of shares registered in the name of PCD Nominee in the listed company's registry as of confirmation date.

Further, the PSE apprised all listed companies and market participants on May 21, 2010 through Memorandum No. 2010-0246 that the Amended Rule on Lodgement of Securities under Section 17 of Article III, Part A of the Revised Listing Rules of the PSE shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the PSE.

For listing applications, the amended rule on lodgment of securities is applicable to:

- The offer shares/securities of the applicant company in the case of an initial public offering;
- The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Philippine SEC in the case of a listing by way of introduction;
- New securities to be offered and applied for listing by an existing listed company; and
- Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof, to wit:

"For new companies to be listed at the PSE as of July 1, 2009 the usual procedure will be observed but the Transfer Agent of the companies shall no longer issue a certificate to PCD Nominee but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the Depository Participants on listing date."

"On the other hand, for existing listed companies, the PDTC shall wait for the advice of the Transfer Agents that it is ready to accept surrender of PCNC jumbo certificates and upon such advice the PDTC shall surrender all PCNC jumbo certificates to the Transfer Agents for cancellation. The Transfer Agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the Company's registry as a confirmation date."

Issuance of Stock Certificates for Certificated Shares

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his shareholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a registry confirmation advice to the PDTC covering the new number of shares lodged under PCD Nominee.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

Amended Rule on Minimum Public Ownership

On December 1, 2017, the Philippine SEC issued SEC Memorandum Circular No. 13, Series of 2017 ("**SEC MC 13-2017**") on the rules and regulations on minimum public ownership ("**MPO**") on initial public offerings.

Under SEC MC 13-2017, companies filing a registration statement pursuant to Sections 8 and 12 of the SRC and with intention to list their shares for trading in an exchange shall apply for registration with a public float of at least 20% of the companies' issued and outstanding shares. It shall, at all times, maintain an MPO of at least 20%. If the MPO of the company falls below 20% at any time after registration, such company shall bring the public float to at least 20% within a maximum period of twelve (12) months from the date of such fall.

The determination of whether shareholdings are considered public or non-public is based on: (a) the amount of shareholdings and its significance to the total outstanding shares; (b) the purpose of investment; and (c) the extent of involvement in the management of the company.

The shares held by the following are generally considered as held by the public: (i) individuals whose shares are not of significant size and which are non-strategic in nature; (ii) PSE trading participants (such as brokers) whose shareholdings are non-strategic in nature; (iii) investment funds and mutual funds; (iv) pension funds which hold shares in companies other than the employing company or its affiliates; (v) PCD Nominee provided that none of the beneficial owners of the shares has significant holdings (i.e., shareholdings by an owner of 10% or more are excluded and considered non-public); and (vi) Social Security funds.

If an investment in a listed company is meant to partake of sizable shares for the purpose of gaining substantial influence on how the company is being managed, then the shareholdings of such investor are considered non-public. Ownership of 10% or more of the total issued and outstanding shares of a listed company is considered significant holding and therefore non-public.

Listed companies which become non-compliant with the minimum public ownership requirement will be suspended from trading for a period of not more than six months and will be automatically delisted if it remains non-compliant with the said requirement after the lapse of the suspension period.

Notwithstanding the quarterly public ownership report requirement of the PSE, listed companies listed on the PSE are required to (a) establish and implement an internal policy and procedure to monitor its MPO levels on a continuous basis; and (b) immediately report to the Philippine SEC within the next business day if its MPO level falls below 20%. Listed companies are also required to submit to the Philippine SEC a time-bound business plan describing the steps that the company will take to bring the public float to at least 20% within a maximum period of twelve (12) months from, within ten (10) days from knowledge that its MPO has become deficient. Listed companies are also required to submit to the Philippine SEC a public ownership report and progress report on any such submitted business plan within fifteen (15) days after end of each month until such time that its MPO reaches the required level.

The MPO requirement also forms part of the requirement for the registration of securities. Non-compliance with these MPO requirements subject publicly listed companies to administrative sanctions, including suspension and revocation of their registration with the SEC.

On August 3, 2020, the PSE issued Memorandum CN-No. 2020-0076 (Guidelines on MPO Requirement for Initial and Backdoor Listings), effective immediately. Under the guidelines, companies applying for initial listing through an initial public offering ("**IPO**") are required to have a minimum public offer size of 20% to 33% of its outstanding capital stock, as follows:

Market Capitalization	**Minimum Public Offer**
Not exceeding ₱500 million	33% or ₱50 million, whichever is higher
Over ₱500 million to ₱1 billion	25% or ₱100 million, whichever is higher
Over ₱1 billion	20% or ₱250 million, whichever is higher

A company listing through an IPO is required to maintain at least 20% public ownership level at all times, whether the listing is initial or through backdoor listing. A company applying for listing by way of introduction is required to have at least 20% public float upon and after listing. For companies doing a backdoor listing, the 20% MPO requirement shall be reckoned from the actual issuance or transfer (as may be applicable) of the securities which triggered the application of the Backdoor Listing Rules or from actual transfer of the business in cases where the Backdoor Listing Rules are triggered by a substantial change in business.

Amendments to the Voluntary Delisting Rules

On December 1, 2020, PSE issued Memorandum Circular No. 2020-0104 ("**C.N. 2020-0104**") on the amendments to the voluntary delisting rules. Under C.N. 2020-0104, the delisting must be approved by: (i) at least two-thirds (2/3) of the entire membership of the Board, including the majority, but not less than two, of all of its independent directors; and (ii) Stockholders owning at least two-thirds (2/3) of the total outstanding and listed shares of the listed company.

Further, the number of votes cast against the delisting proposal should not be more than ten percent (10%) of the total outstanding and listed shares of the listed company.

As regards the tender offer price, the minimum tender offer price shall be the higher of: (i) the highest valuation based on the fairness opinion or valuation report prepared by an independent valuation provider in accordance with SRC Rule 19.2.6; or (ii) the volume weighted average price of the listed security for one year immediately preceding the date of posting of the disclosure of the approval by the Company's Board of Directors of the Company's delisting from the Exchange.

Rule on Initial Listing Through a Preferred Shares Offering

On May 24, 2022, PSE issued Memorandum Circular No. 2022-0023 ("**C.N. 2022-0023**"), which provides the Rule on Initial Listing through a Preferred Shares Offering, effective immediately. Under C.N. 2022-0023, the minimum offering to the public shall be at least One Billion Pesos (₱1,000,000,000.00) or twenty percent (20%) of the market capitalization of preferred shares applied for listing, whichever is higher.

Further, upon listing, the applicant company should have at least 1,000 stockholders, each owning at least one (1) board lot, whether it is listing on the Main Board or the SME Board. After listing, the listed company shall be subject to the 20% public float requirement.

As regards the lock-up rule, the 180-day / 365-day lock-up rule shall not apply to the initial listing through a preferred shares offering; however, preferred shares and instruments entitling the holder to issuance of preferred shares (e.g., convertible bonds, warrants) issued and fully paid within 180 days before the IPO at a price lower than the IPO price shall be locked up for 365 days from full payment. If the applicant company has outstanding common shares which are listed, the same will not be covered by the lock-up rule.

Companies mandated by law or regulation to list and/or offer their shares to the public cannot list through this mode of initial listing. A company that lists under this Rule also cannot list by way of introduction.

Amendments to the Rules on Follow-On Offering

On April 16, 2024, the PSE issued Memorandum Circular CN No. 2024-0024 ("**C.N. 2024-0024**") which provides the amendments to Article III, Part F, Section 13 and Article V, Part F of the Consolidated Listing and Disclosure Rules, effective immediately.

Under C.N. 2024-0024, the allocation of offer shares to Local Small Investors shall be mandatory.

Moreover, offering of secondary shares acquired at a discount before the follow-on offering shall be prohibited. If there is any issuance or transfer of shares (i.e., private placement, asset for shares swap or a similar transaction) or of instruments which leads to an issuance or transfer of shares (i.e., convertible bonds, warrants or a similar instrument) done and fully paid for within 180 days prior to the start of the offering period and the transaction price is lower than the offer price, all shares subscribed, acquired or availed of shall not form part of the offer shares. This prohibition shall apply to all follow-on offerings, including public offerings undertaken by companies listed by way of introduction or through backdoor listing. However, said prohibition shall not apply to shares subscribed, acquired or availed of through stock dividend distribution or stock option plan. The PSE may likewise rule on a case to-case basis, that the prohibition would not be applicable to shares subscribed, acquired or availed of through any other transaction provided that it can be shown that the offering will not give undue advantage to the subscriber.

FINANCIAL INFORMATION

The following pages set forth VLL's audited consolidated financial statements as at December 31, 2023 and 2022 and the years ended December 31, 2023, 2022, and 2021, and unaudited interim consolidated financial statements as at March 31, 2024.

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ANNEXES

Annex "A-1"

List of Material Permits and Licenses of VLL and its Subsidiaries

A. VISTA LAND & LIFESCAPES, INC.

Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Certificate of Incorporation	SEC	CS200703145	February 28, 2007	N/A
Certificate of Filing of Amended Articles of Incorporation	SEC	CS200703145	January 20, 2020	N/A
Certificate of Filing of Amended By-Laws	SEC	CS200703145	May 3, 2007	N/A
Certificate of Registration	BIR	006-652-678-000	February 28, 2007	N/A
Business Permit	BPLO Las Pinas City	2007030604	January 31, 2024	December 31, 2024

B. BRITTANY CORPORATION

Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Certificate of Incorporation	SEC	120834	May 28, 1984	N/A
Certificate of Filing of Amended Articles of Incorporation	SEC	120834	October 12, 2016	N/A
Certificate of Registration	BIR	001-702-216-00000	November 17, 1998	N/A
Business License and Mayor's Permit	BPLO Las Pinas City	2017020253	January 31, 2024	December 31, 2024

C. CROWN ASIA PROPERTIES, INC.

Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Certificate of Incorporation	SEC	ASO95-08559	August 31, 1995	N/A
Certificate of Filing Amended Articles of Incorporation	SEC	ASO95-08559	June 10, 2013	N/A
Certificate of Registration	BIR	004-737-665-00000	February 21, 1997	N/A
Business License and Mayor's Permit	BPLO Las Pinas City	1995090585	January 31, 2024	December 31, 2024

D. CAMELLA HOMES INC. (CHI)

Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Certificate of Incorporation	SEC	ASO94-011164	December 8, 1994	N/A
Certificate of Filing of Amended Articles of Incorporation	SEC	ASO94-011164	September 13, 2010	N/A
Certificate of Filing of	SEC	ASO94-011164	March 5, 1997	N/A

Amended By-Laws				
Certificate of Registration	BIR	004-504-224-00000	November 3, 1998	N/A
Business License and Mayor’s Permit	BPLO Las Pinas City	2000031164	January 30, 2024	December 31, 2024

E. COMMUNITIES PHILIPPINES, INC.

Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Certificate of Incorporation	SEC	ASO96-3882	April 12, 1996	N/A
Certificate of Filing of Amended Articles of Incorporation	SEC	ASO96-3882	December 19, 2016	N/A
Certificate of Registration	BIR	004-495-763-00000	July 10, 1996	N/A
Business License and Mayor’s Permit	BPLO Las Pinas City	2019102202	January 31, 2024	December 31, 2024

F. VISTA RESIDENCES, INC.

Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Certificate of Incorporation	SEC	CS200340920	November 10, 2003	N/A
Certificate of Filing of Amended Articles of Incorporation	SEC	CS200340920	December 8, 2016	N/A
Certificate of Registration	BIR	227-762-835-00000	November 18, 2003	N/A
Business License and Mayor’s Permit	BPLO Las Pinas City	2003112759	January 31, 2024	December 31, 2024

G. VISTAMALLS, INC.

Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Certificate of Incorporation	SEC	39587	October 16, 1969	N/A
Certificate of Filing of Amended Articles of Incorporation	SEC	39587	September 17, 2019	N/A
Certificate of Filing of Amended By-Laws	SEC	39587	September 30, 2016	N/A
Certificate of Registration	BIR	000-806-396-000	January 1, 1997	N/A
Business License and Mayor’s Permit	BPLO Las Pinas City	199701858	January 30, 2024	December 31, 2024

Annex "A-2"
List of Other Permits and Licenses

BRITTANY CORPORATION

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Beacon Place Moonwalk Subdivision					
1.	Environmental Compliance Certificate	EMB CALABARZON	ECC-2004-06-281-LP-212	July 19, 2004	N/A
2.	License to Sell	HLURB	22054	June 1, 2009	N/A
Beacon Place 2 Subdivision					
3.	Environmental Compliance Certificate	EMB CALABARZON	ECC-2006-03-15-040-212	March 27, 2006	N/A
4.	License to Sell	HLURB	20224	October 29, 2007	N/A
Valenza 3 Subdivision					
5.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-1301-0009	January 10, 2013	N/A
6.	License to Sell	HLURB	029783	May 18, 2015	N/A
Valenza 1 Subdivision					
7.	Environmental Compliance Certificate	DENR	ECC-LLDA-2005-114-8420	June 29, 2005	N/A
8.	License to Sell	HLURB	15295-R4A-06-05	May 3, 2006	N/A
9.	License to Sell	HLURB	029736	March 31, 2015	N/A
Valenza 2 Subdivision					
10.	Environmental Compliance Certificate	DENR	ECC-LDBW-0902-336-7012	June 11, 2009	N/A
11.	License to Sell	HLURB	24575	April 2011	N/A
Amore at Portofino South Subdivision 1					
12.	Environmental Compliance Certificate	DENR	2004-06-322-LP-212	October 27, 2004	N/A
13.	License to Sell	HLURB	22717	August 25, 2009	N/A
Amore at Portofino South Subdivision 2					
14.	Environmental Compliance Certificate	DENR	ECC-R4A-0802-094-8410	April 15, 2008	N/A
15.	License to Sell	HLURB	23425	April 5, 2010	N/A
Amore at Portofino South Subdivision 3					
16.	Environmental Compliance Certificate	DENR	ECC-R4A-0802-094-8410	April 15, 2008	N/A
17.	License to Sell	HLURB	029746	January 28, 2015	N/A
Alpine Villas (Bernese)					
18.	Environmental Compliance Certificate	DENR	ECC-R4A-1906-0158	June 20, 2019	N/A
19.	License to Sell	HLURB	034932	September 23, 2019	N/A
Alpine Villas Tower 2 (Blanc)					
20.	Environmental Compliance Certificate	DENR	ECC-R4A-1906-0158	June 20, 2019	N/A

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
21.	License to Sell	HLURB	034932	September 23, 2019	N/A
Alpine Villas Tower 3 (Brienz)					
22.	Environmental Compliance Certificate	DENR	ECC-R4A-1906-0158	June 20, 2019	N/A
23.	Provisional License to Sell	DSHUD	715	April 25, 2022	N/A
Alpine Villas Tower 4 (Biel)					
24.	Environmental Compliance Certificate	DENR	ECC-R4A-1906-0158	June 20, 2019	N/A
25.	Provisional License to Sell	DSHUD	716	April 25, 2022	N/A
Cedar Brooks					
26.	Environmental Compliance Certificate	DENR		February 23, 1996	N/A
27.	License to Sell	HLURB	16916-R4A-07-03	March 26, 2007	N/A
Bern Baguio Phase 1					
28.	Environmental Compliance Certificate	DENR	ECC-OL-2023-0067	May 5, 2023	N/A
29.	License to Sell	DHSUD	0036	November 17, 2022	N/A
Forresta Subdivision					
30.	Environmental Compliance Certificate	DENR	ECC-OL-R4A-2023-0100	February 17, 2023	N/A
31.	License to Sell	DHSUD	0000513	April 17, 2023	N/A
Georgia Club Phase 1					
32.	Environmental Compliance Certificate	LLDA	ECC-LLDA-2007-082-8420	April 18, 2007	N/A
33.	License to Sell	HLURB	17736-R4A-07-05	May 31, 2007	N/A
Georgia Club and Augusta					
34.	Environmental Compliance Certificate	LLDA	ECC-LLDA-2007-082-8420	April 18, 2007	N/A
35.	License to Sell	HLURB	22461	March 10, 2009	N/A
Grand Quartier 1 Condominium					
36.	Environmental Compliance Certificate	LLDA	ECC-LLDA-2007-270-8420	September 17, 2007	N/A
37.	License to Sell	HLURB	17701	September 20, 2007	N/A
Grand Quartier 3 Condominium					
38.	Environmental Compliance Certificate	DENR	ECC-R4A-1308-0519	August 13, 2019	N/A
39.	License to Sell	HLURB	28826	November 27, 2013	N/A
La Posada					
40.	Environmental Compliance Certificate	DENR	NCR 2002-05-13-160-212	May 13, 2002	N/A
41.	License to Sell	HLURB	10477	October 28,	N/A

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
				2004	
Montreaux Gardens					
42.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-1104-0191	May 16, 2011	N/A
43.	License to Sell	HLURB	28821	November 18, 2013	N/A
Montreaux Ville					
44.	Environmental Compliance Certificate	DENR	ECC-LDBW-0812-235-7012	May 19, 2009	N/A
45.	License to Sell	HLURB	22480	March 31, 2009	N/A
Camella Pine Grove					
46.	Certificate of Registration	HLURB	23578	December 28, 2012	N/A
47.	Mayor's Permit	City of Bacolod	202441849	April 18, 2024	December 31, 2024
48.	Barangay Business Clearance	Barangay Tangub, Bacolod City	202401155	January 17, 2024	N/A
49.	Fire Safety Inspection Certificate	Bureau of Fire Protection	FSICB RO6-24-RW-103281	February 8, 2024	February 7, 2025
50.	Sanitary Permit to Operate	City of Bacolod	01-31884-2024SP	February 15, 2024	December 31, 2024
51.	Environmental Compliance Certificate	EMB	ECC-R6-0806-153-8420	June 17, 2008	N/A
Pine Grove at Crosswinds 1					
52.	Environmental Compliance Certificate	DENR	9406-004-212C	February 23, 1996	N/A
53.	License to Sell	HLURB	15312-R4A-06-05	May 31, 2006	N/A
Pine Grove at Crosswinds 2					
54.	Environmental Compliance Certificate	DENR	9406-004-212C	February 23, 1996	N/A
55.	License to Sell	HLURB	18564	October 30, 2007	N/A
Pine Grove at Crosswinds 3					
56.	Environmental Compliance Certificate	DENR	ECC-LDBW-0906-537-7012	August 4, 2009	N/A
57.	License to Sell	HLURB	22991	January 8, 2010	N/A
Portofino Estates					
58.	Environmental Compliance Certificate	DENR	ECC-R4A-1301-0062	March 6, 2013	N/A
59.	License to Sell	HLURB	029826	May 27, 2015	N/A
Portofino Heights Phases 1-3					
60.	Environmental Compliance Certificate	DENR	ECC NCR 2003-05-09-289-212	May 9, 2013	N/A
61.	License to Sell	HLURB	09038	November 7, 2005	N/A
Portofino Heights Phases 4					

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
62.	Environmental Compliance Certificate	DENR	ECC-R4A-0888-8410	September 23, 2004	N/A
63.	License to Sell	HLURB	11282-R4A-04-11	November 11, 2004	N/A
Portofino Heights Phase 5-7					
64.	Environmental Compliance Certificate	DENR	ECC-R4A-2006-0119-8410	April 10, 2006	N/A
65.	License to Sell	HLURB	17723-R4A-07-05	May 9, 2007	N/A
66.	License to Sell	HLURB	16857-R4A-07-01	January 22, 2007	N/A
67.	Environmental Compliance Certificate	DENR	ECC-R4A-0812-486-8410	January 5, 2009	N/A
68.	License to Sell	HLURB	22949	October 28, 2007	N/A
Portofino South					
69.	Environmental Compliance Certificate	DENR	ECC NCR 2004-10-27-626-212	October 27, 2004	N/A
70.	License to Sell	HLURB	14670	June 20, 2006	N/A
71.	License to Sell	HLURB	14671	June 20, 2006	N/A
72.	License to Sell	HLURB	14699	August 15, 2006	N/A
73.	License to Sell	HLURB	22814	March 5, 2010	N/A
Victorianne Row					
74.	Environmental Compliance Certificate	DENR	ECC NCR 2002-05-13-160-212	May 13, 2002	N/A
75.	License to Sell	HLURB	10478	October 28, 2004	N/A

BRIA HOMES, INC.

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Bria Executive Calbayog					
1.	Business License and Mayor’s Permit	BPLO Calbayog City	2024-1682	February 21, 2024	December 31, 2024
2.	Provisional Certificate of Registration	DHSUD Region VIII	CR-R8-00011	August 27, 2021	N/A
3.	Development Permit	City of Calbayog	2021-06-001	June 16, 2021	N/A
4.	Environmental Compliance Certificate	EMB	ECC-OC-R08-2021-0172	August 2, 2021	N/A
5.	Provisional License to Sell	DHSUD	LS-08-21-00019	August 27, 2021	N/A
6.	Provisional License to Sell	DHSUD	LS-08-21-00018	August 27, 2021	N/A
7.	Provisional License to Sell	DHSUD	LS-08-21-00017	August 27, 2021	N/A

Bria Homes Digos					
8.	Business Permit	BPLO Davao del Sur	2024-1102403000-1409	January 19, 2024	December 31, 2024
9.	Certificate of Registration	HLURB	029116	May 31, 2018	N/A
10.	Environmental Compliance Certificate	EMB Region 11	ECC-OL-R11-2017-0242	October 16, 2017	N/A
11.	License to Sell	HLURB Southern Mindanao Region	033292	May 31, 2018	N/A
12.	License to Sell	HLURB Southern Mindanao Region	033295	May 31, 2018	N/A
Bria Tagum					
13.	Business Permit	BPLD Davao del Norte	08548	January 30, 2024	December 31, 2024
Empresa Mariveles					
14.	Business Permit	Municipality of Mariveles	2024-1963	April 24, 2024	December 31, 2024
15.	Sanitary Permit	Municipality of Mariveles Municipal Health Office	1868	February 5, 2024	December 31, 2024
16.	Barangay Business Clearance	Barangay Lucanin	131974	February 5, 2024	N/A
17.	Fire Safety Inspection Certificate	Bureau of Fire Protection Region III	R03-207-0418-S2024	March 1, 2024	November 4, 2025
Bria Homes Kidapawan					
18.	Business Permit	City of Kidapawan	2024-1204704000-3050	January 20, 2024	December 31, 2024
19.	Certificate of Registration	City of Kidapawan	029159	May 6, 2019	N/A
20.	License to Sell	HLURB Southern Mindanao Region	034060	May 6, 2019	N/A
21.	Environmental Compliance Certificate	EMB Koronadal City	ECC-OL-R12-2018-0103	August 10, 2018	N/A
Lumina Dumaguete					
22.	Business Permit	Municipality of Bacong	7772610	March 5, 2024	December 31, 2024
23.	Provisional Certificate of Registration	DHSUD Region VII	CR-07-20-027	August 3, 2020	N/A
24.	Provisional License to Sell	DHSUD Region VII	LS-07-20-033	August 3, 2020	N/A
25.	Provisional License to Sell	DHSUD Region VII	LS-07-20-034	August 3, 2020	N/A
26.	Certificate of Registration	HLURB Central Visayas Region	029970	December 16, 2019	N/A
27.	License to Sell	HLURB Central Visayas Region	035664	December 16, 2019	N/A
28.	License to Sell	HLURB Central Visayas Region	035665	December 16, 2019	N/A
29.	Environmental	EMB	ECC-OL-R07-2019-	March 11,	N/A

	Compliance Certificate		0077	2019	
Bria Flats Mactan					
30.	License to Sell	HLURB Central Visayas Region	033656	August 24, 2018	N/A
31.	Certificate of Registration	HLURB Central Visayas Region	029241	August 24, 2018	N/A
32.	License to Sell	HLURB Central Visayas Region	033654	August 24, 2018	N/A
33.	Certificate of Registration	HLURB Central Visayas Region	029239	August 24, 2018	N/A
34.	License to Sell	HLURB Central Visayas Region	033697	January 29, 2019	N/A
35.	License to Sell	HLURB Central Visayas Region	033698	January 29, 2019	N/A
36.	License to Sell	HLURB Central Visayas Region	033699	January 29, 2019	N/A
37.	Certificate of Registration	HLURB Central Visayas Region	029280	January 29, 2019	N/A
38.	Certificate of Registration	HLURB Central Visayas Region	029281	January 29, 2019	N/A
39.	Certificate of Registration	HLURB Central Visayas Region	029282	January 29, 2019	N/A
40.	Environmental Compliance Certificate	EMB	ECC-OL-R07-2016-0081	June 2, 2016	N/A

CAMELLA

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Camella Crisciente					
1.	Business Permit	City of Urdaneta	2023-4824	February 21, 2024	December 31, 2024
2.	Brgy. Clearance	Barangay Nancayasan	N/A	February 8, 2024	December 31, 2024
3.	Provisional License to Sell	DHSUD Region 1	019	October 28, 2020	N/A
4.	Provisional Certificate of Registration	DHSUD Region 1	019	October 28, 2020	N/A
5.	Environmental Compliance Certificate	EMB Region 1	ECC-OL-R01-2022-0069	March 11, 2022	N/A
Camella Fiorenza Ph2					
6.	Business Permit	Municipality of Apalit	2024-0305402000-1062	January 19, 2024	December 31, 2024
7.	Barangay Business Clearance	Barangay Paligui, Apalit	5968353	February 8, 2024	N/A
8.	Certificate of Registration	HLURB Region 3	26583	July 6, 2015	N/A
9.	License to Sell	HLURB Region 3	029678	January 12, 2015	N/A

10.	Environmental Compliance Certificate	EMB Region 3	R03-1012-0580	March 23, 2011	N/A
Allegria Residences-Bldg 1					
11.	Temporary License to Sell	DHSUD Region 4A	Region 4A-TLTS-020	November 4, 2022	N/A
12.	Environmental Compliance Certificate	EMB CALABARZON	ECC-OL-R4A-2023-0208	April 4, 2023	N/A
Andalusia					
13.	Mayor’s Permit	City Government of San Fernando, Pampanga	4027	February 8, 2024	December 31, 2024
14.	Sanitary Permit	City Health Office of San Fernando, Pampanga	RHU4-001733	February 8, 2023	December 31, 2024
15.	Fire Safety Inspection Certificate	BFP Region 3	03-616-04613-S2023-B	February 8, 2023	June 8, 2024
16.	Barangay Business Clearance	Brgy. San Agustin, San Fernando	0170-2007-0016	February 8, 2024	December 31, 2024
17.	Certificate of Registration	HLURB Region 3	20409	August 19, 2009	N/A
18.	License to Sell	HLURB Region 3	21379	August 24, 2009	N/A
19.	Environmental Compliance Certificate	EMB Region 3	03PA 0709 17 432-212A	September 17, 2007	N/A
Aspen Residences Bldg 1					
20.	Provisional Certificate of Registration	DHSAUD Region 3	2022-05-295	May 12, 2022	N/A
21.	Provisional License to Sell	DHSAUD Region 3	2022-05-360	May 12, 2022	N/A
22.	Environmental Compliance Certificate	EMB Region 3	ECC-OL-R03-2021-0213	March 19, 2021	N/A
Camella & Lumina Cauayan					
23.	License to Sell	HLURB	032513	December 21, 2016	N/A
24.	License to Sell	HLURB	032514	December 21, 2016	N/A
25.	License to Sell	HLURB	032515	December 21, 2016	N/A
26.	Environmental Compliance Certificate	EMB Region 2	ECC-OL-R02-2015-007	October 13, 2015	N/A
Camella Bacolod South Ph1 & Ph2					

27.	License to Sell	HLURB Region 6	031983	October 20, 2017	N/A
28.	License to Sell	HLURB Region 6	031971	October 20, 2017	N/A
29.	Environmental Compliance Certificate	EMB	ECC-OL-R18-2017-0132	September 8, 2017	N/A
30.	Provisional License to Sell	DHSAUD Region 6	06-153	December 6, 2022	N/A
31.	Provisional License to Sell	DHSAUD Region 6	06-154	December 6, 2022	N/A
32.	Provisional Certificate of Registration	DHSAUD Region 6	06-142	December 27, 2022	N/A
33.	Provisional Certificate of Registration	DHSAUD Region 6	06-143	December 27, 2022	N/A
34.	Mayor’s Permit	City Government of Bacolod	2024327039	April 18, 2024	December 31, 2024
35.	Brgy. Clearance	Barangay Tangub	202401155	January 17, 2024	N/A
36.	Fire Inspection Certificate	BFP	FSICB R06-24-RW-103281	February 8, 2024	February 7, 2025
37.	Sanitary Permit to Operate	City Health Office	01-31884-2024SP	February 15, 2024	December 31, 2024
Camella Bantay and Bantay Expansion					
38.	Business Permit	Office of the Mayor, Municipality of Bantay	2024-1288	February 16, 2024	December 31, 2024
39.	Provisional Certificate of Registration	DHSAUD Region 1	010	August 20, 2020	N/A
40.	Provisional License to Sell	DHSAUD Region 1	010	August 20, 2020	N/A
41.	Environmental Compliance Certificate	EMB	ECC-R01-1206-0087	June 22, 2012	N/A
Camella Bohol 1, 2, 3					
42.	Mayor’s Permit	City of Tagbilaran	2024-04602-0	January 23, 2024	December 31, 2024
43.	Certificate of Registration	HLURB Region Central Visayas	20852	November 13, 2012	N/A
44.	License to Sell	HLURB Region Central Visayas	26257	November 13, 2012	N/A

45.	License to Sell	HLURB Region Central Visayas	26248	November 13, 2012	N/A
46.	License to Sell	HLURB Region Central Visayas	23902	November 13, 2012	N/A
47.	Certificate of Registration	HLURB Region Central Visayas	26347	March 5, 2015	N/A
48.	License to Sell	HLURB Region Central Visayas	029534	March 5, 2015	N/A
49.	Certificate of Registration	HLURB Region Central Visayas	27679	January 23, 2017	N/A
50.	License to Sell	HLURB Region Central Visayas	031129	January 23, 2017	N/A
51.	Environmental Compliance Certificate	EMB Region VII	ECC-R07-1204-0083	July 22, 2015	N/A
Camella Cerritos Gensan					
52.	Environmental Compliance Certificate	EMB	ECC-OL-R12-2016-0041	May 26, 2016	N/A
53.	License to Sell	HLURB Region 9	031700	June 22, 2016	N/A
Camella Davao North					
54.	Mayor’s Permit	City of Davao	B-12276-6	January 29, 2024	December 31, 2024
55.	Environmental Compliance Certificate	EMB	ECC-R11-1312-0264	December 20, 2013	N/A
56.	License to Sell	HLURB Region 9	030892	April 29, 2015	N/A
57.	Certificate of Registration	HLURB Region 9	26686	December 21, 2015	N/A
Camella Davao Phase 2					
58.	Mayor’s Permit	City of Davao	B-12276-6	January 29, 2024	December 31, 2024
59.	Environmental Compliance Certificate	EMB	ECC-OL-R11-2017-0167	August 24, 2017	N/A
60.	License to Sell	HLURB Region 9	03327	September 20, 2017	N/A
Camella Davao South-Toril					
61.	Mayor’s Permit	City of Davao	B-12276-6	January 29, 2024	December 31, 2024

62.	Environmental Compliance Certificate	EMB	ECC-OL-R11-2017-0287	November 20, 2017	N/A
63.	License to Sell	HLURB Region 9	034002	March 22, 2018	N/A
Camella Gensan (Grenadines)					
64.	Environmental Compliance Certificate	EMB	12 0805-065-8420	June 3, 2008	N/A
65.	License to Sell	HLURB Region 9	21157	July 29, 2009	N/A
Camella Gensan Expansion					
66.	Environmental Compliance Certificate	EMB	ECC-R12-1101-0004	January 25, 2011	N/A
67.	License to Sell	HLURB Region 9	24845	October 9, 2012	N/A
Camella Isabela					
68.	Business Permit	Office of the City Mayor, City of Cauayan	2024-1835	February 7, 2024	December 31, 2024
69.	Brgy. Clearance	Barangay Silawit	917097	February 7, 2024	December 31, 2024
70.	Certificate of Registration	HLURB Region 2	18140	December 2, 2008	N/A
71.	License to Sell	HLURB Region 2	19055	November 28, 2008	N/A
72.	Environmental Compliance Certificate	EMB	ECC-R02-0810-213-5010	October 20, 2008	N/A
Camella Koronadal					
73.	Environmental Compliance Certificate	EMB	ECC-R12-1308-0119	September 4, 2013	N/A
74.	Certificate of Registration	HLURB Region 9	26187	December 12, 2014	N/A
75.	License to Sell	HLURB Region 9	029360	December 11, 2014	N/A
Camella Laoag Phase 1,2,3,4,5					
76.	Certificate of Registration	HLURB	23714	April 10, 2012	N/A
77.	License to Sell	HLURB	25340	December 2, 2011	N/A
78.	Environmental Compliance Certificate	EMB	ECC-R01-1105-0106	May 16, 2011	N/A

79.	Business Permit	Office of the City Mayor, City of Laoag	2024-0102812000-3565	January 31, 2024	December 31, 2024
80.	Certificate of Registration	HLURB	27137	April 13, 2015	N/A
81.	License to Sell	HLURB	030784	April 13, 2015	N/A
82.	Certificate of Registration	HLURB	25997	April 13, 2015	N/A
83.	License to Sell	HLURB	029169	April 13, 2015	N/A
84.	Certificate of Registration	HLURB	27138	April 13, 2015	N/A
85.	License to Sell	HLURB	030785	April 13, 2015	N/A
86.	Environmental Compliance Certificate	EMB	ERC-R01-1105-0106	May 16, 2011	N/A
87.	Provisional Certificate of Registration	DHSAUD Region 1	011	August 20, 2020	N/A
88.	Provisional License to Sell	DHSAUD Region 1	011	August 20, 2020	N/A
89.	Environmental Compliance Certificate	EMB	ERC-R01-1105-0106	May 16, 2011	N/A
Camella Leyte Courtyards					
90.	Business Permit	Municipality of Palo	2024-0803739000-0727	January 26, 2024	December 31, 2024
91.	Certificate of Registration	HLURB Central Visayas	26400	July 21, 2015	N/A
92.	License to Sell	HLURB Central Visayas	030316	July 21, 2015	N/A
93.	Environmental Compliance Certificate	EMB Region VIII	ECC-R08-0812-133-8420	December 8, 2017	N/A
Camella Leyte 1					
94.	Business Permit	Municipality of Palo	2024-0803739000-0727	January 26, 2024	December 31, 2024
95.	Certificate of Registration	HLURB Region VIII	21148	April 28, 2009	N/A
96.	License to Sell	HLURB Region VIII	22318	April 28, 2009	N/A

97.	Environmental Compliance Certificate	EMB Region VIII	ECC-R08-0812-133-8420	December 8, 2017	N/A
Camella Leyte 2					
98.	Business Permit	Municipality of Palo	2024-0803739000-0727	January 26, 2024	December 31, 2024
99.	Certificate of Registration	HLURB Central Visayas	20899	March 19, 2012	N/A
100.	License to Sell	HLURB Central Visayas	25456	March 19, 2012	N/A
101.	Environmental Compliance Certificate	EMB Region VIII	ECC-R08-1201-0012	February 22, 2012	N/A
Camella Leyte 3					
102.	Business Permit	Municipality of Palo	2024-0803739000-0727	January 26, 2024	December 31, 2024
103.	Certificate of Registration	HLURB Central Visayas	029229	July 31, 2018	N/A
104.	License to Sell	HLURB Central Visayas	033641	July 31, 2018	N/A
105.	Environmental Compliance Certificate	EMB Region VIII	ECC-R08-0812-133-8420	December 8, 2017	N/A
Camella Manors Upstate 1					
106.	Temporary License to Sell	DHSAUD	Region 4A-TLS-025	November 2, 2022	N/A
107.	Environmental Compliance Certificate	EMB	ECC-OL-R4A-2023-0381	July 5, 2023	N/A
Camella Negros Oriental Ph 1					
108.	Certificate of Registration	HLURB	029971	December 6, 2019	N/A
109.	License to Sell	HLURB	035666	April 1, 2019	N/A
110.	License to Sell	HLURB	035667	April 1, 2019	N/A
111.	2nd ECC Amendment	EMB	ECC-OL-R07-2018-0168	September 28, 2020	N/A
Camella Negros Oriental Ph 1A					
112.	2nd ECC Amendment	EMB	ECC-OL-R07-2018-0168	September 28, 2020	N/A
113.	Provisional License to Sell	DHSAUD	LS-R07-21-051	April 12, 2021	N/A

114.	Provisional License to Sell	DHSAUD	LS-R07-21-050	April 12, 2021	N/A
Camella Pampanga					
115.	Mayor’s Permit	City Government of San Fernando, Pampanga	2024-2864	February 29, 2024	December 31, 2024
116.	Fire Safety Inspection Certificate	BFP Regional Office 3	03-616-04613-S2023-B	February 8, 2023	August 09, 2024
117.	Barangay Business Clearance	Brgy. San Agustin, San Fernando, Pampanga	0191-2024	February 2, 2024	December 31, 2024
118.	Certificate of Registration	HLURB	26556	March 19, 2015	N/A
119.	License to Sell	HLURB	029657	March 31, 2014	N/A
120.	Environmental Compliance Certificate	EMB	R03-1310-0398	October 2, 2013	N/A
Camella Prima Koronadal					
121.	Environmental Compliance Certificate	EMB	ECL-OL-R12-2018-0132	September 25, 2018	N/A
122.	Certificate of Registration	HLURB	029127	May 19, 2018	N/A
123.	License to Sell	HLURB	034009	February 26, 2018	N/A
Camella Santiago & Alta Santiago					
124.	Business Permit – Batal	Office of the City Mayor, Santiago City	02826	January 19, 2024	December 31, 2024
125.	Business Permit – Malvar	Office of the City Mayor, Santiago City	02829	January 19, 2024	December 31, 2024
126.	Business Permit – Isabela	Office of the City Mayor, Santiago City	03604	January 22, 2024	December 31, 2024
127.	ECC Amendment	EMB Region 2	ECC-OL-R02-2020-0284	December 23, 2021	N/A
128.	Certificate of Registration	HLURB	26003	March 2, 2015	N/A
129.	Certificate of Registration	HLURB	26002	March 2, 2015	N/A
130.	License to Sell	HLURB	030783	July 7, 2015	N/A

131.	License to Sell	HLURB	030782	July 7, 2015	N/A
Camella Sorrento Ph 1,2, 3					
132.	Business Permit	Office of the Municipal Mayor, Municipality of Mexico	2024-0305413000-2188	February 12, 2024	December 31, 2024
133.	Brgy. Clearance	Barangay Panipuan	N/A	January 24, 2024	December 31, 2024
134.	Environmental Management Clearance	Municipal Environment and Natural Resources Office, Municipality of Mexico	2251	February 8, 2024	December 31, 2024
135.	Barangay Business Clearance	Brgy. Panipuan	N/A	January 30, 2023	N/A
136.	Certificate of Registration	HLURB Region 3	21787	February 22, 2010	N/A
137.	License to Sell	HLURB Region 3	23049	February 22, 2010	N/A
138.	Certificate of Registration	HLURB Region 3	25098	December 23, 2013	N/A
139.	License to Sell	HLURB Region 3	28665	December 20, 2013	N/A
140.	Environmental Compliance Certificate	EMB	03PA 0410 16 676-212A	November 30, 2004	N/A
141.	Environmental Compliance Certificate	EMB	03PA 0705 19 198-212A	June 28, 2007	N/A
142.	Environmental Compliance Certificate	EMB	R03-1209-467	September 28, 2012	N/A
143.	Certificate of Registration	HLURB Region 3	22822	October 13, 2011	N/A
144.	Certificate of Registration	HLURB Region 3	24312	October 13, 2011	N/A
Camella Subic					
145.	Certificate of Registration	HLURB Region 3	029063	September 18, 2018	N/A
146.	License to Sell	HLURB Region 3	034138	July 23, 2018	N/A
147.	Certificate of Registration	HLURB Region 3	029064	September 18, 2018	N/A

148.	License to Sell	HLURB Region 3	034139	July 23, 2018	N/A
149.	Environmental Compliance Certificate	EMB	ECC-OL-R03-2017-0270	September 16, 2017	N/A
Camella Subic Alta					
150.	Provisional Certificate of Registration	DHSAUD Region 3	2020-08-064	September 16, 2017	N/A
151.	Provisional License to Sell	DHSAUD Region 3	2020-08-085	July 27, 2020	N/A
152.	Environmental Compliance Certificate	EMB	ECC-OL-R03-2020-0388	September 4, 2020	N/A
Camella Tagum					
153.	Business Permit	Office of the City Mayor	05164	January 22, 2024	December 31, 2024
154.	Certification of Compliance to the Solid Waste Management Program	Brgy. Visayan Village	N/A	January 13, 2023	N/A
155.	Environmental Compliance Certificate	EMB	ECC-R11-1112-0185	December 9, 2011	N/A
156.	License to Sell	HLURB	N/A	November 17, 2011	N/A
157.	Certificate of Registration	HLURB	23258	January 18, 2012	N/A
158.	Certificate of Registration	HLURB	N/A	January 18, 2012	N/A
159.	License to Sell	HLURB	N/A	January 18, 2012	N/A
Camella Tagum Trails 1&2					
160.	Business Permit	Office of the City Mayor, Tagum City	05164	January 22, 2024	December 31, 2024
161.	Certification of Compliance to the Solid Waste Management Program	Brgy. Visayan Village	N/A	January 13, 2023	N/A
162.	License to Sell	HLURB	033263	October 26, 2017	N/A
163.	License to Sell	HLURB	033261	October 26, 2017	N/A

164.	Environmental Compliance Certificate	EMB	ECC-OL-R11-2017-0185	September 6, 2017	N/A
165.	Environmental Compliance Certificate	EMB	ECC-OL-R11-2017-0185	September 6, 2017	N/A
Camella Tarlac Phase 1, 2, 3 & Frontierra					
166.	Certification of Compliance to the Solid Waste Management Program	Brgy. Visayan Village	N/A	January 13, 2023	N/A
167.	Certificate of Registration	HLURB	26562	May 11, 2015	N/A
168.	License to Sell	HLURB	030008	March 17, 2015	N/A
169.	Environmental Compliance Certificate	EMB	R3-0811-467-8420	December 23, 2008	N/A
170.	Certificate of Registration	HLURB	21803	March 5, 2010	N/A
171.	License to Sell	HLURB	23068	January 8, 2010	N/A
172.	Environmental Compliance Certificate	EMB	R3-0811-467-8420	December 23, 2008	N/A
173.	Certificate of Registration	HLURB	21804	March 5, 2010	N/A
174.	License to Sell	HLURB	23069	January 8, 2010	N/A
175.	Certificate of Registration	HLURB	25009	April 16, 2013	N/A
176.	License to Sell	HLURB	26803	January 21, 2013	N/A
Camella Talamban					
177.	Environmental Compliance Certificate	EMB Region VII	ECC-R07-1106-0122	June 15, 2011	N/A
178.	Certificate of Registration	HLURB Central Visayas Region	23926	February 7, 2013	N/A
179.	License to Sell	HLURB Central Visayas Region	26279	February 7, 2013	N/A
Camella Tuguegarao					
180.	Mayor’s Permit	Office of the City Mayor, Tuguegarao City	Bus. Plate No. 15353	February 22, 2024	December 31, 2024

181.	Mayor's Permit	Office of the City Mayor, Tuguegarao City	Bus. Plate No. 7486	February 22, 2024	December 31, 2024
182.	Certificate of Registration	HLURB	19098	May 17, 2010	N/A
183.	Certificate of Registration	HLURB	19099	May 17, 2010	N/A
184.	License to Sell	HLURB	20052	March 22, 2010	N/A
185.	License to Sell	HLURB	20053	June 11, 2010	N/A
186.	Environmental Compliance Certificate	EMB	ECC-R02-0910-0069	October 19, 2009	N/A
Camella Urdaneta					
187.	Business Permit	Office of the City Mayor, Urdaneta City	BP 3389-2024	February 21, 2024	December 31, 2024
188.	Brgy. Clearance	Barangay Nancayasan	N/A	February 8, 2024	December 31, 2024
189.	Certificate of Registration	HLURB	028279	November 28, 2018	N/A
190.	Certificate of Registration	HLURB	028280	November 28, 2018	N/A
191.	License to Sell	HLURB	032536	November 15, 2023	N/A
192.	License to Sell	HLURB	032535	November 15, 2023	N/A
193.	Environmental Compliance Certificate	EMB	ECC-OL-R01-2017-0233	December 7, 2017	N/A
Cerritos (Mintal)					
194.	Mayor's Permit	Permits and Licensing Office, City of Davao	B-12276-6	January 29, 2024	December 31, 2024
195.	Certificate of Registration	HLURB	23237	July 23, 2011	N/A
196.	License to Sell	HLURB	24066	July 23, 2011	N/A
197.	Certificate of Registration	HLURB	23246	October 10, 2011	N/A
198.	License to Sell	HLURB	24811	May 31, 2011	N/A

199.	Environmental Compliance Certificate	EMB	ECC-R11-1005-0082	May 26, 2010	N/A
Cerritos Phase 2					
200.	Mayor’s Permit	Office of the City Mayor, Davao City	B-12276-6	January 29, 2024	December 31, 2024
201.	Environmental Compliance Certificate	EMB	ECC-R11-1305-0092	June 4, 2013	N/A
202.	Certificate of Registration	HLURB	26183	October 30, 2014	N/A
203.	License to Sell	HLURB	029362	May 26, 2014	N/A
Courtyards of the Crest					
204.	Environmental Compliance Certificate	EMB	ECC-R6-1406-0232-8492	August 6, 2014	N/A
205.	License to Sell	HLURB	25828	February 22, 2013	N/A
206.	Mayor’s Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
207.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
208.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
209.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
Diana Building					
210.	Environmental Compliance Certificate	EMB	ECC-OL-NCR-2019-0296	October 30, 2019	N/A
211.	License to Sell	HLURB	0000025	March 16, 2023	N/A
212.	Certificate of Registration	HLURB	0000024	March 16, 2023	N/A
Dumaguete					
213.	Certificate of Registration	HLURB	23877	August 17, 2012	N/A
214.	License to Sell	HLURB	25525	August 17, 2012	N/A
215.	Certificate of Registration	HLURB	26357	April 13, 2015	N/A

216.	License to Sell	HLURB	029546	April 13, 2015	N/A
217.	Environmental Compliance Certificate	EMB	ECC R07-1012-0365	December 14, 2010	N/A
Katherine Building					
218.	Environmental Compliance Certificate	EMB	ECC-OL-NCR-2019-0296	October 30, 2019	N/A
219.	Provisional License to Sell	DSHAUD	338	July 1, 2021	N/A
Lessandra Davao North					
220.	Mayor's Permit	Permits & Licensing Office, Davao City	B-12276-6	January 29, 2024	December 31, 2024
221.	License to Sell	HLURB	030893	April 29, 2015	N/A
222.	Certificate of Registration	HLURB	26685	December 21, 2015	N/A
223.	Environmental Compliance Certificate	EMB	ECC-R11-1312-0264	December 20, 2013	N/A
Lessandra Davao Phase 2					
224.	Mayor's Permit	Permits & Licensing Office, Davao City	B-12276-6	January 29, 2024	December 31, 2024
225.	Environmental Compliance Certificate	EMB	ECC-OL-R11-2017-0167	August 24, 2017	N/A
226.	License to Sell	HLURB	033271	September 20, 2017	N/A
Lessandra Gensan					
227.	Environmental Compliance Certificate	EMB	ECC-R12-1408-0123	August 22, 2014	N/A
228.	License to Sell	HLURB	030894	September 14, 2015	N/A
229.	Certificate of Registration	HLURB	26684	December 21, 2015	N/A
230.	Business Permit	General Santos City	07632-0	January 19, 2024	December 31, 2024
Lessandra Grove					
231.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
232.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024

233.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
234.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
235.	Provisional Certificate of Registration	DHSAUD	06-122	October 3, 2022	N/A
236.	Provisional License to Sell	DHSAUD	06-137	July 8, 2022	N/A
237.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2016-0231	September 28, 2016	N/A
Lessandra Bacolod					
238.	Mayor's Permit	City of Bacolod	202441849	April 18, 2024	December 31, 2024
239.	Barangay Business Clearance	Barangay Tangub, Bacolod City	202401155	January 17, 2024	N/A
240.	Fire Safety Inspection Certificate	Bureau of Fire Protection	FSICB RO6-24-RW-103281	February 8, 2024	February 7, 2025
241.	Sanitary Permit to Operate	City of Bacolod	01-31884-2024SP	February 15, 2024	December 31, 2024
242.	Certificate of Registration	HLURB	23577	December 28, 2012	N/A
243.	License to Sell	HLURB	25823	December 28, 2012	N/A
244.	Environmental Compliance Certificate	EMB	ECC-R6-0806-153-8420	June 17, 2008	N/A
Lessandra Koronadal					
245.	Environmental Compliance Certificate	EMB	ECC-R12-1308-0119	September 4, 2013	N/A
246.	Certificate of Registration	HLURB	26188	December 12, 2014	N/A
247.	License to Sell	HLURB	029361	February 11, 2014	N/A
248.	Business Permit	City of Koronadal	2024-3675	January 22, 2024	December 31, 2024
249.	Sanitary Permit to Operate	City of Koronadal	002565	January 22, 2024	December 31, 2024
250.	Barangay Clearance for Business	Barangay Zone IV, Koronadal City	454	January 22, 2024	December 31, 2024

Lessandra Palo					
251.	Business Permit	Municipality of Palo	2024-0803739000-0727	January 26, 2024	December 31, 2024
252.	Certificate of Registration	HLURB Region VIII	CR-R8-0003	December 10, 2020	N/A
253.	License to Sell	HLURB Region VIII	LS-R8-0004	December 10, 2020	N/A
254.	License to Sell	HLURB Region VIII	LS-R8-0005	December 10, 2020	N/A
255.	Environmental Compliance Certificate	EMB Region VIII	ECC-R08-1301-0006	April 15, 2021	N/A
Praverde Residences					
256.	Provisional License to Sell	DHSAUD	766	December 19, 2022	N/A
257.	Environmental Compliance Certificate	EMB	ECC-OL-R4A-2023-03-0125	March 15, 2023	N/A
Savannah Crest A					
258.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
259.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
260.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
261.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
262.	Environmental Compliance Certificate	EMB	ECC-R6-1406-0232-8492	August 6, 2014	N/A
263.	License to Sell	HLURB	17623	April 3, 2007	N/A
Savannah Crest B					
264.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
265.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
266.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
267.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources	2024-091	January 30, 2024	N/A

		Office			
268.	Environmental Compliance Certificate	EMB	ECC-R6-1406-0232-8492	August 6, 2014	N/A
269.	License to Sell	HLURB	22152	April 7, 2009	N/A
Savannah Crest D					
270.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
271.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
272.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
273.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
274.	Certificate of Registration	HLURB	27439	April 26, 2017	N/A
275.	License to Sell	HLURB	031934	Aprl 17, 2017	N/A
276.	Environmental Compliance Certificate	EMB	ECC-R6-1406-0232-8492	August 6, 2014	N/A
Savannah Glen A					
277.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
278.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
279.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
280.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
281.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
282.	Environmental Compliance Certificate	EMB	0603-0124-043-212	January 24, 2003	N/A
283.	License to Sell	HLURB	07406	May 9, 2003	N/A

Savannah Glen B					
284.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
285.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
286.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
287.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
288.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
289.	Environmental Compliance Certificate	EMB	0603-1104-525-212	November 4, 2003	N/A
290.	License to Sell	HLURB	11145	November 8, 2004	N/A
Savannah Glen D					
291.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
292.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
293.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
294.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
295.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
296.	Fire Safety Inspection Certificate	BFP Region 6	06(RENEWAL)-24-083582	February 1, 2024	February 1, 2025
297.	Environmental Compliance Certificate	EMB	0605-0330-155-212	March 30, 2005	N/A
298.	License to Sell	HLURB	15510	August 16, 2006	N/A
Savannah Glen E					
299.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024

300.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
301.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
302.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
303.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
304.	Environmental Compliance Certificate	EMB	0607-0703-172-212	July 9, 2007	N/A
305.	License to Sell	HLURB	19212	October 2, 2007	N/A
Savannah Glen E-2					
306.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
307.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
308.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024
309.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
310.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
311.	Environmental Compliance Certificate	EMB	0608-0122-020-212	January 22, 2008	N/A
312.	License to Sell	HLURB	22124	April 8, 2009	N/A
Savannah Glen E-3					
313.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
314.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
315.	Sanitary Permit	Municipal Health Office	728	January 19, 2024	December 31, 2024

316.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
317.	License to Sell	HLURB	22155	May 21, 2009	N/A
318.	Environmental Compliance Certificate	EMB	ECCR6-0810-283-8420	November 11, 2008	N/A
Savannah Trails A					
319.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
320.	Sanitary Permit to Operate	Municipal Health Office	728	January 19, 2024	December 31, 2024
321.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
322.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
323.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
324.	Environmental Compliance Certificate	DENR Regional Executive Director's Office	0601-1106-296-212	November 6, 2001	N/A
325.	License to Sell	HLURB	05090	July 10, 2002	N/A
Savannah Trails B					
326.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
327.	Sanitary Permit to Operate	Municipal Health Office	728	January 19, 2024	December 31, 2024
328.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
329.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
330.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
331.	Environmental Compliance Certificate	EMB	0604-0526-300-212	May 26, 2004	N/A

332.	License to Sell	HLURB	12119	January 31, 2005	N/A
Savannah Trails B-2					
333.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
334.	Sanitary Permit to Operate	Municipal Health Office	728	January 19, 2024	December 31, 2024
335.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
336.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
337.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
338.	Environmental Compliance Certificate	EMB	0607-0704-173-212	July 4, 2007	N/A
339.	License to Sell	HLURB	20423	September 30, 2008	N/A
Savannah Trails C					
340.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
341.	Sanitary Permit to Operate	Municipal Health Office	728	January 19, 2024	December 31, 2024
342.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
343.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
344.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
345.	Environmental Compliance Certificate	EMB	0605-0919-486-212	September 19, 2005	N/A
346.	License to Sell	HLURB	16319	September 25, 2006	N/A
Savannah Trails D					
347.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024

348.	Sanitary Permit to Operate	Municipal Health Office	728	January 19, 2024	December 31, 2024
349.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
350.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
351.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
352.	Environmental Compliance Certificate	EMB	ECC-R6-0901-015-8420	April 1, 2009	N/A
353.	License to Sell	HLURB	20456	December 2, 2008	N/A
The Heights of Wedgewood					
354.	Mayor's Permit	Office of the Municipal Mayor, Municipality of Sta. Barbara	2024-03-1339	March 21, 2024	December 31, 2024
355.	Certificate of Registration	HLURB	CR-1-12-97-0028	December 29, 1997	N/A
356.	License to Sell	HLURB	LS-1-12-97-0033	October 7, 1997	N/A
357.	Environmental Compliance Certificate	DENR	01 04 09 – 06 0173 – 0704	September 6, 2004	N/A
The Hills of Wedgewood					
358.	Mayor's Permit	Office of the Municipal Mayor, Municipality of Sta. Barbara	2024-03-1340	March 21, 2024	December 31, 2024
359.	Certificate of Registration	HLURB	14641	April 5, 2006	N/A
360.	License to Sell	HLURB	15651	September 21, 2005	N/A
361.	Environmental Compliance Certificate	EMB	01 05 07 – 12 0139 – 0701	July 13, 2005	N/A
362.	Environmental Compliance Certificate	EMB	01 05 07 – 13 0137 – 0704	July 13, 2005	N/A
The Hills of Wedgewood B					
363.	Certificate of Registration	HLURB	18095	February 5, 2008	N/A

364.	License to Sell	HLURB	18970	September 11, 2007	N/A
365.	Environmental Compliance Certificate	EMB	010704-110062-0704	April 11, 2007	N/A
The Jewels of the Glades					
366.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
367.	Sanitary Permit to Operate	Municipal Health Office	728	January 19, 2024	December 31, 2024
368.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
369.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
370.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
371.	Environmental Compliance Certificate	EMB	07- 1205-323-212	December 5, 2007	N/A
372.	License to Sell	HLURB	25797	July 17, 2012	N/A
The Orchard D at Savannah					
373.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
374.	Sanitary Permit to Operate	Municipal Health Office	728	January 19, 2024	December 31, 2024
375.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
376.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
377.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
378.	Provisional Certificate of Registration	DHSAUD	06-055	May 24, 2021	N/A
379.	Provisional License to Sell	DHSAUD	06-060	May 24, 2021	N/A

380.	Provisional License to Sell	DHSAUD	06-061	May 24, 2021	N/A
381.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2019-0562	October 2, 2019	N/A
The Orchard of Savannah					
382.	Mayor's Permit	Office of the Municipality Mayor, Oton	2024-0603034000-1088	January 31, 2024	December 31, 2024
383.	Sanitary Permit to Operate	Municipal Health Office	728	January 19, 2024	December 31, 2024
384.	Brgy. Clearance for Business	Brgy. Pulo Maestra Vita	17	January 19, 2024	December 31, 2024
385.	Environmental Clearance (Temporary)	Municipal Environment and Natural Resources Office	2024-091	January 30, 2024	N/A
386.	Environmental Clearance	Municipal Environment and Natural Resources Office	2023-505	January 18, 2023	N/A
387.	Environmental Compliance Certificate	EMB	0607-1024-271-212	October 24, 2007	N/A
388.	License to Sell	HLURB	23263	December 8, 2010	N/A
The Sonnet Bldg 1					
389.	Environmental Compliance Certificate	EMB	ECC-OL-R4A-2023-0205	April 4, 2023	N/A
390.	Provisional License to Sell	DHSAUD	779	June 22, 2022	N/A
The Sonnet Bldg 2					
391.	Environmental Compliance Certificate	EMB	ECC-OL-R4A-2023-0205	April 4, 2023	N/A
392.	Provisional License to Sell	DHSAUD	780	June 22, 2022	N/A
Vidarte Residences Bldg 1					
393.	Environmental Compliance Certificate	EMB	ECC-OL-R4A-2019-0511	September 8, 2019	N/A
394.	Provisional Certificate of Registration	DHSAUD	605	June 22, 2022	N/A
395.	Provisional License to Sell	DHSAUD	781	June 22, 2022	N/A
La Pradera					

396.	Certificate of Registration	HLURB	06-97-029	May 30, 1997	N/A
397.	License to Sell	HLURB	08-97-020	May 30, 1997	N/A
398.	Alteration Permit	Office of the City Mayor, Ormoc City	019-96	October 25, 1996	N/A
Ormoc					
399.	Certificate of Registration	HLURB	20871	November 25, 2011	N/A
400.	License to Sell	HLURB	21907	November 25, 2011	N/A
401.	Certificate of Registration	HLURB	20873	November 25, 2011	N/A
402.	License to Sell	HLURB	21909	November 25, 2011	N/A
403.	Alteration Permit	Office of the City Mayor, Ormoc City	2012-111	August 3, 2012	N/A
404.	Alteration Permit	Office of the City Mayor, Ormoc City	2012-107	December 12, 2012	N/A
405.	Development Permit	Office of the City Mayor, Ormoc City	030-2011	February 7, 2011	N/A
406.	Preliminary approval and locational clearance	Office of the City Mayor, Ormoc City	037-2011	February 7, 2011	N/A
Ormoc North La Pradera					
407.	Mayor's Permit	Office of the City Mayor, Ormoc City	24101059	February 16, 2024	December 31, 2024
Camella Balanga Heights					
408.	License to Sell	HLURB Region III	034161	October 24, 2018	N/A
409.	License to Sell	HLURB Region III	034160	October 24, 2018	N/A
410.	Certificate of Registration	HLURB Region III	029081	October 24, 2018	N/A
411.	Certificate of Registration	HLURB Region III	029080	October 24, 2018	N/A
Communities Bulacan, Inc.					
412.	Business Permit	Province of Bulacan	24-03269		
Communities Pampanga, Inc.					

413.	Business Permit	City of Balanga	2024-3561	February 8, 2024	December 31, 2024
414.	Sanitary Permit	City of Balanga	2039	February 22, 2024	December 31, 2024
415.	Certificate of Annual Inspection	City of Balanga	AI-24-2-3576	February 22, 2024	N/A
Camella Bataan Phase I					
416.	License to Sell	HLURB Region III	24330	December 2, 2011	N/A
417.	License to Sell	HLURB Region III	24331	December 2, 2011	N/A
418.	Certificate of Registration	HLURB Region III	23811	December 2, 2011	N/A
419.	Certificate of Registration	HLURB Region III	23812	December 2, 2011	N/A
Camella Bataan Phase II					
420.	License to Sell	HLURB Region III	28741	June 23, 2014	N/A
421.	Certificate of Registration	HLURB Region III	25459	June 23, 2014	N/A
Crown Communities (Pampanga), Inc.					
422.	Environmental Compliance Certificate	EMB San Fernando, Pampanga	R03-1108-0409	September 9, 2011	N/A

CROWN ASIA PROPERTIES, INC.

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Amalfi Subdivision Phase 1					
1.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2004-0802-8410	September 10, 2004	N/A
2.	License to Sell	HLURB	16842-R4A-06-12	December 11, 2006	N/A
Amalfi Subdivision Phase 1					
3.	Environmental Compliance Certificate	EMB CALABARZON	ECC-626-CA-212-96	December 16, 1996	N/A
4.	License to Sell	HLURB	19897	December 28, 2007	N/A
Amalfi at the Islands Phase 1					
5.	Business Permit	BPLO City of Dasmarinas	2024-08975	January 22, 2024	December 31, 2024
6.	Sanitary Permit to Operate	Office of the City Health Officer City of Dasmarinas	3543	January 22, 2024	December 31, 2024

7.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2004-0802-8410	September 10, 2004	N/A
8.	License to Sell	HLURB	16842-R4A-06-12	December 11, 2006	N/A
9.	License to Sell	HLURB	16214-R4A-06-07	July 20, 2006	N/A
Amalfi at the Islands Phase 2					
10.	Business Permit	BPLO City of Dasmarinas	2024-08975	January 22, 2024	December 31, 2024
11.	Sanitary Permit to Operate	Office of the City Health Officer City of Dasmarinas	3543	January 22, 2024	December 31, 2024
Amici Subdivision					
12.	Environmental Compliance Certificate	EMB CALABARZON	ECC-04 99 11-15-0589-212	April 13, 2005	N/A
13.	License to Sell	HLURB	16254-R4A-06-08	August 29, 200	N/A
Augustine Grove					
14.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-0801-056-8410	September 12, 2008	N/A
15.	License to Sell	HLURB	23403	April 5, 2010	N/A
Carmel Subdivision					
16.	Environmental Compliance Certificate	EMB CALABARZON	ECC-LDBW-0902-336-7012	June 11, 2009	N/A
17.	License to Sell	HLURB	21067	November 3, 2008	N/A
18.	Mayor's Permit and Business License	City of Bacoor	C-02109	January 17, 2024	December 31, 2024
19.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	N/A
20.	AMLA Certificate of Registration	Anti-Money Laundering Council	DNFBP-20210318086000146-1	October 28, 2022	N/A
Brescia Di Citti Italia					
21.	Mayor's Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024
22.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	N/A
23.	AMLA Certificate of Registration	Anti-Money Laundering Council	DNFBP-20210318086000146-1	October 28, 2022	N/A
24.	Environmental Compliance Certificate	DENR Region IV	ECC-4A-2000-08-14-506-211	September 27, 2000	N/A
25.	License to Sell	HLURB Region IV	02937-R4-01-10	October 3, 2001	N/A
Brescia 2 Di Citti Italia					
26.	Mayor's Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024

27.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	N/A
28.	AMLA Certificate of Registration	Anti-Money Laundering Council	DNFBP-20210318086000146-1	October 28, 2022	N/A
Palladio Citta Italia					
29.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2000-06-02-330-211	June 20, 2000	N/A
30.	License to Sell	HLURB	03968-R4-01-11	November 5, 2001	N/A
Citta Italia					
31.	Environmental Compliance Certificate	DENR	ECC-010-CA-212-98	February 27, 1998	N/A
32.	License to Sell	HLURB	R4-98-02-0016	February 17, 2008	N/A
Citta Italia Phase 1 Milano					
33.	Mayor’s Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024
34.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	N/A
35.	AMLA Certificate of Registration	Anti-Money Laundering Council	DNFBP-20210318086000146-1	October 28, 2022	N/A
Citta Italia Phase 3 Palladio Roma					
36.	Mayor’s Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024
37.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	N/A
38.	AMLA Certificate of Registration	Anti-Money Laundering Council	DNFBP-20210318086000146-1	October 28, 2022	N/A
Citta Italia Phase 3 Messina Verona					
39.	Mayor’s Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024
40.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	N/A
41.	AMLA Certificate of Registration	Anti-Money Laundering Council	DNFBP-20210318086000146-1	October 28, 2022	N/A
42.	Environmental Compliance Certificate	EMB CALABARZON	ECC-04-98-12-04-0758-212	December 21, 1998	N/A
Citta Italia Phase 9 Palermo					
43.	Mayor’s Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024

44.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	N/A
45.	AMLA Certificate of Registration	Anti-Money Laundering Council	DNFBP-20210318086000146-1	October 28, 2022	N/A
Citta Italia 12 Vetta Showcase					
46.	Mayor’s Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024
47.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	N/A
48.	AMLA Certificate of Registration	Anti-Money Laundering Council	DNFBP-20210318086000146-1	October 28, 2022	N/A
49.	Environmental Compliance Certificate	DENR	ECC-010-CA-212-98	February 27, 1998	N/A
50.	License to Sell	HLURB	R4-98-03-0037	March 12, 1998	N/A
51.	Certificate of Registration	HLURB	R4-98-03-0028	March 12, 1998	N/A
Fortezza Subdivision					
52.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2002-720-211	November 19, 2002	N/A
53.	License to Sell	HLURB	06539-R4-1102	November 26, 2002	N/A
Fortezza Subdivision Phase 2					
54.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2004-1172-8410	December 29, 2004	N/A
55.	License to Sell	HLURB	12591-R4A-05-10	October 6, 2005	N/A
Montego Subdivision					
56.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-0811-468-8410	January 5, 2009	N/A
57.	License to Sell	HLURB	22462	March 17, 2009	N/A
58.	Business Permit	BPLO City of Dasmarinas	2024-08975	January 22, 2024	December 31, 2024
59.	Sanitary Permit to Operate	Office of the City Health Officer City of Dasmarinas	3543	January 22, 2024	December 31, 2024
Island Park Phases 2-A & 2-B					
60.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-0811-452-8410	January 5, 2009	N/A
61.	License to Sell	HLURB	01852-R4-00-07	July 19, 2000	N/A
62.	Business Permit	BPLO City of Dasmarinas	2024-08975	January 22, 2024	December 31, 2024

63.	Sanitary Permit to Operate	Office of the City Health Officer City of Dasmarinas	3543	January 22, 2024	December 31, 2024
Island Park Phases 2-C					
64.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-0811-452-8410	January 5, 2009	N/A
65.	License to Sell	HLURB	21248	November 11, 2008	N/A
66.	Business Permit	BPLO City of Dasmarinas	2024-08975	January 22, 2024	December 31, 2024
67.	Sanitary Permit to Operate	Office of the City Health Officer City of Dasmarinas	3543	January 22, 2024	December 31, 2024
La Marea Subdivision Phase 4					
68.	Environmental Compliance Certificate	EMB CALABARZON	ECC 014 99 12-21-0652-212	May 11, 2009	N/A
69.	License to Sell	HLURB	25545	March 9, 2012	N/A
La Marea Terraces					
70.	Environmental Compliance Certificate	DENR	ECC-LDBW-0902-342-7012	May 5, 2023	N/A
71.	License to Sell	HLURB	25549	March 9, 2012	N/A
La Marea Trails 2 Expansion					
72.	Environmental Compliance Certificate	EMB CALABARZON	ECC-LLDA-2006-062-8420	July 20, 2006	N/A
73.	License to Sell	HLURB	15411-R4A-06-07	July 31, 2006	N/A
La Marea Trails Phase 2					
74.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2004-1007-8410	December 7, 2004	N/A
75.	License to Sell	HLURB	15282-R4A-06-04	April 18, 2006	N/A
La Mediterranea					
76.	Environmental Compliance Certificate	DENR	ECC-524-A-212-95	October 10, 1995	N/A
77.	License to Sell	HLURB	R4-95-12-0469	January 5, 1996	N/A
Ponticelli Gardens					
78.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2006-0429-8410	January 2, 2007	N/A
79.	License to Sell	HLURB	17726-R4A-07-05	May 31, 2007	N/A
80.	Mayor’s Permit and Business License	City of Bacoor	C-02111	January 17, 2024	December 31, 2024

81.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	
82.	AMLA Certificate of Registration	AMLC	DNFBP-2021-318086000146-1	October 28, 2022	N/A
Ponticelli Subdivision					
83.	Mayor's Permit and Business License	City of Bacoor	C-02111	January 17, 2024	December 31, 2024
84.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	
85.	AMLA Certificate of Registration	AMLC	DNFBP-2021-318086000146-1	October 28, 2022	N/A
Ponticelli Hills (Ponticelli Phase 2)					
86.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-0803-110-8410	April 23, 2008	N/A
87.	License to Sell	HLURB	21066	October 16, 2008	N/A
Vita Toscana Subdivision					
88.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-0803-110-8410	April 23, 2008	N/A
89.	License to Sell	HLURB	21066	October 16, 2008	N/A
90.	Mayor's Permit and Business License	City of Bacoor	C-02110	January 17, 2024	December 31, 2024
91.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	
92.	AMLA Certificate of Registration	AMLC	DNFBP-2021-318086000146-1	October 28, 2022	N/A
Venezia Di Citta Italia					
93.	Environmental Compliance Certificate	DENR	ECC-326-CA-212-98	May 20, 1998	N/A
94.	License to Sell	HLURB	RA-98-03-0055	April 3, 1998	N/A
95.	Mayor's Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024
96.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	
97.	AMLA Certificate of Registration	AMLC	DNFBP-2021-318086000146-1	October 28, 2022	N/A
Venezia Di Citta Italia 1					
98.	Environmental Compliance Certificate	DENR	ECC 4A 2001 03-01-130-211	March 5, 2011	N/A
99.	Mayor's Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024
100.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	

101.	AMLA Certificate of Registration	AMLC	DNFBP-2021-318086000146-1	October 28, 2022	N/A
Vicenza De Citta Italia 2					
102.	Environmental Compliance Certificate	DENR	ECC 4A 2001 03-01-131-211	March 5, 2001	N/A
103.	License to Sell	HLURB	07298-R4A-03-07	July 3, 2003	N/A
104.	Mayor's Permit and Business License	City of Bacoor	C-02059	January 17, 2024	December 31, 2024
105.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	
106.	AMLA Certificate of Registration	AMLC	DNFBP-2021-318086000146-1	October 28, 2022	N/A
Vicenza De Citta Italia 4					
107.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-0805-212-8410	June 4, 2008	N/A
108.	License to Sell	HLURB	22469	March 18, 2009	N/A
Augustine Groove					
109.	Environmental Compliance Certificate	DENR	ECC-04 99 11-15-0589-212	December 16, 1999	N/A
110.	License to Sell	HLURB	03969-R4-02-06	June 13, 2002	N/A
Vitta Toscana Phase 1					
111.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2003-428-211	May 20, 2003	N/A
112.	Certificate of Registration	HLURB	15422-R4A-06-06	June 15, 2006	N/A
113.	License to Sell	HLURB	15317-R4A-06-06	June 15, 2006	N/A
114.	Mayor's Permit and Business License	City of Bacoor	C-02110	January 17, 2024	December 31, 2024
115.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	
116.	AMLA Certificate of Registration	AMLC	DNFBP-2021-318086000146-1	October 28, 2022	N/A
Vittoria Subdivision					
117.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2006-0353-8410	December 16, 1999	N/A
118.	License to Sell	HLURB	17781	August 21, 2007	N/A
119.	Mayor's Permit and Business License	City of Bacoor	C-01813	January 17, 2024	December 31, 2024
120.	Barangay Clearance for Business	Liga ng mga Barangay, City of Bacoor		January 17, 2024	
121.	AMLA Certificate of Registration	AMLC	DNFBP-2021-318086000146-1	October 28, 2022	N/A

Vivace Subdivision					
122.	Environmental Compliance Certificate	EMB CALABARZON	ECC-4A-2003-595-211	June 25. 2003	N/A
123.	License to Sell	HLURB	12587-R4A-05-09	September 29, 2005	N/A

LUMINA

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Lumina Valencia					
1.	Provisional License to Sell	DHSUD Region 10	REM-LS-21-008	March 16, 2021	N/A
2.	Provisional License to Sell	DHSUD Region 10	REM-LS-007	March 16, 2021	N/A
3.	Provisional Certificate of Registration	DHSUD Region 10	REM-CR-21-005	March 16, 2021	N/A
4.	Business Permit	City of Valencia, Office of the City Mayor	2024-L-2953	February 6, 2024	N/A
5.	Environmental Compliance Certificate	EMB Region 10	ECC-R10-2018-0061	April 3, 2018	
Lumina Tuguegarao – Phase 1					
6.	Environmental Compliance Certificate	EMB Regio 02	ECC-R02-2303-004	April 3, 2023	N/A
7.	Provisional Certificate of Registration	DHSUD Region 02	006	December 17, 2020	N/A
8.	Provisional License to Sell	DHSUD Region 02	008	December 17, 2020	N/A
9.	Provisional Certificate of Registration	DSHUD Region 02	005	December 17, 2020	N/A
10.	Provisional License to Sell	DSHUD Region 02	007	December 17, 2020	N/A
Lumina Tarlac					
11.	Environmental Compliance Certificate	EMB Pampanga	R3-0811-467-8420	December 23, 2008	N/A
12.	Certificate of Registration	HLURB Region III	25533	February 16, 2015	N/A
13.	License to Sell	HLURB Region III	029631	February 16, 2015	N/A
14.	License to Sell	HLURB Region III	029632	February 16, 2015	N/A
15.	Business Permit – OR Renewal	Tarac City	00150248	April 11, 2023	
Lumina Tanza Phase 6A					
16.	Environmental Compliance Certificate	EMB CALABARZON	ECC-OL-R41-2020-0494	October 31, 2020	N/A
17.	Provisional License to Sell	DHSUD Region 4A	253	December 18, 2020	N/A
18.	Provisional License to Sell	DHSUD Region 4A	254	December 18, 2020	N/A

Lumina Tanza Phase 5					
19.	Environmental Compliance Certificate	EMB CALABARZON	ECC-OL-R4A-2018-0370	July 19, 2018	N/A
20.	License to Sell	HLURB	034430	June 24, 2019	N/A
Lumina Tanza Phase 4					
21.	Environmental Compliance Certificate	EMB CALABARZON	ECC-OL-R4A-1711-0417	December 13, 2017	N/A
22.	License to Sell	HLRUB	033135	April 16, 2018	N/A
23.	License to Sell	HLRUB	033134	April 16, 2018	N/A
Lumina Tanza Phase 2					
24.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-1211-0592	November 13, 2012	N/A
25.	License to Sell	HLRUB	030501	November 11, 2015	N/A
26.	License to Sell	HLRUB	030502	November 11, 2015	N/A
Lumina Tanza Phase 1					
27.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-1211-0592	November 13, 2012	N/A
28.	License to Sell	HLRUB	030463	November 11, 2015	N/A
29.	License to Sell	HLRUB	030464	November 11, 2015	N/A
Lumina Tanza Phase 3 (Household Development Corporation)					
30.	Environmental Compliance Certificate	EMB CALABARZON	ECC-OL-R4A-2017-0091	March 6, 2017	N/A
31.	Provisional License to Sell	DHSUD	326	March 1, 2021	N/A
32.	License to Sell	HLRUB	032176	March 27, 2017	N/A
33.	License to Sell	HLRUB	032175	March 27, 2017	N/A
Lumina Tanauan (Prima Casa Land & Houses, Inc.)					
34.	Environmental Compliance Certificate	EMB CALABARZON	ECC-OL-R4A-2018-0277	May 27, 2018	N/A
35.	Certificate of Registration	HLRUB	029854	July 23, 2019	N/A
Lumina Subic (Prima Casa Land & Houses, Inc.)					
36.	Environmental Compliance Certificate	EMB Region 3	ECC-OL-R03-2019-0144	March 7, 2019	N/A
37.	Provisional Certificate of Registration	DHSUD	2020-09-076	October 13, 2020	N/A
38.	Provisional License to Sell	DHSUD	2020-09-097	October 13, 2020	N/A

39.	Provisional License to Sell	DHSUD	2020-09-098	October 13, 2020	N/A
Lumina Subic Phase 3 (Prima Casa Land & Houses, Inc.)					
40.	Environmental Compliance Certificate	EMB Region 3	ECC-OL-R03-2019-0144	March 7, 2019	N/A
41.	Provisional Certificate of Registration	DHSUD	2020-10-090	October 29, 2020	N/A
42.	Provisional License to Sell	DHSUD	2020-10-114	October 29, 2020	N/A
43.	Provisional License to Sell	DHSUD	2020-10-115	October 29, 2020	N/A
Lumina – Sorsogon (Prima Casa Land & Houses, Inc.)					
44.	Environmental Compliance Certificate	EMB	EMB-OL-R05-2019-0003	January 4, 2019	N/A
45.	Provisional Certificate of Registration	DHSUD	003	May 28, 2020	N/A
46.	Provisional License to Sell	DHSUD	005	May 28, 2020	N/A
47.	Provisional License to Sell	DHSUS	006	May 28, 2020	N/A
48.	Business Permit	Sorsogon City	BP-2024-02603-0	January 29, 2024	December 31, 2024
Lumina – Quezon Phase 2 (Bria Homes Inc.)					
49.	Environmental Compliance Certificate	EMB CALABARZON	ECC-OL-R4A-2016-0344	30 September 2016	N/A
50.	License to Sell	HLRUB	032955	December 11, 2017	N/A
51.	License to Sell	HLRUB	032956	December 11, 2017	N/A
52.	Certificate of Registration	HLRUB	028601	December 11, 2017	N/A
Lumina Quezon Phase 1					
53.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-1512-0774	December 4, 2015	N/A
54.	License to Sell	HLURB	031492	October 3, 2016	N/A
55.	License to Sell	HLRUB	031491	October 3, 2016	N/A
56.	Certificate of Registration	HLRUB	27760	October 3, 2016	N/A
Lumina Phase 3 (Prima Casa Land and Houses, Inc.)					
57.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-1512-0773	December 8, 2015	N/A
58.	License to Sell	HLRUB	031472	September 19, 2016	N/A
59.	License to Sell	HLRUB	031473	September 19, 2016	N/A
60.	Certificate of Registration	HLRUB	27772	September 19, 2016	N/A

Lumina Pandi (Prima Casa Land and Houses, Inc.)					
61.	Environmental Compliance Certificate	EMB	R03-1309-0388	October 7, 2013	N/A
62.	License to Sell	HLRUB	030661	October 8, 2015	N/A
63.	License to Sell	HLRUB	030656	October 8, 2015	N/A
64.	Certificate of Registration	HLRUB	26623	October 8, 2015	N/A
65.	License to Sell	HLRUB	030660	October 8, 2015	N/A
66.	License to Sell	HLRUB	030655	October 8, 2015	N/A
67.	Certificate of Registration	HLRUB	26622	October 8, 2015	N/A
68.	License to Sell	HLRUB	28771	October 3, 2014	N/A
69.	License to Sell	HLRUB	28770	October 3, 2014	N/A
70.	Certificate of Registration	HLRUB	25486	October 3, 2014	N/A
71.	Certificate of Registration	HLRUB	26638	October 23, 2015	N/A
72.	License to Sell	HLRUB	030675	October 23, 2015	N/A
73.	License to Sell	HLRUB	030676	October 23, 2015	N/A
Lumina Pandi Phase 4					
74.	Provisional Certificate of Registration	DHSUD	2020-10-094	January 26, 2021	N/A
75.	Provisional License to Sell	DHSUD	2020-10-121	January 26, 2021	N/A
76.	Environmental Compliance Certificate	EMB	ECC-OL-R03-2020-0075	February 2, 2020	N/A
Lumina Pagadian					
77.	License to Sell	DHSUD	0000886	June 13, 2023	N/A
78.	License to Sell	DHSUD	0000887	June 13, 2023	N/A
79.	Environmental Compliance Certificate	EMB	ECC-OL-R09-2021-0001	January 7, 2021	N/A
80.	Business Permit	City of Pagadian	6047	February 5, 2024	December 31, 2024
Lumina – Lipa Phase 2 (Prime Casa Land and Homes, Inc.)					
81.	Environmental Compliance Certificate	EMB CALABARZON	ECC-OL-R4A-2019-0047	February 9, 2019	N/A
82.	Provisional Certificate of Registration	DHSUD	750	December 1, 2022	N/A
83.	Provisional License to Sell	DHSUD	906	December 1, 2022	N/A

Lumina – Lipa					
84.	Environmental Compliance Certificate	EMB – CALABARZON	ECC-RA-1505-0366	May 25, 2015	N/A
85.	License to Sell	HLURB	031324	May 16, 2016	N/A
86.	License to Sell	HLRUB	031325	May 16, 2016	N/A
87.	Certificate of Registration	HLRUB	26973	May 16, 2016	N/A
Lumina Classic 2B (Bria Homes Inc.)					
88.	Environmental Compliance Certificate	EMB – CALABARZON	ECC-RA-1710-0385	December 20, 2017	N/A
89.	License to Sell	HLRUB	033979	December 19, 2018	N/A
90.	Certificate of Registration	HLRUB	029358	December 19, 2018	N/A
91.	Environmental Compliance Certificate	DENR Region IV-A	ECC-037-BA-212-98	FEBRUARY 27, 1998	N/A
92.	License to Sell	HLURB	28995	June 23, 2014	N/A
93.	Certificate of Registration	HLURB	25811	June 23, 2014	N/A
Lumina Cabanatuan Phase 3					
94.	Environmental Compliance Certificate	EMB	ECC-OL-R03-2019-0478	September 16, 2019	N/A
95.	Provisional Certificate of Registration	DHSUD	2020-10-093	October 29 2020	N/A
96.	Provisional License to Sell	DHUSD	2020-10-119	October 29 2020	N/A
97.	Business Permit	City of Cabanatuan	24-05781	February 29, 2024	December 31, 2024
Lumina Cabanatuan Phase 3 (Prima Casa Land & Houses, Inc.)					
98.	Environmental Compliance Certificate	EMB	ECC-OL-R03-2019-0480	September 16, 2019	N/A
99.	Provisional Certificate of Registration	DHSUD	2020-10-091	October 29, 2020	N/A
100.	Provisional License to Sell	DHSUD	2020-10-116	October 29, 2020	N/A
101.	Provisional License to Sell	DHSUD	2020-10-117	October 29, 2020	N/A
Lumina Cabanatuan Classic					
102.	Environmental Compliance Certificate	EMB	ECC-OL-R03-2019-0468	September 10, 2019	N/A
103.	Provisional Certificate of Registration	DHSUD	2020-10-092	October 29, 2020	N/A
104.	Provisional License to Sell	DHSUD	2020-10-118	October 29, 2020	N/A
Lumina Butuan & Butuan Annex (Prima Casa Land & Houses Inc.)					

105.	Certificate of Registration	HLURB	26236	April 11, 2018	N/A
106.	License to Sell	HLURB	033702	April 11, 2018	N/A
107.	License to Sell	HLURB	033701	April 11, 2018	N/A
108.	Environmental Compliance Certificate	EMB	ECC-OL-R13-2018-0036	April 3, 2018	N/A
109.	Business Permit	City of Butuan	BC-2024-07432	January 22, 2024	December 31, 2024
110.	Provisional Certificate of Registration	DHSUD	CR13-001EH	February 4, 2020	N/A
111.	Provisional License to Sell	DHSUD	LS13-001EH	February 4, 2020	N/A
112.	Provisional License to Sell	DHSUD	LS13-001SH	February 4, 2020	N/A
113.	Environmental Compliance Certificate	EMB	ECC-OL-R13-2019-0034	March 8, 2019	N/A
Lumina Binangonan (Household Development Corporation)					
114.	License to Sell	HLURB	033443	September 20, 2020	N/A
115.	Environmental Compliance Certificate	DENR Regional Office IV	ECC-RI-004-RS-93	February 17, 1993	N/A
116.	Certificate of Registration	HLURB	029432	September 20 2018	N/A
Lumina Bauan (Prima Casa Land and Houses, Inc.)					
117.	Environmental Compliance Certificate	EMB CALABARZON	ECC-OL-R4A-2017-0492	October 18, 2017	N/A
118.	License to Sell	HLURB	034392	April 29, 2019	N/A
119.	License to Sell	HLURB	034391	April 29, 2019	N/A
120.	Certificate of Registration	HLURB	029794	April 29, 2019	N/A
Lumina Batangas Phase 1(Lumina Homes, Incorporated)					
121.	License to Sell	HLURB	26750	May 20, 2013	N/A
122.	License to Sell	HLURB	26751	May 20, 2013	N/A
123.	Certificate of Registration	HLURB	24574	May 20, 2013	N/A
Lumina Batangas Phase 1 Annex A					
124.	Environmental Compliance Certificate	DENR Regional Office IV	ECC-037-BA-212-98	February 27, 1998	N/A
125.	License to Sell	HLURB	28990	June 23, 2014	N/A
126.	License to Sell	HLURB	28991	June 23, 2014	N/A
127.	Certificate of Registration	HLURB	25810	June 23, 2014	N/A

Lumina Batangas Phase 2 Annex A					
128.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R4A-1503-0221	April 10, 2015	N/A
129.	Certificate of Registration	HLURB	26905	December 18, 2015	N/A
130.	License to Sell	HLURB	030577	December 18, 2015	N/A
131.	License to Sell	HLURB	030576	December 18, 2015	N/A
132.	License to Sell	HLURB	030993	December 18, 2015	N/A
133.	License to Sell	HLURB	030992	February 15, 2016	N/A
134.	Certificate of Registration	HLURB	26926	February 15, 2016	N/A
Lumina Baliuag					
135.	Certificate of Registration	HLURB	028394	January 22, 2018	N/A
136.	License to Sell	HLURB	033226	January 22, 2018	N/A
137.	Environmental Compliance Certificate	EMB	R3-0906-080-8420	July 22, 2009	N/A
Lumina Bacolod Phase 1					
138.	Environmental Compliance Certificate	EMB	ECC-OL-R18-2017-0111	August 16, 2017	N/A
139.	Certificate of Registration	HLURB	27474	September 19, 2017	N/A
140.	License to Sell	HLURB	031964	September 19, 2017	N/A
141.	Certificate of Registration	HLURB	27481	September 19, 2017	N/A
142.	License to Sell	HLURB	031966	September 19, 2017	N/A
Lumina Bacolod Phase 2					
143.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2019-0080	January 22, 2019	N/A
144.	Certificate of Registration	HLURB	028884	March 21, 2019	N/A
145.	License to Sell	HLURB	033551	April 17, 2019	N/A
Lumina Carcar Phase 1 and 2					
146.	Environmental Compliance Certificate	EMB	ECC-R07-1108-0184	August 12, 2011	N/A
147.	License to Sell	HLURB	031147	April 17, 2017	N/A
148.	License to Sell	HLURB	031146	April 27, 2017	N/A
149.	Certificate of Registration	HLURB	27698	April 17, 2017	N/A

150.	Certificate of Registration	HLURB	27654	January 12, 2017	N/A
151.	20% Socialized Housing Compliance	HLURB	029556	April 20, 2015	N/A
152.	License to Sell	HLURB	031086	January 12, 2017	N/A
153.	Certificate of Registration	HLURB	27674	January 12, 2017	N/A
154.	License to Sell	HLURB	031124	January 12, 2017	N/A
Lumina Camella Pagadian					
155.	Environmental Compliance Certificate	EMB	ECC-R09-1212-0088	December 20, 2012	N/A
156.	License to Sell	HLURB	28438	May 14, 2014	N/A
157.	Certificate of Registration	HLURB	24102	May 14, 2014	N/A
158.	Provisional Certificate of Registration	DHSUD	REM-CR-21-011	June 21, 2021	N/A
159.	Provisional License to Sell	DHSUD	REM-LS-21-015	June 21, 2021	N/A
160.	Environmental Compliance Certificate	EMB	ECC-OL-R09-2019-0028	February 19, 2019	N/A
161.	Business Permit	City of Pagadian	3293	February 6, 2024	December 31, 2024
Lumina Carmella Ozamiz					
162.	Environmental Compliance Certificate	EMB	ECC-R10-1212-0250	December 17, 2012	N/A
163.	Certificate of Registration	HLURB	25360	May 2, 2016	N/A
164.	Certificate of Registration	HLURB	25361	May 2, 2016	N/A
165.	License to Sell	HLURB	030283	May 2, 2016	N/A
166.	License to Sell	HLURB	030284	May 1, 2016	N/A
167.	Business Permit	City of Ozamiz	2024- 10042 10000 -1925	February 23, 2024	December 31, 2024
Lumina Balanga Residences					
168.	Environmental Compliance Certificate	EMB	ECC-OL-RO3-2016-0187	August 7, 2016	N/A
169.	Certificate of Registration	HLURB	029658	April 1, 2019	N/A
170.	License to Sell	HLURB	034198	April 1, 2019	N/A
Lumina Asterra Tanza – Andromeda					
171.	Environmental Compliance Certificate	EMB	ECC-OL-R4A-2022-0075	February 25, 2022	N/A
172.	Provisional Certificate of Registration	DHSUD	765	December 19, 2022	N/A

173.	Temporary License to Sell	DHSUD	Region 4A-TLTS-032	December 19, 2022	N/A
Lumina Asterra Butuan – Andromeda					
174.	Environmental Compliance Certificate	EMB	ECC-OL-R13-2023-0067	April 29, 2023	N/A
175.	Certificate of Registration	DHSUD	CR13-2023-024C-1	August 4, 2023	N/A
176.	Temporary License to Sell	DHSUD	LS No. R013-033C-1	August 4, 2023	N/A
Lumina Iloilo					
177.	Business Permit	Municipality of San Miguel	2024-0603041000-0743	February 19, 2024	December 31, 2024
178.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2016-0054	February 18, 2016	N/A
179.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2015-0068A	May 17, 2016	N/A
180.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2015-0005	August 14, 2015	N/A
Lumina Iloilo Phase 4					
181.	Certificate of Registration	HLURB	27449	March 21, 2017	N/A
182.	License to Sell	HLURB	031928	March 21, 2017	N/A
183.	Certificate of Registration	HLURB	27450	March 21, 2017	N/A
184.	License to Sell	HLURB	031929	March 21, 2017	N/A
185.	Provisional Certificate of Registration	DHSUD	06-144	December 27, 2022	N/A
186.	Provisional License to Sell	DHSUD	06-155	December 27,	N/A
187.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2015-0005A	December 6, 2022	N/A
Lumina Iloilo Phase 3					
188.	Certificate of Registration	HLURB	27411	August 2, 2016	N/A
189.	License to Sell	HLURB	030183	August 2, 2016	N/A
190.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2015-0068A	December 2, 2022	N/A
Lumina Iloilo Phase 2					
191.	Certificate of Registration	HLURB	27493	October 27, 2017	N/A
192.	License to Sell	HLURB	031975	October 27, 2017	N/A
193.	Certificate of Registration	HLURB	27412	August 2, 2016	N/A
194.	License to Sell	HLURB	030186	August 2, 2016	N/A

Prima Casa Land & Houses, Inc.					
195.	Business Permit	City of Balanga	3585010	March 27, 2024	December 31, 2024
196.	Sanitary Permit	City of Balanga	2101	March 12, 2024	December 31, 2024
197.	Certificate of Annual Inspection	City of Balanga	AI-24-3-3690	March 11, 2024	N/A
198.	Certificate of Occupational Permit	City of Balanga	2024-149049	March 27, 2024	N/A
199.	Barangay Clearance	Barangay San Jose, Balanga City		March 27, 2024	December 31, 2024
Lumina Tagum					
200.	Environmental Compliance Certificate	EMB Davao City	ECC-OL-R11-2019-0440	October 29, 2019	N/A
201.	Provisional Certificate of Registration	DHSUD Region XII	003	September 29, 2020	N/A
202.	Provisional License to Sell	DHSUD	004	September 29, 2020	N/A
203.	Business Permit	City of Tagum	08549	January 30, 2024	December 31, 2024
Lumina Pilar					
204.	Provisional Certificate of Registration	DHSUD	2020-08-059	September 29, 2020	N/A
205.	Provisional License to Sell	DHSUD	2020-08-079	September 29, 2020	N/A
206.	Provisional License to Sell	DHSUD	2020-08-080	September 29, 2020	N/A
207.	Environmental Compliance Certificate	EMB	ECC-OL-R03-2019-0462	September 10, 2019	N/A

MANORS

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
Camella Northpoint – Birmingham Bldg.					
1.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R11-0908-0012	September 2, 2009	N/A
2.	License to Sell	HLURB	22876	December 17, 2009	N/A
Camella Northpoint – Bradford Bldg.					
3.	Environmental Compliance Certificate	EMB CALABARZON	ECC-R11-0908-0012	September 2, 2009	N/A
4.	License to Sell	HLURB	032721	May 22, 2017	N/A
Camella Manors Lipa – Cypress Bldg. 3					
5.	Environmental Compliance Certificate (Amendment)	EMB CALABARZON	ECC-OL-R4A-2019-0696	February 18, 2022	N/A
6.	Provisional License to Sell	DHSUD	692	April 8, 2022	N/A

Camella Manors Lipa – Birch Bldg. 2					
7.	Environmental Compliance Certificate (Amendment)	EMB CALABARZON	ECC-OL-R4A-2019-0696	February 18, 2022	N/A
8.	Provisional License to Sell	DHSUD	691	April 8, 2022	N/A
Camella Manors Bacolod					
9.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2019-0224	March 28, 2019	N/A
10.	Provisional Certificate of Registration	DHSUD	06-071	November 17, 2021	N/A
11.	Provisional License to Sell	DHSUD	06-083	November 17, 2021	N/A
Camella Northpoint Liverpool Bldg.					
12.	Environmental Compliance Certificate	EMB	ECC-R11-0908-0012	September 2, 2009	N/A
13.	License to Sell	HLURB	26606	December 27, 2013	N/A
Camella Northpoint Manchester Bldg.					
14.	Environmental Compliance Certificate	EMB	ECC-R11-0908-0012	September 2, 2009	N/A
15.	License to Sell	HLURB	22854	July 28, 2009	N/A
Manors Bacolod Ibiza Bldg.					
16.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2019-0224	March 28, 2019	N/A
17.	Provisional Certificate of Registration	DHSUD	PCR-06-018	July 8, 2020	N/A
18.	Provisional License to Sell	DHSUD	06-020	July 8, 2020	N/A
Manors Bacolod Majorca Bldg.					
19.	Environmental Compliance Certificate	EMB	ECC-OL-R06-2019-0224	March 28, 2019	N/A
20.	Provisional Certificate of Registration	DHSUD	06-036	January 26, 2021	N/A
21.	Provisional License to Sell	DHSUD	06-020	January 26, 2021	N/A
Camella Northpoint - Nottingham Bldg.					
22.	Environmental Compliance Certificate	EMB	ECC-R11-0908-0012	September 2, 2009	N/A
23.	Certificate of Registration	HLURB	19155	July 28, 2009	N/A
24.	License to Sell	HLURB	24819	March 6, 2012	N/A
Camella Manors Frontera Bldgs. 1 to 3					
25.	Environmental Compliance Certificate	EMB	ECC-OL-R11-2019-0260	August 5, 2019	N/A

26.	Provisional Certificate of Registration	DHSUD	2021-015	September 2, 2022	N/A
27.	Provisional License to Sell	DHSUD	2021-029	September 5, 2022	N/A
CoHo Butuan - The Soleia					
28.	Environmental Compliance Certificate	EMB	ECC-OL-R13-2019-0173	September 18, 2019	N/A
29.	Provisional Certificate of Registration	DHSUD	CR13-2020-006C	May 4, 2021	N/A
30.	Provisional License to Sell	DHSUD	LS13-2020-008C	May 4, 2021	N/A
31.	Business Permit	Office of the City Mayor, Butuan City	2024-08746	January 25, 2024	December 31, 2025
Camella Northpoint Condominium Corporation					
32.	Mayor's Permit	PLO Davao City	B-107266-6		December 31, 2024

VISTA RESIDENCES, INC.

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
878 España Condominium					
1.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-1304-0122	May 10, 2013	N/A
2.	License to Sell	HLURB	033314	December 21, 2017	N/A
3.	Electronic Business Permit	City of Manila	2024-000002584	January 8, 2024	December 31, 2024
Avant at the Fort					
4.	Environmental Compliance Certificate	LLDA	ECC LLDA-2008-079-5011	March 18, 2008	N/A
5.	License to Sell	HLURB	032422	July 13, 2017	N/A
6.	Business Permit	City of Taguig	20-011490	January 26, 2024	December 31, 2024
Bradbury Heights					
7.	Environmental Compliance Certificate	EMB	ECC-OL-NCR-2018-0215	September 11, 2018	N/A
8.	License to Sell	HLURB	035159	October 8, 2019	N/A
Brenthill Baguio					
9.	Environmental Compliance Certificate	EMB CAR	CAR 1507-0104	July 20, 2015	N/A
10.	License to Sell	HLURB	030781	November 17, 2015	N/A
11.	Permit to Engage in Business	City of Baguio	10-7-68200-334710	February 15, 2024	December 31, 2024
Brescia Residences					
12.	Certificate of Non-Coverage	EMB NCR	CNC-NCR-1110-0085	October 27, 2011	N/A

13.	Clearance for Project in the Laguna de Bay Region	LLDA	PC-25b-013-00270	August 16, 2013	N/A
14.	License to Sell	HLURB	26227	October 16, 2012	N/A
Camella Pasig					
15.	Certificate of Non-Coverage	EMB NCR	CNC-NCR-1110-0068	October 20, 2011	N/A
16.	License to Sell	HLURB	029268	November 6, 2014	N/A
17.	Business Permit	City of Pasig	PM-2015-000696	January 29, 2024	December 31, 2024
Canyon Hill Baguio					
18.	Environmental Compliance Certificate	EMB CAR	ECC-OL-CAR-2019-0008	March 4, 2019	N/A
19.	License to Sell	HLURB	26892	March 20, 2013	N/A
Crown Tower University Belt					
20.	Environmental Compliance Certificate	DENT	ECC-LDBW-0808-022-7012	December 19, 2008	N/A
21.	License to Sell	HLURB	06539-R4-1102	November 26, 2002	N/A
22.	Electronic Business Permit	City of Manila	2023-000013719	January 18, 2023	N/A
The Currency					
23.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-111-0415	November 22, 2011	N/A
24.	Provisional License to Sell	DHSUD	075	September 23, 2020	N/A
25.	Business Permit	City of Pasig	PF-68759	January 8, 2024	December 31, 2024
Hawthorne Heights					
26.	Environmental Compliance Certificate	EMB	ECC-OL-NCR-2013-0164	July 27, 2018	N/A
27.	License to Sell	HLURB	035153	March 17, 2009	N/A
Kizuna Heights					
28.	Environmental Compliance Certificate	EMB	ECC-OL-NCR-2020-0106	July 17, 2020	N/A
29.	Provisional Certificate of Registration	DHSUD	080	February 23, 2021	N/A
30.	Provisional License to Sell	DHSUD	128	February 23, 2021	N/A
KL Mosaic Tower					
31.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-1001-0002	January 11, 2010	N/A
32.	License to Sell	HLURB	28571	February 17, 2014	N/A
33.	Business Permit	City of Makati	09264	January 21, 2024	December 31, 2024

Mosaic Tower Condominium					
34.	Certificate of Non-Coverage	EMB NCR	CNC-NCR-1302-0019	February 7, 2013	N/A
35.	License to Sell	HLURB	27014	September 19, 2013	N/A
36.	Business Permit	Quezon City	03369	January 21, 2024	December 31, 2024
Mosaic Tower Condominium					
37.	Environmental Compliance Certificate	EMB NCR	NCR-ECC-2007-09-090 MKT-2-16	November 21, 2007	N/A
38.	License to Sell	HLURB	21931	December 3, 2008	N/A
Pinecrest 1, 2 and 3					
39.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-1002-0054	July 22, 2013	N/A
40.	License to Sell	HLURB	029242	0September 11, 2014	N/A
41.	Business Permit	Quezon City	12-004872	January 4, 2024	April 25, 2025
Pinehill Condominium					
42.	Environmental Compliance Certificate	EMB NCR	ECC-OL-CAR-2017-0048	July 31, 2017	N/A
43.	Provisional License to Sell	HLURB	001	January 9, 2020	N/A
Plumeria Heights					
44.	Environmental Compliance Certificate	EMB NCR	ECC-OL-NCR-2018-0281	November 4, 2018	N/A
45.	License to Sell	HLURB	035175	October 23, 2019	N/A
Salcedo Square					
46.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-0809-103-5011	November 27, 2008	N/A
47.	License to Sell	HLURB	25692	May 3, 2012	N/A
48.	Business Permit	City of Makati	28934	February 15, 2024	December 31, 2024
Sky Arts Manila					
49.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-1906-0032	July 5, 2019	N/A
50.	Provisonal License to Sell	HLURB	078	September 24, 2020	N/A
Suarez Residences Cebu					
51.	Environmental Compliance Certificate	EMB	ECC-OL-R07-2016-0082	June 2, 2016	N/A
52.	License to Sell	HLURB	LS-07-20-030	July 13, 2020	N/A
Symphony Towers 1					

53.	Environmental Compliance Certificate	DENR	ECC-LDBW-0811-175-7019	January 14, 2009	N/A
54.	License to Sell	HLURB	030964	February 23, 2016	N/A
Symphony Towers 2					
55.	License to Sell	HLURB	030964	February 23, 2016	N/A
Tennyson Heights					
56.	Certificate on Non-Coverage	EMB	CNC-OL-NCR-2018-01191	June 13, 2018	N/A
57.	License to Sell	HLURB	03515	October 4, 2019	N/A
58.	Business Permit	City of Cagayan De Oro	2024-000015740	January 17, 2024	December 31, 2024
The Loop Tower 1					
59.	Environmental Compliance Certificate	DENR	ECC-0R10-1305-0108	May 24, 2013	N/A
60.	License to Sell	HLURB	030218	September 7, 2015	N/A
61.	Business Permit	City of Cagayan de Oro	2024-28804	May 15, 2024	December 31, 2024
62.	Sanitary Permit	City of Cagayan de Oro	202423252	May 15, 2024	December 31, 2024
63.	Barangay Clearance	Barangay 31, Cagayan de Oro City	5899042	May 15, 2024	December 31, 2024
The Spectrum					
64.	Environmental Compliance Certificate	DENR	ECC-OL-NCR-2019-0035	February 22, 2019	N/A
65.	Provisional License to Sell	HLURB	075	September 23, 2020	N/A
Trevi Tower 1					
66.	Environmental Compliance Certificate	EMB NCR	NCR-ECC-0804-049-5010	July 7, 2008	N/A
67.	License to Sell	HLURB	26891	March 20, 2013	N/A
68.	Business Permit	City of Makati	23154	February 5, 2024	December 31, 2024
Trevi Tower 2					
69.	Environmental Compliance Certificate	EMB NCR	NCR-ECC-0804-049-5010	July 7, 2008	N/A
70.	License to Sell	HLURB	26891	March 20, 2013	N/A
71.	Business Permit	City of Makati	23154	February 5, 2024	December 31, 2024
Trevi Tower 3					
72.	Environmental Compliance Certificate	EMB NCR	NCR-ECC-0804-049-5010	July 7, 2008	N/A

73.	License to Sell	HLURB	26891	March 20, 2013	N/A
74.	Business Permit	City of Makati	23154	February 5, 2024	December 31, 2024
Camella Condo Homes Katipunan (Vista Katipunan)					
75.	Environmental Compliance Certificate	EMB NCR	NCR-ECC-1205-0157	June 18, 2012	N/A
76.	License to Sell	HLURB	030963	February 23, 2016	N/A
77.	Mayor’s Permit	Quezon City	19-011296	February 27, 2025	February 27, 2025
Vista GL Taft					
78.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-1505-0180	June 8, 2015	N/A
79.	License to Sell	HLURB	031515	April 28, 2016	N/A
80.	Business Permit	City of Manila	2022046063	October 5, 2022	N/A
Vista Heights					
81.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-1505-0181	June 8, 2015	N/A
82.	License to Sell	HLURB	031518	April 28, 2016	N/A
83.	Business Permit	City of Manila	2024-000015712	January 17, 2024	December 31, 2024
Vista Pointe					
84.	Environmental Compliance Certificate	EMB NCR	ECC-OL-NCR-2016-0021	February 29, 2016	N/A
85.	License to Sell	HLURB	033418	August 1, 2018	N/A
86.	Mayor’s Permit	BPLD Quezon City	23-907551	September 19, 2023	September 19, 2024
Vista Recto					
87.	Environmental Compliance Certificate	EMB NCR	ECC-OL-NCR-2016-0004	January 13. 2016	N/A
88.	License to Sell	HLURB	032324	January 13, 2017	N/A
89.	Electronic Business Permit	City of Manila	2024-000009995	January 15, 2024	December 31, 2024
Vista Shaw					
90.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-1304-0148	May 17, 2013	N/A
91.	License to Sell	HLURB	032368	April 12, 2017	N/A
92.	Business Permit	City of Mandaluyong	24-06465	January 3, 2024	December 31, 2024
Vista Shaw Tower 2					

93.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-1304-0148	May 17, 2013	N/A
94.	Temporary License to Sell	DHSUD	NCR-0013	May 5, 2023	N/A
Vista Taft					
95.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-1204-0130	May 14, 2012	N/A
96.	License to Sell	HLURB	28584	February 25, 2014	N/A
97.	Business Permit	City of Manila	2024-000043857	February 8, 2024	December 31, 2024
Wil Tower					
98.	Environmental Compliance Certificate	EMB NCR	ECC-NCR-0905-0493	October 18, 2012	N/A
99.	License to Sell	HLURB	25684	April 27, 2012	N/A

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

SEC Registration Number

C	S	2	0	0	7	0	3	1	4	5

C O M P A N Y   N A M E

VISTA LAND & LIFESCAPES, INC.
AND SUBSIDIARIES

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

LOWER GROUND FLOOR, BUILDING B, EVIA LIFESTYLE CENTER, VISTA CITY, DAANGHARI, ALMANZA II, LAS PIÑAS CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	NA

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

Company's Email Address	Company's Telephone Number	Mobile Number
irg@vistaland.com.ph	3226 3552	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
	6/15	06/30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Brian N. Edang	brian_edang@ vistaland.com.ph	3226-3552/ 8874-5758	0917-857-6513

CONTACT PERSON's ADDRESS

Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City

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

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

SGV
Building a better working world

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

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Vista Land & Lifescapes, Inc. and Subsidiaries as at March 31, 2024, which comprise the interim statement of financial position as at March 31, 2024 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2024 and 2023, and a summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Philippine Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with PAS 34.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-073-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10082007, January 6, 2024, Makati City

July 11, 2024

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 28 and 29)	**₱12,821,390,463**	₱10,692,152,140
Current portion of:		
Receivables (Notes 9, 26, 28 and 29)	**59,933,626,940**	52,211,635,311
Cost to obtain contract (Note 5)	**427,914,578**	308,625,135
Investments at amortized cost (Notes 8, 28 and 29)	**14,148,891,826**	18,425,130,586
Real estate inventories (Note 10)	**54,213,144,035**	63,771,221,098
Other current assets (Note 11)	**6,354,991,162**	6,455,257,235
Total Current Assets	**147,899,959,004**	151,864,021,505
Noncurrent Assets		
Investments at amortized cost - net of current portion (Notes 8, 28 and 29)	**21,799,563,285**	20,784,286,643
Investments at fair value through other comprehensive income (Notes 8, 28 and 29)	**132,158,380**	132,158,380
Receivables - net of current portion (Notes 9, 26, 28 and 29)	**38,917,679,718**	31,191,466,002
Cost to obtain contract - net of current portion (Note 5)	**176,958,162**	202,050,708
Project development costs (Note 14)	**1,462,863,616**	1,396,265,766
Advances to a related party (Note 26)	**7,312,160,048**	7,559,440,240
Investment in joint venture (Note 15)	**515,231,647**	499,448,049
Property and equipment (Note 13)	**1,816,059,278**	1,858,135,893
Investment properties (Note 12)	**124,823,660,972**	124,656,130,738
Goodwill	**147,272,177**	147,272,020
Pension assets - net	**290,759,057**	290,759,057
Deferred tax assets - net (Notes 4 and 24)	**124,795,306**	105,709,673
Other noncurrent assets (Note 15)	**1,749,517,248**	1,714,004,047
Total Noncurrent Assets	**199,268,678,894**	190,537,127,216
	₱347,168,637,898	₱342,401,148,721
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 16, 28 and 29)	**₱20,002,926,256**	₱20,517,350,873
Security deposits and advance rent (Note 17)	**2,150,311,739**	2,013,043,768
Income tax payable	**189,957,481**	112,479,900
Dividends payable (Notes 21, 26, 28 and 29)	**252,315,170**	298,016,044
Current portion of:		
Contract liabilities (Note 5)	**1,954,996,022**	1,588,321,684
Notes payable (Notes 19, 28 and 29)	**26,499,132,875**	28,005,337,553
Bank loans (Notes 18, 28 and 29)	**20,925,683,818**	25,874,160,220
Loans payables (Notes 18, 28 and 29)	**5,502,590,663**	3,176,026,696
Lease liabilities (Notes 25, 28 and 29)	**182,910,800**	388,872,997
Total Current Liabilities	**77,660,824,824**	81,973,609,735

(Forward)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Noncurrent Liabilities		
Contract liabilities - net of current portion (Note 5)	**₱750,047,323**	₱437,048,986
Notes payable - net of current portion (Notes 19, 28 and 29)	**80,839,738,932**	80,143,444,086
Bank loans - net of current portion (Notes 18, 28 and 29)	**33,630,128,443**	27,308,807,975
Loans payable - net of current portion (Notes 18, 28 and 29)	**2,265,203,148**	4,267,696,654
Lease liabilities - net of current portion (Notes 25, 28 and 29)	**5,265,896,096**	5,051,347,045
Deferred tax liabilities - net (Notes 4 and 24)	**11,091,930,563**	8,201,432,357
Other noncurrent liabilities (Notes 20, 28 and 29)	**2,823,502,096**	2,156,400,155
Total Noncurrent Liabilities	**136,666,446,601**	127,566,177,258
Total Liabilities	**214,327,271,425**	209,539,786,993
Equity (Note 21)		
Attributable to equity holders of the Parent Company		
Preferred stock	**33,000,000**	33,000,000
Common stock`	**13,114,136,376**	13,114,136,376
Additional paid-in capital	**30,684,713,292**	30,684,713,292
Retained earnings	**85,918,707,326**	86,226,517,112
Other comprehensive income (Note 8)	**913,595,070**	905,783,398
Treasury shares (Note 6)	**(7,740,264,387)**	(7,740,264,387)
	122,923,887,677	123,223,885,791
Noncontrolling interest	**9,917,478,796**	9,637,475,937
Total Equity	**132,841,366,473**	132,861,361,728
	₱347,168,637,898	₱342,401,148,721

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited January - March Q1 2024	Unaudited January - March Q1 2023
REVENUE		
Real estate (Notes 4 and 5)	**₱5,559,071,096**	₱4,530,245,145
Rental income (Notes 4 and 5)	**4,180,002,534**	3,951,320,586
Interest income from installment contracts receivable (Notes 4, 9 and 22)	**135,489,709**	147,420,673
Parking, hotel, mall administrative and processing fees, and other (Notes 5 and 22)	**369,732,347**	470,400,358
	10,244,295,686	9,099,386,762
COSTS AND EXPENSES		
Costs of real estate sales (Note 10)	**1,788,591,314**	1,966,725,582
Operating expenses (Note 23)	**2,825,285,762**	2,919,014,020
	4,613,877,076	4,885,739,602
OTHER INCOME (EXPENSES)		
Interest income from investments and other income (Notes 4, 7, 11, 15, 16 and 22)	**420,986,290**	490,241,646
Interest and other financing charges (Notes 6, 18, 19, 22 and 25)	**(1,862,558,395)**	(1,350,358,913)
	(1,441,572,105)	(860,117,267)
INCOME BEFORE INCOME TAX	**4,188,846,505**	3,353,529,893
PROVISION FOR INCOME TAX (Note 24)	**963,284,646**	682,808,618
NET INCOME	**3,225,561,859**	2,670,721,275
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Cumulative translation adjustments (Note 29)	**7,811,672**	75,842,241
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments at fair value through other comprehensive income (Note 8)	**–**	5,000,000
	7,811,672	80,842,241
TOTAL COMPREHENSIVE INCOME	**₱3,233,373,531**	₱2,751,563,516
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**2,835,947,370**	2,265,897,430
Noncontrolling interests	**389,614,489**	404,823,845
NET INCOME	**₱3,225,561,859**	₱2,670,721,275
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**2,843,759,042**	2,346,739,671
Noncontrolling interests	**389,614,489**	404,823,845
TOTAL COMPREHENSIVE INCOME	**₱3,233,373,531**	₱2,751,563,516
BASIC/DILUTED EARNINGS PER SHARE (Note 27)	**₱0.237**	₱0.190

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 21)				**Other Comprehensive Income**						
	Preferred Stock	**Common Stock**	**Additional Paid-in Capital** (Note 21)	**Retained Earnings** (Notes 3 and 21)	**Retirement Gains on Retirement Obligation**	**Cumulative Translation Adjustments** (Note 29)	**Other Comprehensive Income** (Notes 8 and 21)	**Treasury Shares** (Notes 6 and 21)	**Total**	**Noncontrolling Interest** (Notes 21 and 27)	**Total Equity**
					For the three-month periods ended March 31, 2024 (Unaudited)						
Balances as at January 1, 2024, as previously stated	**₱33,000,000**	**₱13,114,136,376**	**₱30,684,713,292**	**₱86,226,517,112**	**₱589,559,094**	**(₱132,513,261)**	**₱448,737,565**	**(₱7,740,264,387)**	**₱123,223,885,791**	**₱9,637,475,937**	**₱132,861,361,728**
Full adoption of PFRS 15 (Note 2)	–	–	–	**(3,143,757,156)**	–	–	–	–	**(3,143,757,156)**	–	**(3,143,757,156)**
Balances as at January 1, 2024, as restated	**33,000,000**	**13,114,136,376**	**30,684,713,292**	**83,082,759,956**	**589,559,094**	**(132,513,261)**	**448,737,565**	**(7,740,264,387)**	**120,080,128,635**	**9,637,475,937**	**129,717,604,572**
Net income	–	–	–	**2,835,947,370**	–	–	–	–	**3,225,561,859**	**389,614,489**	**3,225,561,859**
Other comprehensive income	–	–	–	–	–	**7,811,672**	–	–	**7,811,672**	–	**7,811,672**
Total comprehensive income for the period	–	–	–	**2,835,947,370**	–	**7,811,672**	–	–	**3,233,373,531**	**389,614,489**	**3,233,373,531**
Cash dividend declared	–	–	–	–	–	–	–	–	–	**(109,611,630)**	**(109,611,630)**
Balances as at March 31, 2024	**₱33,000,000**	**₱13,114,136,376**	**₱30,684,713,292**	**₱85,918,707,326**	**₱589,559,094**	**(₱124,701,589)**	**₱448,737,565**	**(₱7,740,264,387)**	**₱123,313,502,166**	**₱9,917,478,796**	**₱132,841,366,473**
					For the three-month periods ended March 31, 2023 (Unaudited)						
Balances as at January 1, 2023	₱33,000,000	₱13,114,136,376	₱30,684,713,292	₱78,311,116,523	₱609,081,665	(₱243,904,893)	₱433,737,565	(₱7,740,264,387)	₱115,201,616,141	₱8,448,577,034	₱123,650,193,175
Net income	–	–	–	2,265,897,431	–	–	–	–	2,265,897,431	404,823,845	2,670,721,276
Other comprehensive income	–	–	–	–	–	75,842,241	5,000,000	–	80,842,241	–	80,842,241
Total comprehensive income for the period	–	–	–	2,265,897,431	–	75,842,241	5,000,000	–	2,346,739,672	404,823,845	2,751,563,517
Cash dividend declared	–	–	–	–	–	–	–	–	–	(103,987,800)	(103,987,800)
Balances as at March 31, 2023	₱33,000,000	₱13,114,136,376	₱30,684,713,292	₱80,577,013,954	₱609,081,665	(₱168,062,652)	₱438,737,565	(₱7,740,264,387)	₱117,548,355,813	₱8,853,400,879	₱126,401,756,692

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Three-Month Periods Ended March 31	
	2024 (Unaudited)	2023 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱4,188,846,505**	₱3,353,529,893
Adjustments for:		
Interest and other financing charges (Note 22)	**1,862,558,395**	1,350,358,913
Depreciation and amortization (Notes 12, 13, 15 and 23)	**594,983,209**	772,305,697
Loss on retirement of investment properties (Note 12)	**8,770,985**	−
Retirement expense, net of payments	**−**	10,197,844
Share in equity earnings and other adjustments from investment in joint venture (Note 15)	**(15,783,598)**	(5,707,571)
Interest income from investments and other income (Note 22)	**(420,986,290)**	(490,241,646)
Operating income before working capital changes	**6,218,389,206**	4,990,443,130
Decrease (increase) in:		
Receivables (Notes 9 and 30)	**(7,231,201,666)**	2,479,541,094
Real estate inventories (excluding capitalized borrowing costs in 2023)	**1,436,147,171**	(7,406,143,305)
Other current assets and cost to obtain contract	**64,099,494**	(16,793,970)
Increase (decrease) in:		
Accounts and other payables	**(361,608,729)**	2,860,011,194
Contract liabilities	**150,666,844**	1,283,806,921
Security deposits and advance rent	**85,154,881**	81,422,459
Other noncurrent liabilities	**702,663,456**	1,331,156,313
Net cash flows used in operations	**1,064,310,657**	5,603,443,836
Income tax paid	**(335,669,698)**	(39,409,188)
Net cash flows provided by (used in) operating activities	**728,640,959**	5,564,034,648
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Maturity of investments at amortized cost (Note 8)	**8,968,242,520**	3,875,572762
Disposal of investments in FVOCI	**−**	5,000,000
Interest received	**682,137,897**	513,138,990
Additions to:		
Investments at amortized cost (Note 8)	**(5,381,670,950)**	(2,832,642,670)
Investment properties (excluding capitalized borrowing cost) (Notes 12, 22 and 30)	**(102,196,621)**	(7,307,686,552)
Property and equipment (Notes 13 and 30)	**(8,610,106)**	(73,769,262)
Short-term cash investments	**−**	(39,955,925)
Decrease (increase) in:		
Receivables from related parties	**(269,883,714)**	(647,328,522)
Project development costs	**450,566,056**	(135,940,620)
Restricted cash	**−**	(29,166,727)
Other noncurrent assets	**(52,631,302)**	(624,147,514)
Net cash flows provided by (used in) investing activities	**4,285,953,780**	(7,296,926,040)

(Forward)

	For The Three-month Periods Ended March 31	
	2024 (Unaudited)	2023 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Notes payable (Notes 19 and 30)	**₱–**	₱2,900,000,000
Bank loans (Notes 18 and 30)	**3,500,000,000**	–
Loans payable (Notes 18 and 30)	**871,454,196**	744,703,942
Payments of:		
Lease liabilities (Notes 25 and 30)	**(94,474,263)**	(92,611,115)
Dividends to noncontrolling interest (Notes 21 and 30)	**(155,312,504)**	(58,286,926)
Loans payable (Notes 18 and 30)	**(547,383,735)**	(510,941,539)
Notes payable (Notes 19 and 30)	**(1,529,168,733)**	(1,912,502,068)
Interest and other financing charges including capitalized borrowing cost (Notes 10, 12 and 30)	**(2,842,492,744)**	(2,983,310,403)
Bank loans (Notes 18 and 30)	**(2,087,978,633)**	(2,854,645,757)
Net cash flows used in financing activities	**(2,885,356,416)**	(4,767,593,866)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,129,238,323**	(6,500,485,258)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**10,692,152,140**	15,070,204,626
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 7)	**₱12,821,390,463**	₱8,569,719,368

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Vista Land & Lifescapes, Inc. (the Parent Company or VLLI) was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 28, 2007. The Parent Company's registered office address is at Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City. The Parent Company is a publicly-listed investment holding company which is 65.84% owned by Fine Properties, Inc., (Ultimate Parent Company), as of March 31, 2024 and December 31, 2023, respectively, and the rest by the public.

The Parent Company is the holding company of the Vista Group (the Group) which is engaged in real estate activities. The Group has six (6) wholly-owned subsidiaries, namely: Brittany Corporation (Brittany), Crown Asia Properties, Inc. (CAPI), Vista Residences, Inc. (VRI), Camella Homes, Inc. (CHI), Communities Philippines, Inc. (CPI) and VLL International Inc. (VII), and an 88.34% owned subsidiary, Vistamalls, Inc. (formerly Starmalls, Inc.) The Group is divided into horizontal, vertical and commercial and others segment. The Group caters to the development and sale of residential house and lot and residential condominium through its horizontal and vertical projects, respectively. Its commercial and others segment focuses on the development, leasing and management of shopping malls and commercial centers all over the Philippines and hotel operations.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The interim condensed consolidated financial statements as at March 31, 2024 and for the three-month periods ended March 31, 2024 and 2023 have been prepared on a historical cost basis, except for investments at fair value through other comprehensive income which have been measured at fair value.

The interim condensed consolidated financial statements are presented in Philippine Peso (₱) which is the functional and presentation currency of the Parent Company, and all amounts are rounded to the nearest Philippine Peso, unless otherwise indicated.

The interim condensed consolidated financial statements of the Group have been prepared for inclusion in the Prospectus in relation to a planned capital raising activity.

Statement of Compliance

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consSolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended December 31, 2023, which is in accordance with the Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. These accounting pronouncements address the issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry.

Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry
On December 15, 2020, the Philippine SEC issued SEC Memorandum Circular (MC) No. 34-2020 which further extended the deferral of the following provisions of PIC Q&A 2018-12 until December 31, 2023:

a. Exclusion of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
c. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods under Philippine Accounting Standards (PAS) 23, *Borrowing Cost*, for Real Estate industry

PFRS include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation
The PIC Q&A 2018-12 was adopted on January 1, 2024 the input of which is discussed under New Standards, Interpretations and Amendments. The interim condensed consolidated financial statements comprise the financial statements of the Group. For the three-month period ended March 31, 2024, there was no change in the Parent Company's ownership interest in its subsidiaries.

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amended standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*
- Adoption of the provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

  Starting January 1, 2024, the Group assessed and calculated the impact of: (i) exclusion of land in the determination of POC, (ii) significant financing component, and (iii) implementing the IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (Philippine Accounting Standards 23, Borrowing Cost) and the Group opted to adopt the changes using modified retroactive approach effective January 1, 2024, the impact was recorded in the opening retained earnings. The comparative information is not restated since modified retrospective is used.

The modified restrospective effects of the adoption of the above changes are detailed below:

Consolidated Statements of Financial Position

	January 1, 2024		
	As previously stated	Increase (Decrease)	As restated
	Amounts in Thousands		
Assets			
Current Assets			
Current portion of:			
Receivables	₱52,211,635	₱6,403,215	₱58,614,850
Cost to obtain contract	308,625	55,070	363,695
Real estate inventories	63,771,221	(9,440,030)	54,331,191
Noncurrent Asset			
Receivables - net of current portion	31,191,467	2,688,269	33,879,736
	₱147,482,948	(₱293,476)	₱147,189,472
Liabilities			
Current Liability			
Current portion of contract liabilities	₱1,588,322	₱191,497	₱1,779,819
Noncurrent Liabilities			
Contract liabilities - net of current portion	437,049	337,509	774,558
Deferred tax liabilities - net	8,201,432	2,321,275	10,522,707
	10,226,803	2,850,281	13,077,084
Equity			
Retained Earnings	86,226,517	(3,143,757)	83,082,760
	₱96,453,320	(₱293,476)	₱96,159,844

	Nature of Adjustments Increase (Decrease)			
	Borrowing Cost	Exclusion of Land in POC	Significant Financing Component	Total Adjustments
	Amounts in Thousands			
Assets				
Current Assets				
Current portion of:				
Receivables	₱–	(₱1,093,723)	₱7,496,938	₱6,403,215
Cost to obtain contract	–	55,070	–	55,070
Real estate inventories	(10,282,505)	842,475	–	(9,440,030)
Noncurrent Asset				
Receivables - net of current portion	–	–	2,688,269	2,688,269
	(₱10,282,505)	(₱196,178)	₱10,185,207	(₱293,476)
Liabilities				
Current Liability				
Current portion of contract liabilities	₱–	₱145,145	₱46,352	₱191,497
Noncurrent Liabilities				
Contract liabilities - net of current portion	–	337,509	–	337,509
Deferred tax liabilities - net	(106,922)	(48,450)	2,476,647	2,321,275
	(106,922)	434,203	2,522,999	2,850,280
Equity				
Retained Earnings	(10,175,583)	(630,381)	7,662,208	(3,143,756)
	(₱10,282,505)	(₱196,178)	₱10,185,207	(₱293,476)

Changes in Material Accounting Policies
The material accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements as at and for the year ended December 31, 2023, except for items as discussed below:

Revenue and Cost Recognition for Real Estate Sales - Starting January 1, 2024
Real estate sales
The Group derives its real estate revenue from sale of developed house and lot and condominium units. Revenue from the sale of these real estate project is spread over time across the course of the construction since the Group's performance does not create an asset with an alternative use and the Group has an enforceable right for performance completed to date.

In determining the transaction price, the Group considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of performance obligation over time, the Group uses input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method excludes the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs of the real estate project include costs of land development, house construction costs, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contracts receivable, is included in the "Receivables" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contracts receivable are included in the "Contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Other income is recognized if buyers forfeit their reservation fees and partial payments when not proceeding with the contract. The income recognized is net of any amount required to be returned to the buyers.

Costs of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred. These include costs of land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs prior pre-selling activities. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of real estate sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes cost as an asset only when it gives rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Interest Income - Starting January 1, 2024
Interest is recognized using the effective interest method, i.e., the rate, that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Significant financing component from installment contract receivables and unearned discount is recognized as income over the terms of the financial assets at amortized cost using the effective interest method and is shown as deduction for the financial assets.

Borrowing Costs - Starting January 1, 2024
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Real estate inventories" and "Investment properties" accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

For investment properties, interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

For real estate inventories, interest are capitalized on the purchase cost of a site of property acquired specifically for sale but only to the extent where activities necessary to prepare the asset for selling are in progress prior pre-selling activities.

Borrowings originally made to develop a specific qualifying asset are transferred to general borrowings (a) when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete, and (b) the entity chooses to use its funds on constructing other qualifying assets rather than repaying the loan.

3. Changes in Material Judgments and Estimates

The material accounting judgments, estimates and assumptions used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements as at and for the year ended December 31, 2023, except for items as discussed below:

Judgment
Determining transaction price of sale of real estate
The Company determines whether a contract contains a significant financing component by considering (a) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (b) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate.

The Company applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Company determined that its transaction price on sale of real estate recognized over time includes significant financing component.

See Notes 5 and 9 for the related balances.

Management's Use of Estimate
Measurement of progress when revenue is recognized over time - Starting January 1, 2024
The Group's real estate sales is recognized over time and the percentage-of-completion is determined using input method measured principally based on total actual cost of resources consumed such as materials, labor hours expended, and actual overhead incurred over the total expected project development cost. Actual costs also include incurred c osts but not yet billed which are estimated by the project engineers. Total estimated project development cost involves significant estimate since it requires technical determination by management's specialists (project engineers). Estimated project development costs include costs of land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

See Notes 5, 9 and 10 for the related balances.

Significant financing component
The Group determined that its transaction price on sale of real estate recognized over time does include a significant financing component since the customer's payment of the transaction price does not coincide with the percentage-of-completion of the project. This gives rise to significant financing either by the customer to the Group as the property developer or vice versa. The Group uses its recent borrowing rates from the banks when the buyer pays ahead of the percentage-of-completion of the related project or the prevailing interest rates in the market as lending rate when the percentage-of-completion of the related project is ahead of the buyer's payment.

Since contracts from customers comprise a significant component, a portion of the contract price is regarded as interest income and interest expense, included in interest income from installment contracts receivable and interest and other financing charges account, respectively, in the consolidated statements of comprehensive income.

4. Segment Information

For management purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has three reportable operating segments as follows:

Horizontal Projects
This segment pertains to the development and sale of residential house and lot across the Philippines.

Vertical Projects
This segment caters on the development and sale of residential condominium projects across the Philippines.

Commercial and Others
This segment pertains to rental of malls and office spaces, hotel operations, and activities of holding companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss before income tax and earnings before income tax, interest, and depreciation and amortization (EBITDA). Segment operating income or loss before income tax is based on the same accounting policies as consolidated operating income or loss. No operating segments have been aggregated to form the above reportable operating business segments. The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Group's internal reports in order to assess performance of the Group.

Transfer prices between operating segments are based on the agreed terms between the related parties. The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the interim consolidated statements of financial position which is in accordance with PFRS. The segment assets are presented separately from the advances to a related party, investments at fair value through other comprehensive income (FVOCI), investments at amortized cost and deferred taxes. Segment liability are presented separately from the deferred tax liabilities.

The financial information about the operations of these operating segments is summarized below (amounts in thousands):

	Three-month Ended Marh 31, 2024 (Unaudited)				
	Horizontal	**Vertical**	**Commercial and Others**	**Intersegment Adjustments**	**Consolidated**
Real estate (Note 5)	**₱2,726,774**	**₱2,832,297**	**₱–**	**₱–**	**₱5,559,071**
Rental income (Note 5)	–	–	**4,180,003**	–	**4,180,003**
Parking, hotel, mall administrative and processing fees, and others (Note 22)	**176,753**	**69,426**	**123,553**	–	**369,732**
	2,903,527	**2,901,723**	**4,303,556**	–	**10,108,806**
Cost and operating expenses (Note 23)	**1,410,792**	**1,395,914**	**1,212,188**	–	**4,018,894**
Segment income before income tax	**1,492,735**	**1,505,809**	**3,091,368**	–	**6,089,912**
Interest income and other income from investments (Note 22)	**79,451**	**56,774**	**420,251**	–	**556,476**
Interest and other financing charges (Note 22)	**(368,208)**	**31**	**(1,494,381)**	–	**(1,862,558)**
Depreciation and amortization (Note 23)	**(120,698)**	**(6,957)**	**(467,328)**	–	**(594,983)**
Income before income tax	**1,083,280**	**1,555,657**	**1,549,910**	–	**4,188,847**
Provision for income tax (Note 24)	**219,796**	**357,807**	**385,682**	–	**963,285**
Net income	**₱863,484**	**₱1,197,850**	**₱1,164,228**	**₱–**	**₱3,225,562**

	Three-month Ended Marh 31, 2023 (Unaudited)				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
Real estate (Note 5)	₱3,166,699	₱1,363,546	₱–	₱–	₱4,530,245
Rental income (Note 5)	–	–	3,951,321	–	3,951,321
Parking, hotel, mall administrative and processing fees, and others (Note 22)	93,484	62,395	314,521	–	470,400
	3,260,183	1,425,941	4,265,842	–	8,951,966
Cost and operating expenses (Note 23)	2,341,831	918,448	853,155	–	4,113,434
Segment income before income tax	918,352	507,493	3,412,687	–	4,838,532
Interest income and other income from investments (Note 22)	125,455	22,892	489,315	–	637,662
Interest and other financing charges (Note 22)	(29,171)	(109)	(1,321,079)	–	(1,350,359)
Depreciation and amortization (Note 23)	(239,637)	(7,907)	(524,762)	–	(772,306)
Income before income tax	775,000	522,369	2,056,161	–	3,353,530
Provision for income tax (Note 24)	116,202	94,032	472,575	–	682,809
Net income	₱658,798	₱428,337	₱1,583,586	₱–	₱2,670,721

The reconciliation of the Group’s income before income tax to EBITDA is as follows (amounts in millions):

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Income before income tax	**₱4,189**	₱3,354
Interest and other financing charges	**1,863**	1,350
Depreciation and amortization	**595**	772
Interest income and others	**(421)**	(167)
EBITDA	**₱6,225**	₱5,309

The financial information about the segment assets and liabilities of these operating segments as at March 31, 2024 and December 31, 2023 is summarized below (amounts in thousands):

	March 31, 2024 (Unaudited)				
	Horizontal	**Vertical**	**Commercial and Others**	**Intersegment Adjustments**	**Consolidated**
Other Information					
Segment assets	**₱137,498,429**	**₱27,057,044**	**₱138,580,365**	**₱–**	**₱303,135,838**
Advances to a related party (Note 26)	**7,312,160**	–	–	–	**7,312,160**
Investment in joint venture (Note 15)	–	**515,232**	–	–	**515,232**
Investments at FVOCI (Note 8)	**12,158**		**120,000**	–	**132,158**
Investments at amortized cost (Note 8)	–	–	**35,948,455**	–	**35,948,455**
Deferred tax assets - net (Note 24)	**124,795**	–	–	–	**124,795**
Total Assets	**₱144,947,542**	**₱27,572,276**	**₱174,648,820**	**₱–**	**₱347,168,638**
Segment liabilities	**₱11,558,214**	**₱14,066,498**	**₱177,610,629**	**₱–**	**₱203,235,341**
Deferred tax liabilities - net (Note 24)	**307,850**	**1,213,735**	**9,570,346**	**–**	**11,091,931**
Total Liabilities	**₱11,866,064**	**₱15,280,233**	**₱187,180,975**	**₱–**	**₱214,327,272**
Capital expenditures	₱3,368,530	₱3,498,890	₱174,150	₱–	₱7,041,570

	December 31, 2023 (Audited)				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
Other Information					
Segment assets	₱123,946,924	₱23,929,978	₱147,276,690	(₱258,617)	₱294,894,975
Advances to a related party (Note 26)	7,559,440	–	–	–	7,559,440
Investment in joint venture (Note 15)	–	499,448	–	–	499,448
Investments at FVOCI (Note 8)	12,158	–	120,000	–	132,158
Investments at amortized cost (Note 8)	–	–	39,209,417	–	39,209,417
Deferred tax assets - net (Note 24)	104,627	–	1,083	–	105,710
Total Assets	₱131,623,149	₱24,429,426	₱186,607,190	(₱258,617)	₱342,401,148
Segment liabilities	₱13,763,051	₱8,844,209	₱178,819,711	(₱88,616)	201,338,355
Deferred tax liabilities - net (Note 24)	492,700	435,502	7,273,230	–	8,201,432
Total Liabilities	₱14,255,751	₱9,279,711	₱186,092,941	(₱88,616)	₱209,539,787
Capital expenditures	₱15,616,691	₱8,615,489	₱2,882,950	₱–	₱27,115,130

Capital expenditures consists of construction costs, land acquisition and land development costs.

Rent income amounting ₱3,176.16 million or 76% and ₱2,919.53 million or 74% of the commercial segment of the Group was generated from anchor tenants as defined in Note 26 for the three-months periods ended March 31, 2024 and 2023, respectively.

There is no cyclicality in the Group's interim operations.

5. **Revenue from Contracts with Customers**

a. Disaggregated Revenue Information

The Group derives revenue from the transfer of services and goods over time and at a point in time, respectively, in different product types and other geographical location within the Philippines.

The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(Amounts in thousands)	
Type of Product		
Real estate sales		
Horizontal	**₱2,733,048**	₱3,114,568
Vertical	**2,826,023**	1,415,677
	5,559,071	4,530,245
Hotel operations (Note 22)	**38,450**	31,084
	₱5,597,521	₱4,561,329

All of the Group's real estate sales are revenue from contracts with customers that are recognized over time, except for hotel operation's sale of food and beverages which are at point in time. There are no inter-segment eliminations among revenue from contracts with customers on real estate, as these are all sold to external customers as disclosed in the segment information in 2024 and 2023 (see Note 4).

Contract Balances

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Installment contracts receivable (Note 9)	**₱46,594,116,052**	₱34,274,453,178
Cost to obtain contract	**604,872,740**	510,675,843
Contract liabilities	**2,705,043,345**	2,025,370,670

Installment contracts receivable from real estate sales are collectible mainly in equal monthly principal installments with various terms up to a maximum of 15 years. These are recognized at amortized cost using the effective interest method. Interest ranges from 0.37% to 9.06% per annum and 5.56% to 16.00% per annum in 2024 and 2023, respectively. The corresponding titles to the residential units sold under this arrangement are transferred to the customers only upon full payment of the contract price.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred by Group based on percentage of completion. The movement in contract liabilities is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in percentage of completion.

The amount of revenue recognized for the three-month periods ended March 31, 2024 and 2023 from amounts included in contract liabilities at the beginning of the year amounted to ₱786.77 million and ₱1,079.68 million, respectively.

b. Performance obligations

Information about the Group’s performance obligations are summarized below:

Real estate sales
The Group entered into reservation agreements with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the reservation agreement is fixed and has no variable consideration.

The sale of real estate unit covers subdivision land, residential house units, and condominium units and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the reservation agreement and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% - 20% of the contract price to be paid over a maximum of 24 months at a fixed payment for horizontal developments and 20% - 40% of the contract price to be paid over a maximum of 60 months at a fixed payment for vertical developments with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to 15 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an installment contracts receivable or contract liability.

After the delivery of the completed real estate unit, the Group provides one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at March 31 are, as follows:

	2024	2023
Within one year	**₱7,502,663,045**	₱5,583,984,283
More than one year	**5,276,066,497**	7,863,212,800
	₱12,778,729,542	₱13,447,197,083

The remaining performance obligations expected to be recognized within one year and more than one year relate to the continuous development of the Group’s real estate projects. The Group’s condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

Rental agreements
The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space, (b) provisioning of water and electricity, (c) connection to air conditioning system, (d) CUSA services, and (e) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within 30 days upon receipt of the bill. Except for related party tenants, in case of delay in payments, a penalty of 5% is charged for the amount due and shall be charged another 5% the following month of delay and every month thereafter inclusive of penalties previously charged. Except for related party tenants, the lease arrangement would typically require a tenant to pay advance rental equivalent to two (2) to four (4) months and a security deposit equivalent to two (2) to four (4) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

c. Cost to Obtain Contract

The balances below pertain to the cost to obtain contract presented in interim consolidated statements of financial position:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of year	**₱510,675,843**	₱740,176,709
Full adoption of PFRS 15	**55,070,476**	–
Balance at beginning of year, as restated	**565,746,319**	740,176,709
Net additions	**267,255,504**	454,998,698
Amortization (Note 23)	**(228,129,083)**	(684,499,564)
Balance at end of year	**₱604,872,740**	₱510,675,843

6. Treasury Shares

The treasury shares of ₱7,740.26 million is attributable to the 752.21 million shares issued by VLLI to Manuela Corporation (MC) during the VLLI acquisition of Vistamalls Group (formerly, Starmalls Group) in 2015. MC still holds the VLLI shares as of March 31, 2024 and December 31, 2023.

7. Cash and Cash Equivalents

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand	**₱15,918,904**	₱14,662,374
Cash in banks	**10,285,372,125**	8,281,651,521
Cash equivalents	**2,520,099,434**	2,395,838,245
	₱12,821,390,463	₱10,692,152,140

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group.

Cash in banks and cash equivalents earn interest at the prevailing bank deposit rates ranging from 0.125% to 4.3%. Interest earned from cash in banks and cash equivalents for the three-month periods ended March 31, 2024 and 2023 amounted to ₱26.23 million and ₱40.17 million, respectively (see Note 22).

8. Investments

Investments at amortized cost
This account consists of the Group's investments in various US dollar-denominated debt securities with nominal interest rates ranging from 0.70% to 8.88% and 0.30% to 6.88% for the three-month periods ended March 31, 2024 and 2023, respectively.

For the three-month periods ended March 31, 2024 and 2023, the effective interest rates range from 1.42% to 7.81% per annum and 0.12% and 10.74% per annum, respectively.

Investments at amortized cost amounting to US$560.91 million (₱31,545.46 million) and $548.24 million (₱30,355.86 million) are used to secure the bank loans of the Parent Company amounting to ₱28,561.50 million and ₱27,546.54 million as of March 31, 2024 and December 31, 2023, respectively.

The fair values of the investments used as collateral amounted to ₱37,837.36 million and ₱31,319.04 million as of March 31, 2024 and December 31, 2023, respectively (see Note 18).

Interest income from these investments including amortization of premium amounted to ₱340.48 million and ₱443.73 million as of March 31, 2024 and 2023, respectively (see Note 22).

Recoveries from expected credit loss amounting to ₱1.39 million and ₱7.88 million, respectively was recognized in March 31, 2024 and 2023 on these investments, respectively (see Note 23).

The following presents the breakdown of unquoted debt securities by contractual maturity dates as of March 31, 2024 and December 31, 2023:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Due in one (1) year or less	**₱14,148,891,826**	₱18,425,130,586
Due after one (1) year through five (5) years	**21,391,980,212**	20,503,648,593
Due after five (5) years	**407,583,073**	280,638,050
	₱35,948,455,111	₱39,209,417,229

The rollforward analysis of investments at amortized cost follow:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	**₱39,209,417,229**	₱41,499,484,082
Additions	**5,381,670,950**	17,958,242,982
Redemptions*	**(8,968,242,520)**	(19,557,879,066)
Amortization of premium	**(261,151,607)**	(485,189,637)
Provision for (recovery from) expected credit loss	**1,368,790**	100,431,968
Cumulative translation adjustment	**585,392,269**	(305,673,100)
Balance at end of period	**₱35,948,455,111**	₱39,209,417,229

**These include early redemptions initiated by the issuer/s.*

Investment at FVOCI
The investment at FVOCI consists of quoted golf and country club shares carried at fair value which the Group irrevocably elected to classify as FVOCI.

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	**₱132,158,380**	₱117,158,380
Unrealized fair value gain during the period	–	15,000,000
Balance at end of period	**₱132,158,380**	₱132,158,380

9. Receivables

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Installment contracts receivable	**₱37,502,632,373**	₱34,274,453,178
Full adoption of PFRS 15 (Note 2)	**9,091,483,679**	–
Balance as at January 1, as restated	**46,594,116,052**	34,274,453,178
Accounts receivable:		
Tenants (Note 26)	**8,918,906,531**	9,672,214,138
Home Development Mutual Fund (HDMF)	**362,103,100**	362,103,100
Buyers	**205,060,710**	184,969,070
Others	**104,890,364**	59,816,222
Advances to:		
Contractors and suppliers	**11,109,520,416**	10,916,450,265
Private companies	**2,492,469,732**	2,672,917,254
Brokers	**313,307,195**	297,454,553
Accrued rental receivable	**24,866,229,518**	22,905,714,492
Receivables from related parties (Note 26)	**5,050,542,343**	3,218,440,000
Accrued interest receivable	**386,460,140**	390,958,484
	100,403,,101	84,955,490,756
Less allowance for impairment losses	**1,552,299,443**	1,552,389,443
	98,851,306,658	83,403,101,313
Less noncurrent portion	**38,917,679,718**	31,191,466,002
	₱59,933,626,940	₱52,211,635,311

Installment Contracts Receivable

Annual interest rates on installment contracts receivables range from 0.37% to 9.06% per annum and 5.56% to 16.00% in 2024 and 2023, respectively. Total interest income recognized amounted to ₱135.39 million and ₱147.42 million for three-month periods ended March 31, 2024 and 2023, respectively (see Note 22).

In 2024 and 2023, the Group entered into various purchase agreements with financial institutions whereby the Group sold its installment contracts receivables on a with recourse basis. These installment contracts receivables on a with recourse basis are used as collateral to secure the corresponding loans payable obtained. The purchase agreements provide substitution of contracts which default. The Group still retains the sold receivables in the installment contracts receivables account and records the proceeds from these sales as loans payable.

As of March 31, 2024 the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱4,725.09 million and ₱7,767.79 million, respectively (see Note 18).

As of December 31, 2023, the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱5,059.73 million and ₱7,443.72 million, respectively (see Note 18).

Allowance for Impairment Losses

The rollforward analysis of allowance for impairment losses are as follow:

	Receivable from tenants	Accounts Receivable - buyer	Advances to private companies	Advances to Contractors and suppliers	Total
Balance at January 1, 2023	₱495,636,493	₱–	₱126,671,771	₱6,106,983	₱628,415,247
Provision during the year	523,013,817	395,595,740	–	5,364,639	923,974,196
Balance as at December 31, 2023 and March 31, 2024	**₱1,018,650,310**	**₱395,595,740**	**₱126,671,771**	**₱11,471,622**	**₱1,552,389,443**

For the three-month period ended March 31, 2024, there are no additional provisions for impairment losses recognized.

10. **Real Estate Inventories**

The rollforward analysis of this account follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of year	**₱63,771,221,098**	₱53,533,899,417
Adoption of IFIRC Agenda Decision on Over Time Transfer of Constructed Goods PAS 23 Borrowing Cost (Note 2)	**(9,440,030,275)**	–
Balance as at January 1, as adjusted	**54,331,190,823**	53,533,899,417
Construction/development costs incurred	**1,598,258,735**	12,099,427,086
Borrowing costs capitalized (Note 25)	–	3,509,509,742
Purchases of construction materials and others	**72,285,791**	473,166,204
Additions to land	–	208,776,211
Transfers from investment properties (Note 14)	–	58,463,403
Costs of real estate sales	**(1,788,591,314)**	(6,112,020,965)
Balance at end of year	**₱54,213,144,035**	₱63,771,221,098

The real estate inventories are carried at cost. No inventories were recorded at amounts lower than cost as at March 31, 2024 and December 31, 2023.

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Subdivision land for sale	**₱22,172,108,590**	₱30,817,164,894
Subdivision land for development	**19,455,279,326**	20,318,261,604
Condominium units for sale and development	**10,126,136,648**	10,389,887,858
Construction materials and others	**1,056,508,013**	1,171,967,698
Residential house for sale and development	**1,403,111,458**	1,073,939,044
	₱54,213,144,035	₱63,771,221,098

Borrowing cost capitalized to inventories amounted to nil and ₱809.19 million for the three-month periods ended March 31, 2024 and 2023, respectively (see Note 22). The capitalization rates used to determine the borrowing costs eligible for capitalization is nil and 1.71% for the three-month periods ended March 31, 2024 and 2023, respectively.

There are no inventories used to secure the borrowings of the Group.

11. Other Current Assets

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Input VAT	**₱3,490,297,037**	₱3,559,749,034
Creditable withholding taxes	**1,301,698,409**	1,473,868,086
Prepaid expenses	**1,186,670,253**	1,056,595,349
Restricted cash	**326,876,369**	323,916,368
Others	**49,449,094**	41,128,398
	₱6,354,991,162	₱6,455,257,235

For the three-month periods ended March 31, 2024 and 2023, creditable withholding taxes applied to income tax payable amounted to ₱234.60 million and ₱203 million, respectively.

12. Investment Properties

The rollforward of analysis of this account follows:

	March 31, 2024 (Unaudited)				
	Land and Land Developments	**Building and Building Improvements**	**Construction in Progress**	**Right-of-use Assets**	**Total**
Cost					
Balances at beginning of period	**69,708,225,450**	**58,438,745,660**	**7,716,372,728**	**5,066,106,297**	**140,929,450,135**
Additions	**1,753,699,723**	**169,461,293**	**–**	**9,997,544**	**1,933,158,560**
Reclassification	**(1,232,376,817)**	**35,704,607**	**(35,704,607)**	**–**	**(1,232,376,817)**
Balances at end of period	**70,229,548,356**	**58,643,911,560**	**7,680,668,121**	**5,076,103,841**	**141,630,231,878**
Accumulated Depreciation and Amortization	**–**	**–**	**–**	**–**	
Balances at beginning of period	**–**	**15,371,484,097**	**–**	**901,835,300**	**16,273,319,397**
Depreciation and amortization (Note 23)	**–**	**488,622,456**	**–**	**44,629,053**	**533,251,509**
Balances at end of period	**–**	**15,860,106,553**	**–**	**946,464,353**	**16,806,570,906**
Net Book Value	**70,229,548,356**	**42,783,805,007**	**7,680,668,121**	**4,129,639,488**	**124,823,660,972**

	December 31, 2023 (Audited)				
	Land and Land Developments	Building and Building Improvements	Construction in Progress	Right-of-use Assets	Total
Cost					
Balances at beginning of year	₱63,738,889,690	₱58,207,880,072	₱5,053,402,011	₱5,066,106,297	₱132,066,278,070
Additions	6,027,799,163	415,566,459	2,662,970,717	–	9,106,336,339
Write off (Note 23)	(58,463,403)	–	–	–	(58,463,403)
Reclassifications	–	(184,700,871)	–	–	(184,700,871)
Balances at end of year	69,708,225,450	58,438,745,660	7,716,372,728	5,066,106,297	140,929,450,135
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	13,030,061,731	–	692,618,440	13,722,680,171
Depreciation and amortization	–	2,361,473,936	–	209,216,860	2,570,690,796
Write off (Note 23)	–	(20,051,570)	–	–	(20,051,570)
Balances at end of year	–	15,371,484,097	–	901,835,300	16,273,319,397
Net Book Value	₱69,708,225,450	₱43,067,261,563	₱7,716,372,728	₱4,164,270,997	₱124,656,130,738

Investment properties consist mainly of land and land developments while the building and building improvements, construction in progress and right of use asset pertain to leasehold improvements related to leasing activities as commercial centers. These include properties, currently being leased out, for future leasing or currently held for capital appreciation. The commercial centers include retail malls, commercial centers within residential projects, Vistamalls and Starmalls that are located in key cities and municipalities in the Philippines and office spaces.

As of March 31, 2024 the aggregate fair values of investment properties amounted to ₱639,808.58 million, using Level 3 (significant unobservable inputs).

The fair values of the investment properties held for leasing were determined by independent professionally qualified appraisers while that for land and land developments were determined by management. The fair value of the investment properties disclosed in the financial statements is categorized within Level 3 of the fair value hierarchy.

In the determination of fair values, market value approach method was used for land and land development, income approach method was used for completed and substantially completed malls and office buildings for rent and cost approach method was used for construction in progress under early stage of construction and discounted cash flow method was used for right-of-use asset.

The key assumptions used to determine the fair value of the investment properties held for leasing are the estimated rental value per sqm per year, rental growth rate per annum, vacancy rate and discount rate. The discount rate used in the valuation are discount rates range from 9.20% to 9.60% for the three-month period ended March 31, 2024. Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate, and an opposite change in the long-term vacancy rate.

The parcels of land are mainly located in Bulacan, Tagaytay, Tanza, Bacoor, Dasmariñas, General Trias, Caloocan, Imus, Laguna, Muntinlupa, Nueva Ecija, Pangasinan, Tarlac, Ilocos Sur, Iloilo, Cagayan de Oro and Bacolod. The market price per square meter of the land ranges between ₱12,000 to ₱184,758 in Mega Manila, ₱5,500 to ₱35,000 in Northern Luzon, ₱4,505 to ₱19,752 in Southern Luzon, ₱5,000 to ₱18,182 in Visayas, and ₱4,000 to ₱48,252 in Mindanao.

Investment properties with cost of ₱370.56 million are used to secure the bank loans of the Group as of March 31, 2024 see Note 18). The fair value of the investment properties used as collateral amounted to ₱5,575.57 million as of March 31, 2024.

Borrowing cost capitalized to investment properties amounted to ₱1,082.32 million and ₱2,594.83 million for the three-month periods ended March 31, 2024 and 2023, respectively (see Note 22). The capitalization rates used to determine the borrowing costs eligible for capitalization is 1.71% a for the three-month periods ended March 31, 2024 and 2023, for general borrowings and ranges from 5.70% to 8.25% for specific borrowings.

Depreciation and amortization expense charged to operations amounted to ₱572.30 million and ₱642.67 million for the three-month periods ended March 31, 2024 and 2023, respectively (see Note 23).

The total contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancement amounted to ₱1,785.59 million and ₱1,839.38 million as of March 31, 2024 and December 31, 2023, respectively.

13. Property and Equipment

The rollforward analyses of this account follow:

	March 31, 2024 (Unaudited)							
	Land	**Hotel Building**	**Building and Building Improvements**	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**Construction Equipment**	**Other Fixed Assets**	**Total**
Cost								
Balances at beginning of period	**₱83,333,600**	**₱880,004,223**	**₱781,249,463**	**₱973,316,779**	**₱1,181,649,661**	**₱541,574,748**	**₱421,277,900**	**₱4,862,406,374**
Additions	**–**	**–**	**–**	**3,831,529**	**9,504,595**	**931,846**	**–**	**14,267,970**
Retirement	**–**	**–**	**(26,318,448)**	**(5,962,564)**	**(30,480,061)**	**(5,774,610)**	**(5,505,879)**	**(74,041,562)**
Balances at end of period	**83,333,600**	**880,004,223**	**754,931,015**	**971,185,744**	**1,160,674,195**	**536,731,984**	**415,772,021**	**4,802,632,782**
Accumulated Depreciation and Amortization								
Balances at beginning of period	**–**	**205,979,129**	**301,793,902**	**855,363,448**	**1,091,449,636**	**303,974,982**	**245,709,384**	**3,004,270,481**
Depreciation and amortization (Note 23)	**–**	**6,509,938**	**3,234,654**	**8,301,870**	**15,886,304**	**5,346,927**	**8,293,907**	**47,573,600**
Retirement	**–**	**–**	**(17,774,531)**	**(5,962,564)**	**(30,480,061)**	**(5,774,610)**	**(5,728,811)**	**(65,270,577)**
Balances at end of period		**212,489,067**	**287,254,025**	**857,702,754**	**1,076,855,879**	**303,547,299**	**248,724,480**	**2,986,573,504**
Net Book Value	**₱83,333,600**	**₱667,515,156**	**₱467,676,990**	**₱113,482,990**	**₱83,818,316**	**₱233,184,685**	**₱167,047,541**	**₱1,816,059,278**

	December 31, 2023 (Audited)							
	Land	Hotel Building	Building and Building Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction Equipment	Other Fixed Assets	Total
Cost								
Balances at beginning of year	₱83,333,600	₱794,394,692	₱461,823,991	₱941,358,954	₱1,091,878,461	₱555,397,015	₱344,551,951	₱4,272,738,664
Additions	–	85,609,531	319,425,472	31,957,825	89,771,200	75,094,043	76,725,949	678,584,020
Write off (Note 23)	–	–	–	–	–	(88,916,310)	–	(88,916,310)
Balances at end of year	83,333,600	880,004,223	781,249,463	973,316,779	1,181,649,661	541,574,748	421,277,900	4,862,406,374
Accumulated Depreciation and Amortization								
Balances at beginning of year	–	179,939,378	290,901,951	800,591,074	989,478,352	272,264,761	216,491,828	2,749,667,344
Depreciation and amortization	–	26,039,751	10,891,951	54,772,374	101,971,284	31,710,221	29,217,556	254,603,137
Balances at end of year		205,979,129	301,793,902	855,363,448	1,091,449,636	303,974,982	245,709,384	3,004,270,481
Net Book Value	₱83,333,600	₱674,025,094	₱479,455,561	₱117,953,331	₱90,200,025	₱237,599,766	₱175,568,516	₱1,858,135,893

Depreciation and amortization expense charged to operations amounted to ₱47.57 million and ₱34.20 million for the three-month periods ended March 31, 2024 and 2023, respectively (see Note 23).

The Group's transportation equipment with a carrying value of ₱8.85 million and ₱15.61 million as of March 31, 2024 and December 31, 2023, respectively, were pledged as collateral under chattel mortgage to secure the car loans of the Group with various financial institutions (see Note 18).

14. Project Development Costs

Project development costs pertain to (a) advances to a related party, covered by memorandum of agreement for the purchase of socialized housing units and (b) advances to third and related parties for project developments.

The requirement for socialized housing units is required by the Housing and Land Use Regulatory Board (HLURB) (see Note 26). These advances are recouped upon receipt of the socialized housing units from Bria Homes. On December 23, 2019, the Group entered into a Memorandum of Agreement with Bria Homes, Inc. that stipulated the allocated socialized housing units to the Group from the latter's ongoing and new projects. On December 21, 2020, the Group executed an amended Memorandum of Agreement with Bria Homes, Inc. that stipulated the number of socialized housing credits to be delivered as final settlement of the advances from its on-going projects under different documentation stages after deducting the partial delivery of social housing credits and cash payments.

This account also includes deposits, cash advances and other charges in connection with joint venture agreements and memorandum of agreements entered into by the Group with individuals, corporate entities and related parties for the development of real estate projects. These agreements provide, among others, the following: a) the Group will undertake the improvement and development of the real estate project within a certain period, subject to certain conditions to be fulfilled by the real estate property owner; and b) the parties shall divide among themselves all saleable inventory and commercial development of the real estate project in accordance with the ratio mutually agreed. The real estate projects are in various stages of development from planning to ongoing construction.

15. Investment in Joint Venture and Other Noncurrent Assets

Investment in Joint Venture

Vista Ventures Taft, Inc. (VVTI) was incorporated in the Republic of the Philippines primarily to engage in real estate activities particularly from construction and sale of condominium project at Taft Avenue, Manila.

Below is the financial information on VVTI as of March 31, 2024 and December 31, 2023:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Current assets	**₱2,270,690,332**	₱2,158,030,541
Noncurrent assets	**1,424,264**	2,213,544
Current liabilities	**358,481,430**	222,861,570
Noncurrent liabilities	**1,034,930,839**	1,084,986,183
Equity	**878,702,32**	852,396,332
Proportion of Group's ownership	60%	60%
Group's share in identifiable net assets	**527,221,396**	511,437,798
Other adjustments	**(11,989,749)**	(11,989,749)
Carrying amount of the investment	**₱515,231,647**	₱499,448,049
Revenue	**₱100,630,481**	₱169,605,706
Net income	**52,777,810**	52,290,436
Total comprehensive income	**52,777,810**	52,290,436

Below is the reconciliation with the carrying amount of the investment in the interim consolidated financial statements:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	**₱499,448,049**	₱468,073,789
Share in equity earnings during the period (Note 22)	**31,666,686**	31,374,260
Other adjustment	**(15,883,088)**	–
Balance at end of period	**₱515,231,647**	₱499,448,049

The Group has not incurred any contingent liabilities as of March 31, 2024 and December 31, 2023 in relation to its interest in the joint venture, nor does the joint venture has any contingent liabilities for which the Group is contingently liable. The Group has not entered into any capital commitments in relation to its interest in the joint venture and did not receive any dividends from the joint ventures.

Other Noncurrent Assets
This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Model house accessories at cost	**₱982,194,551**	₱952,301,850
Deposits	**638,070,345**	630,110,886
Deferred input VAT	**81,892,986**	79,906,037
Systems development costs	**39,470,875**	40,836,783
Cash restricted for use - net of current portion	**7,888,491**	10,848,491
	₱1,749,517,248	₱1,714,004,047

Amortization of system development costs amounted to ₱14.16 million and ₱16.12 million for the three-month periods ended March 31, 2024 and 2023, respectively (see Note 23). These are included in the "Depreciation and amortization" account under "Operating expenses" in the interim consolidated statements of comprehensive income.

16. Accounts and Other Payables

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Accounts payable		
Suppliers	**₱4,410,566,468**	₱5,329,525,074
Contractors	**3,563,565,662**	2,851,391,542
Incidental costs	**2,152,377,788**	2,090,433,184
Buyers	**1,631,379,231**	1,096,012,563
Accrued expenses	**2,070,897,728**	2,184,783,101
Commissions payable	**1,655,834,643**	2,007,448,590
Current portion of liabilities for purchased land	**1,247,359,045**	1,745,507,099
Current portion of deferred output tax	**1,753,579,141**	1,629,257,467
Current portion of retention payable	**1,162,059,899**	1,152,301,636
Other payables	**355,306,651**	430,690,617
	₱20,002,926,256	₱20,517,350,873

Accrued expenses consist mainly of accruals for project cost which are incurred but not yet billed, interest on bonds and bank loans, light and power, marketing costs, professional fees, postal and communication, supplies, repairs and maintenance, transportation and travel, security and insurance.

17. Security Deposits and Advance Rent

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Current portion of security deposits	**₱1,172,501,621**	₱1,167,057,893
Current portion of advance rent	**977,810,118**	845,985,875
	₱2,150,311,739	₱2,013,043,768

18. Bank Loans and Loans Payable

Bank Loans

Bank loans pertain to the borrowings of the Group from various local financial institutions. These bank loans are obtained to finance capital expenditures and for general corporate purposes.

The rollforward analysis of this account follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	**₱53,272,058,104**	₱56,044,615,331
Availment*	**32,061,525,533**	39,917,136,939
Payment*	**(30,649,504,167)**	(42,689,694,166)
Balance at end of period	**54,684,079,470**	53,272,058,104
Debt issue cost		
Balance at beginning of period	**89,089,909**	97,792,214
Additions	**48,157,895**	34,946,237
Amortizations	**(8,980,595)**	(43,648,542)
Balance at end of period	**128,267,209**	89,089,909
Carrying value	**54,555,812,261**	53,182,968,195
Less current portion	**20,925,683,818**	25,874,160,220
Noncurrent portion	**₱33,630,128,443**	₱27,308,807,975

**Gross of bank loans that were rolled over during the period (see Note 30).*

The Parent Company has various peso-denominated bank loans with fixed interest-rates ranging from 6.75% to 7.13% per annum as of March 31, 2024 and December 31, 2023. These bank loans are renewable upon maturity subject to change in interest rates and/or hold-out amount of the investments in debt securities investments of VII. These loans are secured by hold-out of the investments at amortized cost of VII amounting to US$ 560.91 million (₱31,545.46 million) and $548.24 million (₱30,355.86 million) as of March 31, 2024 and December 31, 2023, respectively. No fees are charged by VII for its investments held as security.

As disclosed in Notes 8, 12 and 13, certain investments at amortized cost, property and equipment, and investment properties are used as collateral to the bank loans.

Loans Payable
These loans bear annual fixed interest rates ranging from 6.25% to 8.25% as at March 31, 2024 and December 31, 2023, payable on equal monthly installment over a maximum period of 10 years. Other than the installment contracts receivable that serve as collateral, the loans payable has no other restrictions, requirements or covenants (see Note 9).

Movement of loans payable follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	**₱7,443,723,350**	₱5,334,619,152
Availments	**871,454,196**	3,963,399,970
Payments	**(547,383,735)**	(1,854,295,772)
Balance at end of period	**7,767,793,811**	7,443,723,350
Less current portion	**5,502,590,663**	3,176,026,696
Noncurrent portion	**₱2,265,203,148**	₱4,267,696,654

The Group was able to comply with loan covenants as of March 31, 2024 and December 31, 2023.

19. **Notes Payable**

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Dollar denominated bonds	**₱43,339,713,961**	₱42,664,040,138
Corporate note facility	**39,636,144,086**	41,135,771,640
Retail bonds	**24,363,013,760**	24,348,969,861
	107,338,871,807	108,148,781,639
Less current portion	**26,499,132,875**	28,005,337,553
Noncurrent portion	**₱80,839,738,932**	₱80,143,444,086

There are no availments in 2024. In 2023, the new availments of Corporate Note Facility are as follows.

a. ₱10,000 million Corporate Notes (Due April 2026)
On April 4, 2023, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Three-Year Corporate Notes due 2026 amounting to ₱6,000.00 million at a fixed rate of 7.61% per annum, payable on maturity date.

On April 14, 2023, an additional issuance of Corporate Notes was made in the amount of ₱4,000.00 million due 2026, at a fixed interest of 7.63% per annum, payable on maturity date.

The proceeds of the corporate notes were used for refinancing of existing or maturing obligations of the Parent Company, and for other general corporate purposes. The issue cost amounted to ₱104.72 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of March 31, 2024, the outstanding balance of the Corporate Notes is ₱9,926.78 million.

The Corporate Notes do not provide early redemption at the option of the Issuer.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio of at least 1.00, maximum debt to equity at 2.50 and debt service coverage ratio of at least 1.00.

b. ₱12,000.00 million Corporate Notes (Due December 2025)
On January 31, 2023, an additional issuance of Corporate Notes was made in the amount of ₱2,900.00 million due 2025, at a fixed interest of 7.26% per annum, payable on maturity date.

On December 28, 2022, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Three-Year Corporate Notes due 2025 amounting to ₱8,600.00 million at a fixed rate of 7.93% per annum, payable on maturity date.

The proceeds of the corporate notes were used for refinancing of existing or maturing obligations of the Parent Company, and for other general corporate purposes. The issue cost amounted to ₱140.61 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of March 31, 2024 and December 31, 2023, the outstanding balance of the Corporate Notes is ₱11,414.33 million and ₱11,402.86 million, respectively.

The Corporate Notes do not provide early redemption at the option of the Issuer.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio of at least 1.00, maximum debt to equity at 2.50 and debt service coverage ratio of at least 1.00.

Movement of notes payable follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Principal		
Balance at beginning of year	**₱108,522,364,867**	₱102,735,489,800
Drawdown	**–**	18,900,000,000
Principal payments	**(1,529,168,733)**	(12,816,674,933)
Translation adjustment	**669,900,000**	(296,450,000)
Balance at end of year	**107,663,096,134**	108,522,364,867
Debt issue cost		
Balance at January 1	**373,583,228**	287,286,359
Addition	**–**	288,335,915
Debt issue cost amortization	**(48,496,565)**	(202,040,174)
Translation adjustment	**(862,336)**	1,128
Balance at end of year	**324,224,327**	373,583,228
Carrying value	**107,338,871,807**	108,148,781,639
Less current portion	**26,499,132,875**	28,005,337,553
Noncurrent portion	**₱80,839,738,932**	₱80,143,444,086

The Group was able to comply with the loan covenants as of March 31, 2024 and December 31, 2023.

20. Other Noncurrent Liabilities

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Liabilities for purchased land - net of current portion	**₱ 1,431,617,297**	₱1,064,772,247
Retention payable - net of current portion	**517,947,244**	515,046,096
Deferred output tax - net of current portion	**466,576,897**	303,975,183
Security deposits - net of current portion	**335,756,608**	155,498,565
Advance rent - net of current portion	**71,604,050**	117,108,064
	₱ 2,823,502,096	₱2,156,400,155

21. Equity

<u>Capital Stock</u>
The details of the Parent Company's capital stock as at March 31, 2024 and December 31, 2023 consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Common		
Authorized shares	**17,900,000,000**	17,900,000,000
Par value per share	**₱1.00**	₱1.00
Issued shares	**13,114,136,376**	13,114,136,376
Outstanding shares	**11,945,799,461**	11,945,799,461
Value of shares issued	**₱13,114,136,376**	₱13,114,136,376
Preferred Series 1		
Authorized shares	**8,000,000,000**	8,000,000,000
Par value per share	**₱0.01**	₱0.01
Issued and outstanding shares	**3,300,000,000**	3,300,000,000
Value of shares issued	**₱33,000,000**	₱33,000,000
Preferred Series 2		
Authorized shares	**200,000,000**	200,000,000
Par value per share	**₱0.10**	₱0.10
Issued and outstanding shares	**–**	–
Value of shares issued	**₱–**	₱–

Preferred Series 1
Voting, non-cumulative, non-participating, non-convertible and non-redeemable. The BOD may determine the dividend rate which shall in no case be more than 10.00% per annum.

Preferred Series 2
On June 17, 2019, the Stockholders approved the reclassification of the unissued preferred capital stock of the Parent Company to create Two Hundred Million (200,000,000) non-voting, cumulative, non-participating, non-convertible and redeemable Series 2 preferred shares with par value of ₱0.10 each and the corresponding amendment of the Articles of Incorporation of the Parent Company. The Board likewise approved the shelf registration and listing of such redeemable Series 2 preferred shares.

The terms and conditions of any offering of the Series 2 preferred shares, including the dividend rate, redemption prices, and similar matters will be determined by the Board of Directors at a later date. None of these reclassified preferred shares are issued as of March 31, 2024 and December 31, 2023.

Registration Track Record
On July 26, 2007, the Parent Company launched its follow-on offer where a total of 8,538,740,614 common shares were offered at an offering price of ₱6.85 per share. The registration statement was approved on June 25, 2007.

Treasury Shares
Treasury shares totaling 416,128,700 of the Parent Company amounting to ₱2,361.98 million as of March 31, 2024 and December 31, 2023 represents the shares of stock held by the Parent Company, while treasury shares (752,208,215) amounting to ₱5,378.29 million represents Parent Company stocks held by Manuela. These treasury shares are recorded at cost.

Retained Earnings
Retained earnings include the accumulated equity in undistributed earnings of consolidated subsidiaries amounting to ₱70,870.33 million as at March 31, 2024.

Also, the retained earnings is restricted to payments of dividends to the extent of cost of treasury shares held by the Parent Company in the amount of ₱2,361.98 million as at March 31, 2024.

Noncontrolling Interest
Sale of VistaREIT, Inc.'s share through a public listing
On June 15, 2022, the Group sold through a public listing its 39.91% effective noncontrolling interest in VistaREIT, Inc. at ₱1.75 per share. As a result of the sale and buy-back transactions, the Group's ownership interest in VistaREIT, Inc. was diluted from 98.94% to 60.09%. In relation to the dilution without loss of control, the impact to the Group's additional paid-in-capital amounted to ₱231.03 million. The Group's noncontrolling interest increased by ₱4,197.40 million, as a result of the public offering of VistaREIT, Inc. The difference between the consideration and carrying value of the noncontrolling interest was credited to additional paid-in-capital.

Dividends declaration
The BOD of VistaREIT, Inc. approved the declaration of regular cash dividend amounting to ₱232.87 million or ₱0.0386 per share and ₱294.00 million or ₱0.0392 per share on April 19 and May 18, 2023, respectively. The dividend declarations are in favor of all stockholders of record as of May 8 and June 2, 2023 and paid on May 29 and June 26, 2023, respectively. This is reflected as dividend declared to Non-controlling interest in the interim consolidated statements of changes in stockholder's equity.

As at March 31, 2024 and December 31, 2023, the Group's dividends payable amounted to ₱252.32 million and ₱298.02 million, respectively.

Capital Management

The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of March 31, 2024 and December 31, 2023, the Group had the following ratios:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Current ratio	**190%**	185%
Debt-to-equity ratio	**122%**	121%
Net debt-to-equity ratio	**85%**	84%
Asset-to-equity ratio	**261%**	258%

No changes were made in the objectives, policies or processes for managing capital during the periods ended March 31, 2024 and December 31, 2023.

The Group considers as capital the equity attributable to equity holders of the Parent Company. The following table shows the component of the Group's equity which it manages as capital as of March 31, 2024 and December 31, 2023:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Total paid-up capital	**₱43,831,849,668**	₱43,831,849,668
Retained earnings	**85,918,707,326**	86,226,517,112
Other comprehensive income	**913,595,070**	905,783,398
Treasury shares	**(7,740,264,387)**	(7,740,264,387)
	₱122,923,887,677	₱123,223,885,791

22. Interest Income from Investments and Other Income, Parking, Hotel, Mall Administrative and Processing Fees, and Other Revenue, and Interest and Other Financing Charges

Parking, hotel, mall administrative and processing fee, and other revenue consist of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Forfeitures	**150,206,325**	270,585,191
Mall administrative and processing fee	**77,507,659**	96,707,905
Parking	**48,637,158**	36,495,833
Hotel (Note 4)	**38,449,630**	35,308,475
Penalty	**17,313,828**	11,978,177
Loan processing fees from banks	**5,951,061**	13,617,206
Share in equity earnings (Note 15)	**31,666,686**	5,707,571
	369,732,347	470,400,358

Interest income consist of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Interest income from installment contracts receivable (Note 9)	**₱135,489,709**	₱147,420,673
Interest income from:		
Investments at amortized cost (Note 8)	**394,758,364**	450,066,649
Cash and cash equivalents, short-term cash investments and cash restricted for use (Notes 7, 8 and 15)	**26,227,926**	40,174,997
	₱556,475,999	₱637,662,319

Interest and other financing charges consist of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Interest incurred on:		
Notes payable (Note 19)	**₱1,895,451,994**	₱1,802,192,024
Bank loans and loans payable (Note 18)	**953,055,997**	880,432,574
Lease liabilities (Note 25)	**93,063,573**	93,404,312
Other bank charges	**3,304,018**	1,067,362
	2,944,875,582	2,777,096,272
Amounts capitalized on:		
Real estate inventories (Note 10)	–	(785,959,189)
Investment properties (Note 12)	**(1,082,317,187)**	(640,778,170)
	(1,082,317,187)	(1,426,737,359)
	₱1,862,558,395	₱1,350,358,913

23. Operating Expenses

This account consists of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Professional fees	**₱684,005,287**	₱193,736,589
Depreciation and amortization (Notes 12, 13 and 15)	**594,983,209**	772,305,697
Salaries, wages and employees benefits	**363,793,224**	369,457,149
Repairs and maintenance	**254,081,370**	309,062,210
Commissions (Note 5)	**228,129,083**	139,531,678
Occupancy costs	**212,141,011**	272,810,955
Advertising and promotions	**155,320,400**	250,791,301
Taxes and licenses	**153,773,816**	194,997,664
Miscellaneous	**131,460,777**	153,750,960
Transportation and travel	**30,627,015**	43,223,054
Representation and entertainment	**8,516,115**	11,455,327
Office expenses	**8,454,455**	12,939,779
Provision for impairment losses - net (Notes 8 and 9)	**–**	136,790,202
Write off of receivables (Note 9)	**–**	58,161,455
	₱2,825,285,762	₱2,919,014,020

24. Income Tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Current:		
RCIT	**₱197,495,895**	₱32,751,853
Final	**2,744,015**	6,691,785
Deferred	**763,044,736**	643,364,980
	₱963,284,646	₱682,808,618

25. Lease liabilities

The Group, as lessee, has lease contracts for parcels of land where its commercial centers are situated with lease terms of 11 - 30 years. Rental due is based on prevailing market conditions. Generally, the Group is not restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The rollforward analysis of lease liabilities follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances at beginning of year	**₱5,440,220,042**	₱5,434,053,003
Additions	**9,997,544**	−
Interest expense (Note 25)	**93,063,573**	376,611,498
Payments	**(94,474,263)**	(370,444,459)
Balances at end of year	**5,448,806,896**	5,440,220,042
Less current portion	**182,910,800**	388,872,997
Noncurrent portion	**₱5,265,896,096**	₱5,051,347,045

Shown below is the maturity analysis of the undiscounted lease payments:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Within 1 year	**₱399,273,498**	₱388,872,997
More than 1 year to 2 years	**428,004,610**	417,661,646
More than 2 years to 3 years	**453,938,649**	444,031,726
More than 3 years to 4 years	**478,222,519**	470,682,075
More than 4 years to 5 years	**503,901,983**	498,240,963
More than 5 years	**8,222,604,122**	8,350,639,754
	₱10,485,945,381	₱10,570,129,161

26. **Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence. Entities under common control are those entities outside the Group but are related parties of Fine Properties, Inc. Related parties may be individuals or corporate entities.

All publicly listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirement under Revised SRC Rule 68 and SEC Memorandum Circular 10, series 2019.

The Parent Company has an approval requirement such that material related party transaction (RPT) shall be reviewed by the Risk Management Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the threshold value as approved by the Committee amounting to 10% or higher of the Group’s total consolidated assets based on its latest audited financial statements.

The Group in their regular conduct of business has entered into transactions with related parties principally consisting of trade transactions from mall leasing, advances, reimbursement of expenses and purchase and sale of real estate properties. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The interim consolidated statements of financial position include the following amounts resulting from the foregoing non-trade transactions which represent amounts receivable from (payable to) related parties as of March 31, 2024 and December 31, 2023:

March 31, 2024

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
Receivable from tenants and accrued rental receivable *(Note 9)*					
Entities under Common Control	**a) Rental of mall spaces**	**₱3,577,568,242**	**₱30,718,167,335**	**Noninterest-bearing**	**Certain receivables with letter of financial support from ultimate parent company, No impairment**
Ultimate Parent	**a) Rental of office spaces**	**284,022**	**4,078,264**	**Noninterest-bearing**	**Unsecured, No impairment**
			₱30,722,245,599		
Receivables from related parties *(Note 9)*					
Entities under Common Control	**a) Assignment of receivables**	**₱1,832,102,343**	**₱5,050,542,343**	**Noninterest-bearing**	**Secured, No impairment**
Receivable from/advances to related parties					
Ultimate Parent (Note 14)	**b) Joint venture advances**	**(247,280,192)**	**7,312,160,048**	**Noninterest-bearing**	**Unsecured, No impairment**
Advances in project development cost *(Note 14)*					
Ultimate Parent	**b) Joint venture advances**	**–**	**–**	**Noninterest-bearing**	**Unsecured, No impairment**
Entities under Common Control	**b) Purchase and return of advances for housing credits**	**66,382,562**	**595,836,890**	**Noninterest-bearing**	**Unsecured, No impairment**
Lease liabilities *(Note 25)*					
Ultimate Parent	**c) Rental of parcels of land**	**(1,011,830)**	**(385,342,008)**	**Interest-bearing**	**Unsecured**
Interest expense *(Note 25)*					
Ultimate Parent	**c) Rental of parcels of land**	**10,056,140**	**–**	**Interest-bearing**	**Unsecured**
Dividends declared/payable *(Note 21)*					
Stockholders	**d) Dividends**	**–**	**–**		

December 31, 2023

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
Receivable from tenants and accrued rental receivable *(Note 11)*					
Entities under Common Control	**a) Rental of mall spaces**	**₱13,875,780,592**	**₱30,808,295,526**	**Noninterest-bearing**	**Certain receivables with letter of financial support from Fine Properties Inc., No impairment**
	a) Offset of rental receivable against accounts payable	**1,109,037,213**	**–**	**–**	**–**
Ultimate Parent	**a) Rental of office spaces**	**2,287,033**	**6,967,931**	**Noninterest-bearing**	**Unsecured, No impairment**
			₱30,815,263,457		
Receivables from related parties *(Note 11)*					
Entities under common control	**a) Advances**	**₱3,218,440,000**	**₱3,218,440,000**	**Noninterest-bearing**	**With letter of financial support from Fine Properties Inc., No impairment**
Advances to a related party					
Ultimate Parent	**b) Joint venture advances**	**₱517,163,906**	**₱7,559,440,240**	**Noninterest-bearing**	**Unsecured, No impairment**
Advances in project development cost *(Note 16)*					
Ultimate Parent	**b) Joint venture advances**	**₱–**	**₱91,646,033**	**Noninterest-bearing**	**Unsecured, No impairment**
Entities under Common Control	**b) Purchase and return of advances for housing credits**	**123,414,601**	**529,454,328**	**Noninterest-bearing**	**Unsecured, No impairment**
			₱621,100,361		
Lease liabilities *(Note 28)*					
Ultimate Parent	**c) Rental of parcels of land**	**(₱4,439,189)**	**(₱384,330,178)**	**Interest-bearing**	**Unsecured**
Interest expense *(Note 28)*					
Ultimate Parent	**c) Rental of parcels of land**	**₱39,914,589**	**₱–**	**Interest-bearing**	**Unsecured**
Dividends Declared/Payable					
Stockholders	**d) Dividends**	**₱740,652,549**	**₱194,444,060**		
Advances to *(Note 11)*					
Entities under Common Control	**f) Advances**	**₱1,190,183,022**	**₱1,190,183,022**	**Noninterest-bearing**	**Unsecured, No impairment**

a) The Group has operating lease agreements with entities under common control for the leases of commercial centers. The lease agreements are renewable and contain escalation clauses. Rental income and receivables including the effect of straight-line calculation from related parties amounted to ₱3,577.28 million and ₱30,718.17 million, respectively, as of March 31, 2024, ₱13,875.78 million and ₱30,808.30 million, respectively, as of December 31, 2023. These receivables from related parties are recognized under 'Receivables' and are not impaired (see Note 9).

Included in the related party tenants are AllHome Corp., AllDay Marts, Inc., All Day Retail Concepts, Inc., Family Shoppers Unlimited, Inc., CM Star Management, Inc., and The Village Server, Inc. which are subsidiaries of AllValue Holdings Corp. (collectively referred to as AllValue Group or Anchor Tenant). AllValue Group is engaged in retail businesses covering supermarkets, retail of apparel, construction materials and home/building appliances and furnishings. The lease agreements contain escalation clauses.

Rental income and receivables from All Value Group including the effect of future lease rate escalation amounted to ₱3,176.16 million and ₱28,596.07 million, respectively, as of March 31, 2024 and ₱12,394.34 million and ₱27,699.90 million, respectively, as of December 31, 2023. These receivables from All Value Group recognized under 'Receivables' and are not impaired (see Note 9).

Rental income and receivables from All Value Group without the effect of future escalation amounted to ₱1,509.71 million and ₱6,010.42 million, respectively, as of March 31, 2024 and ₱5,702.43 million and ₱6,780.33 million, respectively, as of December 31, 2023. These receivables from All Value Group which are recognized as 'Accounts receivable from tenants' under 'Receivables' are noninterest-bearing and are not impaired (see Note 9).

Related parties with outstanding rent receivables including the effect of future escalation amounting to ₱35,768.71 million and ₱34,026.74 million were provided with financial support letter by Fine Properties, Inc. as of March 31, 2024 and December 31, 2023, respectively.

In January 2022, the Group amended certain lease contracts with Family Shoppers Unlimited, Inc. and Parallax, Inc. resulting to increase in rental income and rental receivables by ₱5,435.40 million. The amendments of the lease contracts are as follows:

a. Extension of lease term commencing from the lease modification date; and
b. From variable rent to annual fixed rent based on rate with annual escalation.

The Ultimate Parent Company also has lease agreements with the Group for the lease of its office spaces. The rental due is based on prevailing market conditions.

Various related party tenants under AllValue Holdings Corp. (AVHC) (Assignors) assigned their rental payables to AVHC (Assignee), being its parent company. In March 2024 and on various dates in 2023, Deeds of Assignment were entered among (1) the Group as lessor; (2) various related party tenants under AllValue Holdings Corp. (AVHC) (Assignors) and (3) AVHC (Assignee), for the Assignors to assign, transfer and convey to AVHC as the Assignee, all the Assignors' rental payables to the Group aggregating to ₱2,706.58 million and ₱5,105.08 million, respectively.

As of March 31, 2024 and December 31, 2023, parcels of land valued at ₱874.48 million and ₱1,886.64 million, respectively, were transferred by AVHC to the Group as a form of settlement of the assigned receivable and these were recorded under "Investment properties" in the consolidated statements of financial position (see Note 12). The remaining ₱ 5,050.54 million are expected to be settled through cash, land properties or combination of both (see Notes 9 and 12).

b) On December 23, 2017, the Group entered into a Memorandum of Agreement (MOA) with Bria Homes, Inc.(Bria), a developer of socialized housing projects located in various areas in the Philippines, to assign portions of the socialized housing projects to various entities in the Group in compliance with the requirements of Republic Act No. 7279 (Urban Development and Housing Act of 1992). On November 23, 2018, the Group entered into another MOA with Bria to include vertical residential projects in the assignment of socialized housing projects. As such, the Group makes cash advances to Bria Homes, Inc. for the construction of socialized housing units which are recorded under project development costs (see Note 16).

   On December 23, 2019, another MOA was executed with Bria to specify the details of the housing credits to be delivered by Bria equivalent to the advances provided by VLL. On December 21, 2020, the Group executed an amendment updating the number of housing credit that Bria will deliver to the Group to settle its outstanding balance.

   In 2021, CAPI, VMI and various other VLLI subsidiaries executed a Deed of Assignment of Advances (DOA) to Fine Properties, Inc. totaling ₱5.75 billion after deducting the partial delivery of social housing credits and cash payments in 2020 which was consolidated to Brittany Corporation (BC). The DOA effectively consolidates all receivables from Fine Properties, Inc. to BC while BC recognizes payable to the respective entities within VLLI group. These intercompany transactions between VLLI subsidiaries were eliminated at consolidated level.

   Furthermore, BC and Fine Properties, Inc. entered into a Land Development Agreement (LDA) to develop 159, 208 square meters in Molino, Bacoor, Cavite to be developed into mixed-use residential and commercial subdivisions over a 15-year period. Fine Properties, Inc. will contribute land while the contribution of BC will be the planning, conceptualization, design, construction and financing of the Project. Both parties agreed to share the saleable lots into sharing of 60% for Fine Properties, Inc. and 40% for BC. The intention of the parties is for Fine Properties, Inc. to settle the resulting advances by BC of ₱5.75 billion in addition to the existing advances to Fine Properties, Inc. of ₱340.00 million totaling to ₱6.09 billion, from its share of the saleable lots in the LDA. The expected settlement will start upon completion of land development but shall in no case be earlier than 36 months from execution of the agreement dated December 17, 2021.

c) The Group entered into lease agreements with Fine Properties, Inc. pertaining to parcels of land wherein the Group's commercial centers are situated. These leases have terms of 25 years, with rental escalation clauses and renewal options.

d) Details of dividends declared to stockholders are discussed in Note 21.

e) In 2022, BC assigned, transferred and conveyed all of its rights and interest on the land located in Dasmarinas, Cavite valued at ₱1,690.50 million to Fine Properties, Inc. Thereafter, Fine Properties, Inc. shall assume BC's remaining obligation to the landowner.

As of March 31, 2024 and December 31, 2023, the retirement plan asset includes investment in fixed-rate peso retail bonds of the Parent Company with fair value amounting to ₱435.43 million and ₱433.28 million, respectively.

The compensation of key management personnel by benefit type follows:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Short-term employee benefits	**₱259,638,446**	₱111,777,685
Post-employment benefits	**41,197,307**	24,637,316
	₱300,835,752	₱136,415,001

27. Basic/Diluted Earnings Per Share

The following table presents information necessary to compute the EPS:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Net income attributable to equity holders of Parent	**₱2,835,947,370**	₱2,265,897,430
Weighted average common shares*	**11,945,799,461**	11,945,799,461
Basic/Diluted Earnings per share	**₱0.237**	₱0.190

** Weighted average common shares consider the effect of treasury shares*

The weighted average common shares for the three-months period ending March 31, 2024 and year ended December 31, 2023 amounted to 11.95 billion shares.

The basic and dilutive earnings per share are the same due to the absence of potentially dilutive common shares for the three-months period ended March 31, 2024 and 2023.

28. Fair Value Determination

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Other valuation techniques involving inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents, short-term cash investments, accrued interest receivable, receivable from tenants, buyers and HDMF, accounts and other payables (except for deferred output VAT and other statutory payables) and dividends payable: Due to the short-term nature of the accounts, the fair value approximate the carrying amounts in the interim consolidated statements of financial position.

Installment contracts receivable: The fair value of installment contracts receivable due within one year approximates its carrying amount. Noncurrent portion of installment contracts receivable are discounted using the applicable discount rates for similar types of instruments. The discount rates used range from 0.37% to 9.06% and 5.56% to 16.00% as of March 31, 2024 and December 31, 2023, respectively.

Investments at FVOCI: Fair values of equity securities are based on quoted market prices.

Investments at amortized cost: The fair value of these listed bonds is determined by reference to quoted market bid prices, at the close of business on the reporting date.

Bank loans, loans payable, notes payable, liabilities for purchased land and retention payable: Estimated fair values are based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest rates used in discounting cash flows ranged from 0.37% to 11.39% in 2024 and 6.35% to 7.96% in 2023 using the remaining terms to maturity.

The following table provides the fair value measurement and the hierarchy of the Group's financial assets and liabilities recognized as at March 31, 2024 and December 31, 2023:

		March 31, 2024			
		Fair Value			
	Carrying values	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant offer observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	**₱132,158,380**	**₱132,158,380**	**₱120,000,000**	**₱–**	**₱12,158,380**
Financial assets for which fair values are disclosed:					
Installment contracts receivable	**46,455,705,972**	**43,299,545,982**	–	–	**43,299,545,982**
Investments at amortized cost	**35,948,455,111**	**37,837,360,111**	**37,837,360,111**	–	–
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	**54,555,812,262**	**49,217,382,499**	–	–	**49,217,382,499**
Notes payable	**107,338,871,807**	**127,486,676,568**	–	–	**127,486,676,568**
Loans payable	**7,767,793,811**	**7,596,003,157**	–	–	**7,596,003,157**
Liabilities for purchased land	**2,726,923,577**	**2,574,732,033**	–	–	**2,574,732,033**
Retention payable	**1,680,007,143**	**1,457,888,921**	–	–	**1,457,888,921**

		December 31, 2023			
		Fair Value			
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	₱132,158,380	₱132,158,380	₱120,000,000	–	₱12,158,380
Financial assets for which fair values are disclosed:					
Installment contracts receivable	34,014,787,097	33,283,057,677	–	–	33,283,057,677
Investments at amortized cost	39,209,417,229	39,220,370,657	39,220,370,657	–	–
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	53,182,968,195	54,711,204,168	–	–	54,711,204,168
Notes payable	108,148,781,639	111,365,653,050	–	–	111,365,653,050
Loans payable	7,443,723,350	7,304,007,811	–	–	7,304,007,811
Liabilities for purchased land	2,810,279,346	2,583,086,026	–	–	2,583,086,026
Retention payable	1,667,347,732	1,567,479,722	–	–	1,567,479,722

In 2024 and 2023, there were no transfers between Levels of fair value measurements.

Significant increases (decreases) in discount rate would result in significantly higher (lower) fair value of the installment contracts receivable, notes payable, loans payable, bank loans, retention payable and liabilities for purchased land.

Description of significant unobservable inputs to valuation follows:

Account	Valuation Technique	Significant Unobservable Inputs
Installment contracts receivable	Discounted cash flow analysis	Discount rate
Bank loans	Discounted cash flow analysis	Discount rate
Notes payable	Discounted cash flow analysis	Discount rate
Loans payable	Discounted cash flow analysis	Discount rate
Retention payable	Discounted cash flow analysis	Discount rate
Liabilities for purchased land	Discounted cash flow analysis	Discount rate

29. **Financial Assets and Liabilities**

Financial Risk Management Objectives and Policies

Financial risk

The Group's principal financial liabilities comprise of bank loans, loans payable, notes payable, accounts and other payables (except for deferred output VAT and other statutory payables), liabilities for purchased land and retention payable. The main purpose of the Group's financial liabilities is to raise financing for the Group's operations. The Group has various financial assets such as installment contracts receivable, cash and cash equivalents, short-term and long-term cash investments, investments at fair value through other comprehensive income and investments at amortized cost which arise directly from its operations. The main risks arising from the use of financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The BOD reviews and approves with policies for managing each of these risks. The Group monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD.

The Group's risk management policies are summarized below. The exposure to risk and how they arises, as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior years.

Cash flow interest rate risk

The Parent Company has a formal interest risk management policy. The Parent Company ensures that all loan covenants and regulatory requirements are complied with.

The Group's exposure to market risk for changes in interest rates, relates primarily to its financial assets and liabilities that are interest-bearing.

The Group's policy is to manage its interest cost by entering into fixed rate debts. The Group also regularly enters into short-term loans with its installment contracts receivables as collateral to cushion the impact of potential increase in loan interest rates.

The table below shows the financial assets and liabilities that are interest-bearing:

	March 31, 2024 (Unaudited)	
	Effective Interest Rate	**Amount**
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	**0.125% to 4.3%**	**₱5,648,740,062**
Cash and cash equivalents in US Dollar	**0.06% to 1.50%**	**7,156,731,497**
Short-term cash investments	**1.26%**	**7,322,177**
Investments at amortized cost	**1.42% to 7.81%**	**35,948,455,111**
Installment contracts receivable	**0.37% to 9.06%**	**46,715,372,052**
		₱95,476,620,899
Financial liabilities		
Fixed rate		
Notes payable	**6.42% to 7.50%**	**₱107,338,871,807**
Bank loans	**6.75% to 7.13%**	**54,555,812,262**
Loans payable	**6.25% to 8.25%**	**7,767,793,811**
Lease liabilities	**7.42% to 9.03%**	**5,448,806,896**
		₱175,111,284,776

	December 31, 2023 (Audited)	
	Effective Interest Rate	Amount
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	0.01% to 4.25%	₱6,124,826,508
Cash and cash equivalents in US Dollar	0.06% to 1.50%	4,552,663,258
Short-term cash investments	1.26%	7,322,177
Investments at amortized cost	0.12% to 10.74%	39,209,417,229
Installment contracts receivable	5.56% to 16.00%	34,274,453,178
		₱84,168,682,350
Financial liabilities		
Fixed rate		
Notes payable	6.42% to 7.50%	₱108,148,781,639
Bank loans	6.42% to 7.50%	53,182,968,195
Loans payable	6.35% to 7.96%	7,443,723,350
Lease liabilities	7.21% to 8.89%	5,440,220,042
		₱174,215,693,226

As of March 31, 2024 and December 31, 2023, the Group's leasing income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk
The Parent Company has a formal foreign exchange risk management policy. The Parent Company actively monitors foreign exchange exposure. The Group's foreign exchange risk is limited to certain USD denominated cash and cash equivalents, resulting primarily from movements of the Philippine Peso against the United States Dollar (USD). Below is the carrying amount of USD-denominated cash and cash and sensitivity analysis on exchange rate for effect on income before income tax.

	March 31, 2024 (Unaudited)		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on income before tax**
Cash and cash equivalents	**US$758,867**	**+5.25%**	**₱2,244,278**
	US$758,867	**-5.25%**	**(2,244,278)**

	December 31, 2023		
	Amount	Increase/Decrease in US Dollar rate	Effect on income before tax
Cash and cash equivalents	US$600,068	+3.39%	₱1,126,353
	US$600,068	-3.39%	(1,126,353)

The functional currency of VII, a wholly owned subsidiary, is USD. VII has Cash and cash equivalents, Investments at amortized costs, Notes payable and Bank loans in USD. VII's financial assets and liabilities are translated into Philippine peso, the presentation currency of the Group, using closing exchange rate prevailing at the reporting date, and the respective income and expenses at the weighted average rates for the period. The exchange differences arising on the translation are recognized in OCI under "Cumulative Translation Adjustments" (CTA).

See below for the carrying amounts and sensitivity analysis on other comprehensive income:

	March 31, 2024		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on Other Comprehensive Income**
Assets			
Cash and cash equivalents	**US$126,401,835**	**+5.25%**	**₱373,821,536**
	US$126,401,835	**-5.25%**	**(373,821,536)**
Investments at amortized costs	**US$639,197,282**	**+5.25%**	**1,890,332,239**
	US$639,197,282	**-5.25%**	**(1,890,332,239)**
Liabilities			
Notes payable	**US$770,163,083**	**+5.25%**	**(2,277,644,392)**
	US$770,163,083	**-5.25%**	**2,277,644,392**
Bank loans	**US$18,692,777**	**+5.25%**	**(55,281,147)**
	US$18,692,777	**-5.25%**	**55,281,147**

	December 31, 2023		
	Amount	Increase/Decrease in US Dollar rate	Effect on Other Comprehensive Income
Assets			
Cash and cash equivalents	US$81,622,494	+3.39%	₱153,208,931
	US$81,622,494	-3.39%	(153,208,931)
Investments at amortized costs	US$708,134,680	+3.39%	1,329,199,244
	US$708,134,680	-3.39%	(1,329,199,244)
Liabilities			
Notes payable	US$770,526,280	+3.39%	(1,446,310,960)
	US$770,526,280	-3.39%	1,446,310,960
Bank loans	US$18,692,777	+3.39%	(35,087,146)
	US$18,692,777	-3.39%	35,087,146

In translating the foreign currency- denominated monetary assets and liabilities in peso amounts, the Philippine Peso - US dollar exchange rates as at March 31, 2024 and December 31, 2023 used were ₱56.28 to US$1.00 and ₱55.37 to US$1.00.

The assumed movement in basis points for foreign exchange sensitivity analysis is based on the management's forecast of the currently observable market environment, showing no material movements as in prior years.

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily installment contracts receivables and receivables from tenants) and from its investing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Receivables are regularly monitored.

In respect of installment contracts receivable from the sale of real estate inventories, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed.

The Group evaluates the concentration of risk with respect to non-related party trade receivables as low, as its customers are located in several jurisdictions and various income brackets, and operate in largely independent markets.

The Group evaluates the concentration of risk with respect to receivable from related parties (see Note 26). The related parties have a strong capacity to meet their contractual cash flows and was provided with letter of financial support by Fine Properties, Inc., ultimate parent company to assure collection by the Group.

Credit risk arising from receivable from tenants - third parties is primarily managed through a screening of tenants based on credit history and financial information submitted. Tenants- third parties are required to pay security deposits equivalent to 2 to 4-month lease payment to cover any defaulting amounts and advance rentals also equivalent to 2 to 4-month rent.

Credit risk arising from receivables from related parties is minimal as they have a low risk of default due to the letter of financial support provided by Fine Properties, Inc. and have a strong capacity to meet their contractual cash flows in the near term. Out of the total rental income for the three-month period ended March 31, 2024 and for the year ended December 31, 2023, ₱3,577.28 million or 86% and ₱13,875.78 million or 87% are transactions with related parties (see Notes 5 and 26).

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk as of March 31, 2024 and December 31, 2023 is equal to the carrying values of its financial assets.

As of March 31, 2024 and December 31, 2023, the aging analyses of the Group's receivables are as follow:

	March 31, 2024 (Unaudited)						
		Past due but not impaired					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Impaired	Total
Installment contract receivable	₱42,817,147,444	₱213,364,858	₱199,772,500	₱77,490,243	₱3,026,684,100	₱259,656,907	₱46,594,116,052
Accrued rental receivable	24,866,229,518	–	–	–	–	–	24,866,229,518
Advances to related parties	116,506,802	136,663,614	2,190,457	489,769,663	4,305,411,807	–	5,050,542,343
Receivable from tenants	184,074,647	215,921,354	3,460,808	773,810,423	6,722,988,990	1,018,650,310	8,918,906,532
Accrued interest receivable	386,460,140	–	–	–	–	–	386,460,140
Receivable from HDMF	362,103,100	–	–	–	–	–	362,103,100
Receivable from buyers	–	4,801,318	13,639,052	4,992,651	45,698,031	135,929,658	205,060,710
	₱68,732,521,651	₱570,751,143	₱219,062,817	₱1,346,062,980	₱14,100,782,928	₱1,414,236,875	₱86,383,418,393

	December 31, 2023 (Audited)						
		Past due but not impaired					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Impaired	Total
Installment contracts receivable	₱32,559,500,093	₱87,930,497	₱70,157,431	₱49,607,785	₱1,247,591,291	₱259,666,081	₱34,274,453,178
Accrued rental receivable	22,905,714,492	–	–	–	–	–	22,905,714,492
Receivable from tenants	199,621,938	234,158,477	3,753,114	839,167,905	7,376,862,394	1,018,650,310	9,672,214,138
Receivables from related parties	3,218,440,000	–	–	–	–	–	3,218,440,000
Accrued interest receivable	390,958,484	–	–	–	–	–	390,958,484
Receivable from HDMF	362,103,100	–	–	–	–	–	362,103,100
Receivable from buyers	–	20,638,399	1,267,963	2,517,239	24,615,810	135,929,659	184,969,070
	₱59,636,338,107	₱342,727,373	₱75,178,508	₱891,292,929	₱8,649,069,495	₱1,414,246,050	₱71,008,852,462

Liquidity Risk
The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Group's loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.

The extent and nature of exposures to liquidity risk and how they arise as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk are the same in 2024 and 2023.

Maturity Profile Financial Liabilities
The tables below summarize the maturity profile of the Group's financial liabilities as of March 31, 2024 and December 31, 2023 based on undiscounted contractual payments, including interest payable.

March 31, 2024

	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	Total
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	₱–	₱26,343,263,942	₱17,470,047,024	₱15,445,717,348	₱59,259,028,314
Loans payable	497,277,155	1,947,983,401	1,155,016,573	4,689,458,929	8,289,736,058
Liabilities for purchased land	541,534,925	134,261,525	969,803,311	1,081,323,822	2,726,923,583
Accounts payable and other payables*	7,531,005,227	992,168,162	3,945,956,234	768,889,899	13,238,019,522
Dividends payable	252,315,170	–	–	–	252,315,170
Notes payable	3,968,711,730	6,205,901,074	39,478,342,654	95,688,885,624	145,341,841,082
Lease liabilities	–	95,561,618	303,711,880	10,086,671,883	10,485,945,381
Total undiscounted financial liabilities	₱12,790,844,207	₱35,719,139,722	₱63,322,877,676	₱127,760,947,505	₱239,593,809,110

**excluding statutory payables and including noncurrent portion of retention payable*

December 31, 2023

	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	Total
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	₱–	₱2,882,091,610	₱26,204,695,176	₱29,416,356,779	₱58,503,143,565
Loans payable	168,290,959	1,618,333,271	1,749,927,163	4,424,761,913	7,961,313,306
Liabilities for purchased land	413,948,626	113,909,476	1,217,648,997	1,064,772,247	2,810,279,346
Accounts payable and other payables*	7,554,387,718	3,140,161,802	5,787,121,268	515,046,096	16,996,716,884
Dividends payable	298,016,044	–	–	–	298,016,044
Notes payable	410,818,667	3,567,425,657	31,434,004,106	91,511,628,317	126,923,876,747
Lease liabilities	–	94,773,692	294,099,305	10,181,256,164	10,570,129,161
Total undiscounted financial liabilities	₱8,845,462,014	₱11,416,695,508	₱66,687,496,015	₱137,113,821,516	₱224,063,475,053

**excluding statutory payables and noncurrent portion of retention payable*

30. Notes to Statements of Cash Flow

Details of the movement in cash flows from financing activities follow:

			Non-cash Change					
	January 1, 2024 (Audited)	**Cash Flows**	**Dividends declared**	**Debt issue Costs**	**Interest and other financing charges (including capitalized borrowing cost)**	**Foreign exchange movement**	**Additions**	**March 31, 2024 (Unaudited)**
Notes payable	**₱108,148,781,639**	**(₱1,529,168,733)**	**₱–**	**(₱35,623,014)**	**₱84,119,579**	**₱670,762,336**	**₱–**	**₱107,338,871,807**
Bank loans	**53,182,968,195**	**1,412,021,367**	**–**	**(48,157,895)**	**8,980,594**	**–**	**–**	**54,555,812,261**
Loans payable	**7,443,723,350**	**324,070,461**	**–**	**–**	**–**	**–**	**–**	**7,767,793,811**
Lease liabilities	**5,440,220,042**	**(94,474,263)**	**–**	**–**	**93,063,573**	**–**	**9,997,544**	**5,448,806,896**
Dividends payable	**298,016,044**	**(155,312,504)**	**109,611,630**	**–**	**–**	**–**	**–**	**252,315,170**
Accrued interest expense*	**1,589,407,383**	**(2,842,492,744)**	**–**	**83,780,909**	**2,758,711,835**	**–**	**–**	**1,589,407,383**
Total liabilities from financing activities	**₱176,103,116,653**	**(₱2,885,356,416)**	**₱109,611,630**	**₱–**	**₱2,944,875,581**	**₱670,762,336**	**₱9,997,544**	**₱176,953,007,328**

**Included under "accrued expenses" in accounts and other payables*

			Non-cash Change				
	January 1, 2023 (Audited)	Cash Flows	Dividends declared	Debt issue Costs	Interest and other financing charges (including capitalized borrowing cost)	Foreign exchange movement	March 31, 2023 (Unaudited)
Notes payable	₱102,448,203,441	₱987,497,932	₱–	(₱88,824,821)	₱50,827,025	(₱1,074,150,000)	₱104,471,853,577
Bank loans	55,946,823,117	(2,975,906,499)	–	–	14,586,495	–	51,072,656,971
Loans payable	5,334,619,152	233,762,403	–	–	–	–	5,568,381,555
Lease liabilities	5,434,053,003	(92,611,115)	–	–	93,404,312	–	6,939,165,651
Dividends payable	96,024,581	(58,286,926)	103,987,800	–	–	–	550,252,147
Accrued interest expense*	1,442,359,902	(2,983,310,403)	–	88,824,821	2,618,278,440	–	1,166,152,760
Total liabilities from financing activities	₱170,702,083,196₱	(₱4,888,854,607)	₱103,987,800	₱–	₱2,777,096,272	(₱1,074,150,000)	₱169,768,462,661

**Included under "accrued expenses" in accounts and other payables*

The Group's noncash investing and financing activities pertain to the following:

a) The Parent Company presented in the interim consolidated statements of cash flow the availments and payments, net of bank loans that were rolled over during the period (loans against deposit hold-outs) amounting to ₱28,561.53 million and ₱26,464.53 million for the three-month periods ended March 31, 2024 and 2023;
b) Unpaid additions to investment properties amounted to ₱725.012 million and ₱758.26 as of March 31, 2024 and 2023, respectively;
c) Unpaid additions to property and equipment amounted to ₱18.92 million and ₱13.26 million as of March 31, 2024 and 2023, respectively;

d) The Group received land with monetary value of ₱874.48 million as payment of receivables for the period ended March 31, 2024 and this was recorded as part of investment properties (see Note 26).
e) The Group written off its property and equipment with carrying value of ₱74.04 million and nil for the period ended March 31, 2024 and 2023, respectively.
f) The Group adopted PIC Q&A 2018-12 which impacted the receivables, cost to obtain contract, inventories, contract liabilities, deferred tax liabilities, and retained earnings amounting, ₱9,091.48 million, ₱55.07 million, (₱9,440.03) million, ₱529.01 million, ₱2,321.28 million and (₱3,143.76) million, respectively.

31. Commitments and Contingencies

The Group has entered into several contracts with contractors for the development of its real estate properties. As at March 31, 2024 and 2023, these contracts have an estimated aggregate cost of ₱5,354.64 million and ₱5,382.71 million, respectively. These contracts are due to be completed on various dates up to December 2026.

The progress billings are settled within one year from date of billing. These are unsecured obligations and carried at cost.

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by the courts or are currently being contested by the Group, the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect in the Group's financial position and results of operations.

For the year ended December 31, 2023, the Group received a total insurance proceeds of ₱1,841.16 million.

32. Subsequent Events

Dividend Declaration
On April 15, 2024, the BOD of VREIT declared cash dividends of ₱0.0538 for all common stockholders of record as of May 7, 2024. Cash dividends were paid on May 28, 2024.

Assignment of Receivables of Related Party Tenants and Subsequent Transfer of Land Properties
In relation to the assignment of receivables to AVHC, as the Assignee of the Assignors' rental payables to the Group as discussed in Note 26, AVHC, in the second quarter of 2024, subsequently transferred additional parcels of land to the Group valued at ₱1,202.52 million as a form of partial settlement of the assigned receivables as of March 31, 2024 (see Note 9). The remaining assigned receivables are expected to be settled by AVHC either through cash or land properties.

33. Approval of the Financial Statements

The interim condensed consolidated financial statements of the Group as at March 31, 2024 and for the three-month periods ended March 31, 2024 and 2023 were authorized for issue by the Board of Directors on July 11, 2024.

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INDEPENDENT AUDITOR'S REPORT ON
INTERIM SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have reviewed in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the interim condensed consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at March 31, 2024 and for the three-month periods ended March 31, 2024 and 2023, and have issued our report thereon dated July 11, 2024. Our review was made for the purpose of expressing a conclusion on the basic interim condensed consolidated financial statements taken as a whole. The schedule listed in the Index to the Interim Condensed Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic interim condensed consolidated financial statements. These schedules have been subjected to the procedures applied in the review of the basic interim condensed consolidated financial statements and, based on our review, nothing has come to our attention that causes us to believe that the information required to be set forth therein in relation to the basic interim condensed consolidated financial statements taken as a whole has not been prepared, in all material respects, in accordance with Philippine Standard 34, *Interim Financial Reporting*.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-073-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10082007, January 6, 2024, Makati City

July 11, 2024

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INDEPENDENT AUDITOR'S REPORT
ON RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have reviewed in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the interim condensed consolidated financial statements of Vista Land & Lifescapes, Inc. (the Company) and its subsidiaries (collectively, "the Group") as at March 31, 2024 and for the three-month periods ended March 31, 2024 and 2023, and have issued our report thereon dated July 11, 2024. Our review was made for the purpose of expressing a conclusion on the basic interim condensed consolidated financial statements taken as a whole. The Company's schedule of retained earnings available for dividend declaration is the responsibility of the Company's management. The schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic interim condensed consolidated financial statements. The schedule has been subjected to the procedures applied in the review of the basic interim condensed consolidated financial statements of the Group and, based on our review, nothing has come to our attention that causes us to believe that the information required to be set forth therein in relation to the interim condensed consolidated financial statements of the Group taken as a whole has not been prepared, in all material respects, in accordance with Philippine Standard 34, *Interim Financial Reporting*.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have reviewed in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the interim condensed consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at March 31, 2024 and for the three-month periods ended March 31, 2024 and 2023, and have issued our report thereon dated July 11, 2024. Our review was made for the purpose of expressing a conclusion on the basic interim condensed consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic interim condensed consolidated financial statements in accordance with PAS 34. The components of these financial soundness indicators have been traced to the Group's interim condensed consolidated financial statements as at March 31, 2024 and for three-month periods ended March 31, 2024 and 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-073-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10082007, January 6, 2024, Makati City

July 11, 2024

VISTA LAND & LIFESCAPES, INC.

RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

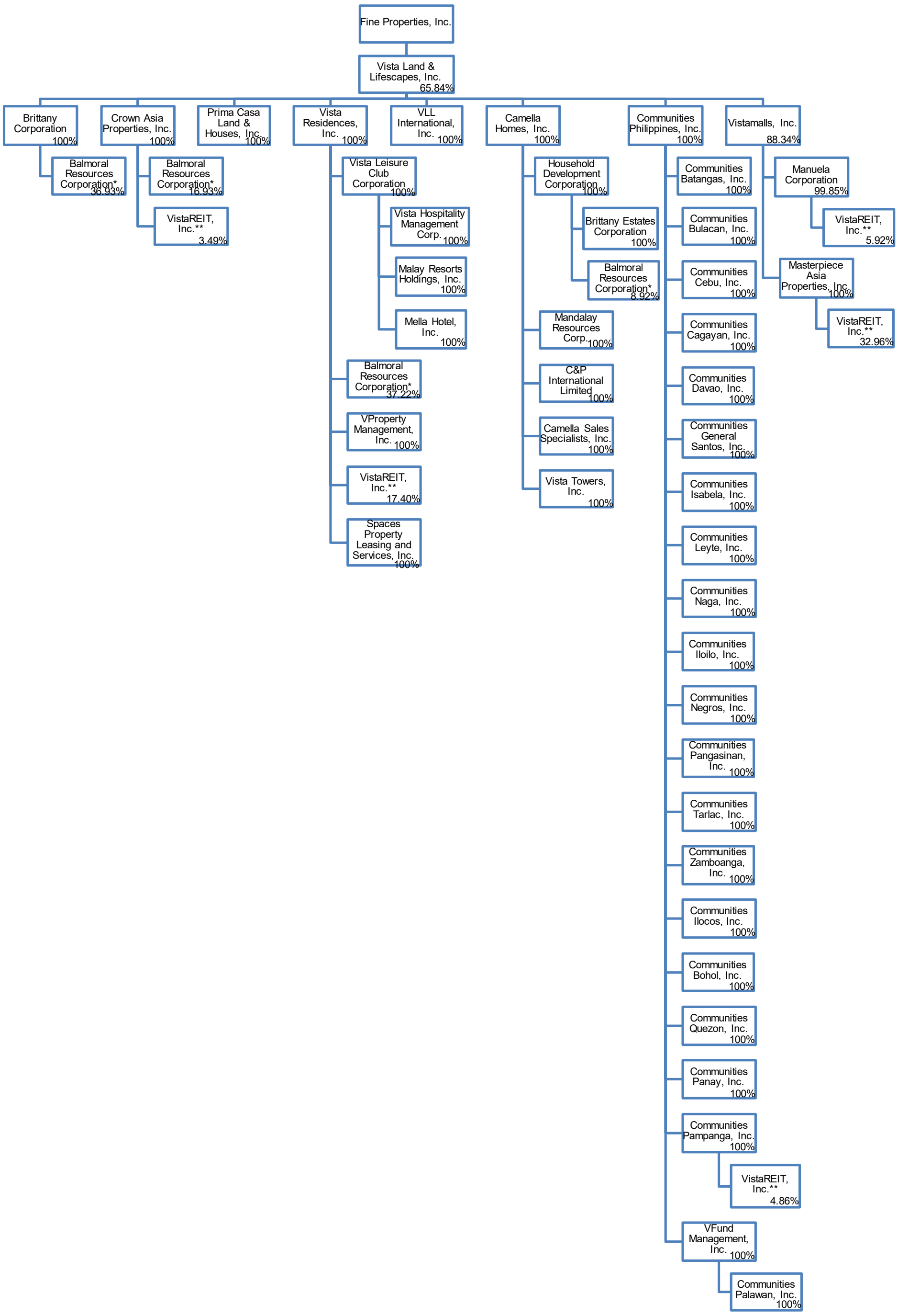
AS OF March 31, 2024

Unappropriated Retained Earnings, beginning of reporting period		₱11,985,191,622
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Others	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	–	
Retained Earnings appropriated during the reporting period	–	
Effect of restatements or prior-period adjustments	–	
Others	–	–
Unappropriated Retained Earnings, as adjusted		11,985,191,622
Add/Less: Net Income (loss) for the current year		2,137,869,437
Less: Category C.l: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends Declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of Investment Property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Realized fair value gain of Investment Property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value gain of Investment Property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	–	
Sub-total		–
Adjusted Net Income/Loss		14,123,061,059
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others	–	
Sub-total		–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Others	–	–
Sub-total		
Total Retained Earnings, end of the reporting period available for dividend declaration		₱14,123,061,059

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
GROUP STRUCTURE

Below is the map showing the relationship between and among group and its Ultimate parent company, and its subsidiaries as of March 31, 2024.



**The Group effectively owns 100% of Balmoral Resources Corporation through Brittany, CAPI, VRI and HDC.*
***The Group effectively owns 60.09% and 98.94% of VistaREIT, Inc. (formerly Vista One, Inc.) through MC, MAPI, Communities Pampanga, Inc., CAPI and VRI and the rest are owned by individual shareholders, as of December 31, 2023 and 2022, respectively.*

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

MARCH 31, 2024

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Cash and cash equivalents	N/A	₱12,821,390,463	₱12,821,390,463	–
Installment contracts receivables	N/A	37,502,632,373	37,502,632,373	–
Quoted equity securities	100	120,000,000	120,000,000	–
Unquoted equity securities	–	–	–	–
UBS Portfolio I	8,667,708,800	8,720,741,413	9,226,229,702	120,638,032
UBS Portfolio II	1,321,077,600	1,353,837,993	1,836,793,226	23,864,859
UBS Portfolio III	2,674,212,000	2,645,684,064	2,589,075,269	39,940,674
UBS Portfolio IV	2,970,878,000	2,948,806,978	3,976,228,627	14,504,900
UBS Portfolio V	2,187,736,000	2,179,609,895	2,511,501,356	13,260,784
UBS Portfolio VI	1,743,440,000	1,742,293,563	1,794,752,645	–
UBS Portfolio VII	1,715,320,000	1,655,314,006	2,074,747,590	20,310,604
UBS Portfolio VIII	2,446,440,000	2,465,019,679	5,400,095,906	25,898,078
UBS Portfolio IX	129,388,803	129,388,803	129,385,238	–
HSBC Portfolio I	3,844,453,920	3,858,960,379	3,784,158,510	19,112,469
HSBC Custody	956,080,000	978,369,741	978,369,741	8,552,690
CREDIT SUISSE	5,563,148,320	5,560,515,426	5,684,483,196	58,693,424
J.SAFFRRA SARASSIN	1,712,508,000	1,709,913,176	1,627,860,164	23,086,595
Receivable from tenants and accrued rent receivable	–	33,785,136,049	33,785,136,049	–
Total Financial Assets	₱35,932,391,443	₱120,177,614,001	₱125,842,840,055	₱367,863,109

See Notes 7, 8, 9 and 22 of the Interim Condensed Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDER (OTHER THAN RELATED PARTIES)

MARCH 31, 2024

Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of period
Officers	₱7,619,815	₱11,188,857	(₱4,320,334)	₱–	₱11,711,803	₱2,776,535	₱14,488,338
Employees	51,462,133	114,488,076	(82,122,643)	–	83,827,566	–	83,827,566
Advances to officers and employees	₱59,081,948	₱125,676,933	(₱86,442,977)	₱–	₱98,359,369	₱2,776,535	₱98,315,904

See Note 9 of the Interim Condensed Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLES/PAYABLES FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

MARCH 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Converted to APIC/Capital Stock	Current	Noncurrent	Balance at end of period
Vista Land and Lifescapes, Inc.	₱125,298,315,070	(₱5,561,391,747)	₱3,197,599,693	₱–	₱122,934,523,016	₱–	₱122,934,523,016
Prima Casa Land & Houses, Inc.	2,057,845,624	281,661,795	(43,276,802)	–	2,296,230,617	–	2,296,230,617
VLL International, Inc.	(17,087,402,692)	2,324,772,500	(1,985,069,686)	–	(16,747,699,878)	–	(16,747,699,878)
Crown Asia Properties, Inc.	(9,926,237,922)	52,743,920	(25,866,990)	–	(9,899,360,992)	–	(9,899,360,992)
Vista Residences, Inc.	(9,085,556,620)	110,314,757	(243,468,444)	–	(9,218,710,307)	–	(9,218,710,307)
Camella Homes, Inc.	(24,895,159,778)	998,586,890	(984,956,354)	–	(24,881,529,242)	–	(24,881,529,242)
Brittany Corporation	(16,372,747,756)	177,279,674	(4,906,487)	–	(16,200,374,569)	–	(16,200,374,569)
Communities Philippines, Inc.	(16,857,448,400)	1,580,960,565	(1,109,241,600)	–	(16,385,729,435)	–	(16,385,729,435)
Vistamalls, Inc.	(33,131,607,528)	35,071,647	1,199,186,671	–	(31,897,349,210)	–	(31,897,349,210)

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE D: LONG TERM DEBT

MARCH 31, 2024

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest rates	Amount	Number of periodic installments	Maturity date
Notes Payable 1	₱5,150,000,000	₱ 125,524,248	₱ 4,291,028,077	6.19%	₱4,416,552,325	Quarterly interest payments; 0.5% principal payment for 36 quarter and 82% principal on maturity date	December 2026
Notes Payable 2	4,850,000,000	117,066,668	4,041,077,247	6.23%	4,158,143,915	Quarterly interest payments; 1% principal payment for the 1st quarter following the issuance, .5% and 82% principal on maturity date	December 2026
Notes Payable 3	6,000,000,000	659,997,329	2,323,353,315	7.71%	2,983,350,644	Quarterly interest payments; 4.1667%	July 2028
Notes Payable 4	1,700,000,000	282,453,335	141,654,200	7.49%	424,107,535	principal payment 1 year after issuance for 24	July 2025
Notes Payable 5	500,000,000	83,072,333	41,663,000	7.50%	124,735,333	quarters	July 2025
Notes Payable 6	15,000,000,000	1,875,000,000	-	7.13%	1,875,000,000	Quarterly interest payments; 5% principal payment 1 year after issuance for 20 quarters	July 2024
Notes Payable 7	4,000,000,000	1,103,978,783	1,771,445,082	6.64%	2,875,423,865	Quarterly interest payments; 5.56% principal payment 3 quarter after issuance for 18 quarters	March 2027
Notes Payable 8	2,000,000,000	551,989,392	885,722,541	7.24%	1,437,711,933	Quarterly interest payments; 5.56% principal payment 2 quarter after issuance for 18 quarters	March 2027
Notes Payable 9	8,600,000,000	–	8,535,936,935	7.93%	8,535,936,935	Quarterly interest payments; principal payable upon maturity	December 2025
Notes Payable 10	2,900,000,000	–	2,878,397,338	7.26%	2,878,397,338	Quarterly interest payments; principal payable upon maturity	December 2025
Notes Payable 11	6,000,000,000	–	5,956,071,552	7.61%	5,956,071,552	Quarterly interest payments; principal payable upon maturity	April 2026
Notes Payable 12	4,000,000,000	–	3,970,712,713	7.26% to 7.63%	3,970,712,713	Quarterly interest payments; principal payable upon maturity	April 2026

(Forward)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest rates	Amount	Number of periodic installments	Maturity date
Notes Payable 13	₱5,000,000,000	₱ 2,997,710,931	₱-	5.75%	₱2,997,710,931	Quarterly interest payments; principal payable upon maturity	August 2024
		–	1,989,449,556	6.23%	1,989,449,556	Quarterly interest payments; principal payable upon maturity	August 2027
	3,500,000,000	–	3,486,095,649	8.25%	3,486,095,649	Quarterly interest payments; principal payable upon maturity	December 2025
Notes Payable 14	10,000,000,000	–	9,976,981,632	5.70%	9,976,981,632	Quarterly interest payments; principal payable upon maturity	June 2025
	10,000,000,000	–	3,124,327,282	7.54%	3,124,327,282	Quarterly interest payments; principal payable upon maturity	December 2026
Notes Payable 15		–	2,788,448,710	7.69%	2,788,448,710	Quarterly interest payments; principal payable upon maturity	December 2028
Notes Payable 16	$220,000,000	$–	$220,000,000	7.25%	$220,000,000	Semi-annual interest payments; bullet on principal	July 2027
Notes Payable 17	$200,000,000	$–	$200,000,000	7.25%	$200,000,000	Semi-annual interest payments; bullet on principal	July 2027
Notes Payable 18	$350,000,000	$350,000,000	$-	5.75%	$350,000,000	Semi-annual interest payments; bullet on principal	November 2024
Bank Loans	Not applicable	20,925,683,818	33,630,128,443	4.00% to 8.17%	54,555,812,262	Various payment terms (i.e., monthly and quarterly) of interest and principal	Various dates
Loans Payable	₱5,000,000,000	₱ 2,997,710,931	₱-	5.75%	₱2,997,710,931	Quarterly interest payments; principal payable upon maturity	August 2024

See Notes 18 and 19 of the Interim Condensed Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES
MARCH 31, 2024

Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS

MARCH 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee

Not Applicable

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE G: CAPITAL STOCK

MARCH 31, 2024

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common Stock, ₱1 par value	17,900,000,000	13,114,136,376 shares issued; 11,945,799,461 shares outstanding	–	9,113,046,142	516,778,325	3,068,183,209
Preferred Stock Series 1, ₱0.01 par value	8,000,000,000	3,300,000,000 shares issued and outstanding	–	3,300,000,000	–	–
Preferred Stock Series 2, ₱0.10 par value	200,000,000	–	–	–	–	–

See Note 21 of the Interim Condensed Consolidated Financial Statements.

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
AS OF MARCH 31, 2024, DECEMBER 31, 2023 and 2022

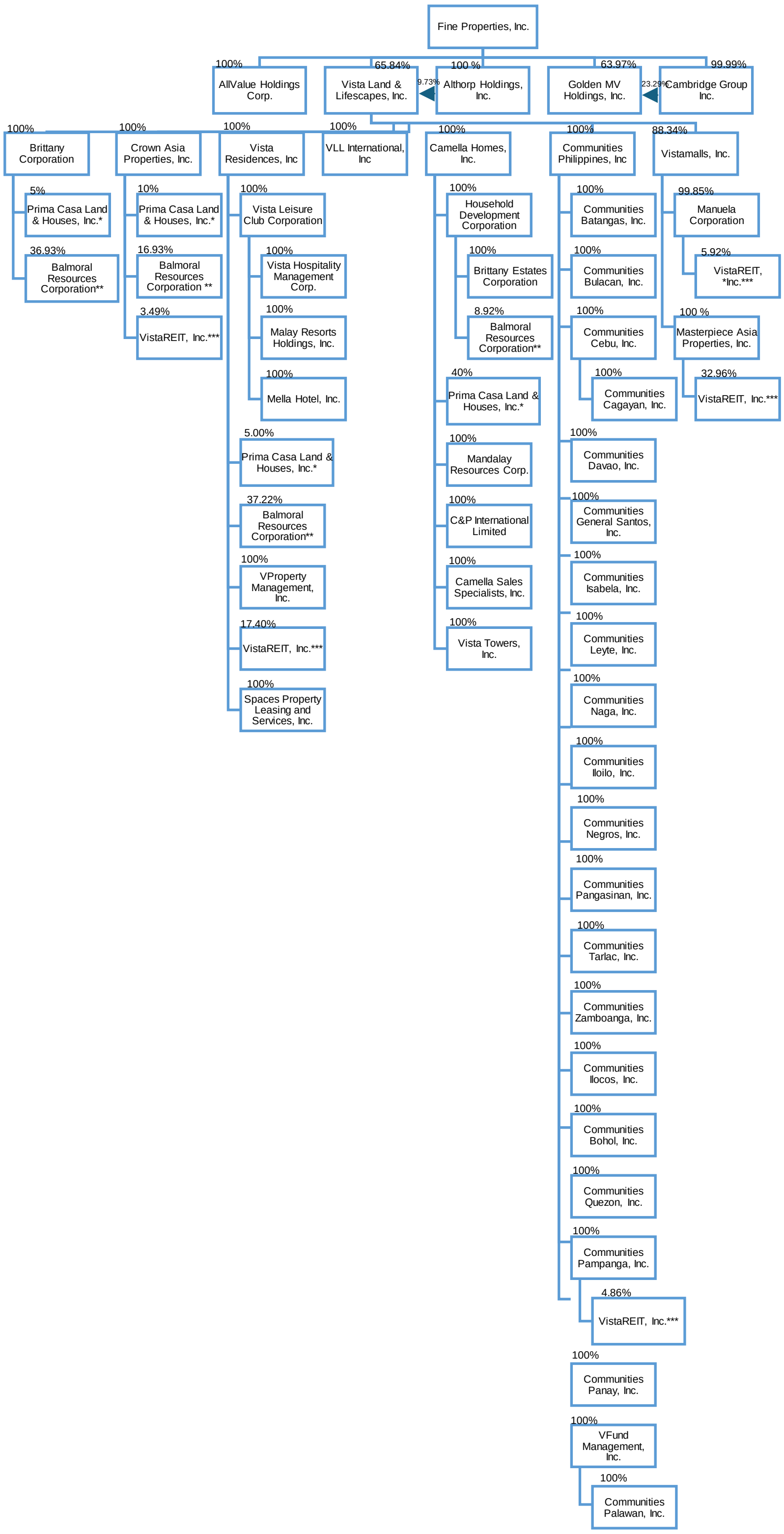
Below are the financial ratios that are relevant to the Group for the periods ended March 31, 2024, December 31, 2023 and 2022.

Ratios	Formula	2024	2023	2022
Current ratio	Current assets / Current liabilities	**1.90**	1.85	2.89
Acid test ratio	Quick asset[1] / Current liabilities	**1.98**	0.99	1.64
Solvency ratio	Net income + Depreciation / Total liabilities	**0.02**	0.06	0.05
Debt ratio	Interest bearing debt[2] / Total assets	**0.49**	0.49	0.51
Asset to equity ratio	Total assets / Total equity	**2.61**	2.58	2.61
Interest service coverage ratio	EBITDA[3] / Total interest paid[4]	**2.40**	2.03	1.95
Return on equity	Net income / Total equity	**0.02**	0.08	0.06
Return on assets	Net income / Average total assets	**0.01**	0.03	0.02
Net profit margin	Net income / Net revenue	**0.31**	0.30	0.26

[1]Includes Cash and Cash Equivalents, Short-term Investments, Investment at FVTPL and Current Receivables
[2]Includes Bank loans, Notes Payable and Loans Payable
[3]EBITDA less Interest Income from Investments
[4]Total interest paid less Interest Income from Investments

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
GROUP STRUCTURE

Below is the map showing the relationship between and among group and its Ultimate parent company, and its subsidiaries as of December 31, 2023.



** The Group effectively owns 100% of Prima Casa Land & Houses, Inc. through Brittany, CAPI, VRI, CHI and CPI.*
***The Group effectively owns 100% of Balmoral Resources Corporation through Brittany, CAPI, VRI and HDC.*
****The Group effectively owns 60.09% and 98.94% of VistaREIT, Inc. (formerly Vista One, Inc.) through MC, MAPI, Communities Pampanga, Inc., CAPI and VRI and the rest are owned by individual shareholders, as of December 31, 2023 and 2022, respectively.*

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	7	0	3	1	4	5

C O M P A N Y   N A M E

VISTA LAND & LIFESCAPES, INC.
AND SUBSIDIARIES

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

LOWER GROUND FLOOR, BUILDING B, EVIA LIFESTYLE CENTER, VISTA CITY, DAANGHARI, ALMANZA II, LAS PIÑAS CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	SEC	NA

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

Company's Email Address	Company's Telephone Number	Mobile Number
irg@vistaland.com.ph	3226 3552	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
930	6/15	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Brian N. Edang	brian_edang@ vistaland.com.ph	3226-3552/ 8874-5758	0917-857-6513

CONTACT PERSON's ADDRESS

Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City,
Daanghari, Almanza II, Las Piñas City

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

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

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

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Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

Opinion

We have audited the consolidated financial statements of Vista Land and Lifescapes, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) application of the input method as the measure of progress in determining real estate revenue; and (3) estimation of the total project cost.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as payment history of the buyer. Management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses input method. Under this method, progress is measured based on actual costs incurred relative to the estimated total project cost. In the estimation of total project cost, the Group requires technical determination by the Group's specialists (project engineers) to estimate all the inputs involved in the construction and development of the projects to include materials, labor and other costs directly related in the construction of the projects.

The disclosures related to the real estate revenue are included in Note 7 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as official receipts and buyer's subsidiary ledger.

For the application of the input method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the percentage-of-completion (POC), including the cost accumulation process, and for determining and updating of total estimated costs, and performed tests of the relevant controls on these processes. We assessed the competence, capabilities and objectivity of the project engineers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we traced the accumulated incurred costs to the supporting documents such as construction contracts, subsequent billings, and other documents evidencing receipt of materials and services from contractors. For the estimation of total project costs, we obtained an understanding of the Group's budgeting and project close-out process and, on a sampling basis, performed test of details (price and quantity) for the inputs for each of the major project development workstream. We also performed test of subsequent changes to the budget by tracing to relevant documents such as approved memorandum on budget revision and performed inquiries with the project engineers to understand the basis of the revisions to the budget. We performed a look-back analysis for fully completed projects in current year. We visited selected project sites, made relevant inquiries with project engineers and correlated our observations with the reported project accomplishment. We performed test computation of the POC calculation of management.

Provision for Expected Credit Losses

The Group applies simplified approach in calculating expected credit loss (ECL) of its installment contracts receivable and receivable from tenants. Allowance for credit losses and the provision for credit losses as of and for the year ended December 31, 2023 amounted to ₱1,552.39 million and ₱923.88 million, respectively. Key areas of judgment include segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts; and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays) in calculating ECL.

The disclosures related to the allowance for credit loss using ECL model are included in Note 5 to the consolidated financial statements.

Audit Response

We obtained an understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) assessed the methodology used in applying the ECL model by evaluating the key inputs, assumption and formula used; (c) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (d) tested historical loss rates by inspecting historical recoveries and write-offs, and the effects of any financial support and credit enhancements provided by any party; (e) compared the classification of outstanding exposures to their corresponding aging buckets; (f) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and the related industry of tenants and; (g) tested the effective interest rate, or an approximation thereof, used in discounting the expected loss.

Further, we compared the data used in the ECL models, such as the historical aging analysis and default and recovery data, to the financial reporting systems.

We recalculated impairment provisions on a sample basis and evaluated the adequacy of disclosures made in the consolidated financial statements on allowance for credit losses using the ECL model.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by SEC, as described in Note 2 to the consolidated financial statements.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cyril Jasmin B. Valencia.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-074-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10082027, January 6, 2024, Makati City

April 11, 2024

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 9, 31 and 32)	**₱10,692,152,140**	₱15,070,204,626
Short-term cash investments (Notes 10, 31 and 32)	**7,322,177**	47,278,102
Current portion of:		
Receivables (Notes 11, 29, 31 and 32)	**52,211,635,311**	53,234,543,776
Cost to obtain contract (Note 7)	**308,625,135**	385,648,418
Current portion of investments at amortized cost (Notes 10, 31, 32)	**18,425,130,586**	9,440,433,583
Real estate inventories (Note 12)	**63,771,221,098**	53,533,899,417
Other current assets (Note 13)	**6,447,935,058**	5,724,758,578
Total Current Assets	**151,864,021,505**	137,436,766,500
Noncurrent Assets		
Investments at amortized cost - net of current portion (Notes 10, 31 and 32)	**20,784,286,643**	32,059,050,499
Investments at fair value through other comprehensive income (Notes 10, 31 and 32)	**132,158,380**	117,158,380
Receivables - net of current portion (Notes 11, 29, 31 and 32)	**31,191,466,002**	21,166,092,635
Cost to obtain contract - net of current portion (Note 7)	**202,050,708**	354,528,291
Project development costs (Notes 16 and 29)	**1,396,265,766**	1,269,160,947
Advances to a related party (Note 29)	**7,559,440,240**	7,042,276,334
Investment in joint venture (Note 17)	**499,448,049**	468,073,789
Property and equipment (Note 15)	**2,636,151,061**	2,301,086,488
Investment properties (Note 14)	**124,656,130,738**	118,343,597,899
Goodwill (Note 8)	**147,272,020**	147,272,020
Pension assets - net (Note 26)	**290,759,057**	320,711,689
Deferred tax assets - net (Notes 6 and 27)	**105,709,673**	111,464,269
Other noncurrent assets (Note 17)	**935,988,879**	1,076,827,824
Total Noncurrent Assets	**190,537,127,216**	184,777,301,064
	₱342,401,148,721	₱322,214,067,564

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 18, 31 and 32)	**₱20,517,350,873**	₱15,890,543,266
Security deposits and advance rent (Note 19)	**2,013,043,768**	1,856,523,789
Income tax payable	**112,479,900**	127,097,100
Dividends payable (Notes 23, 29, 31 and 32)	**298,016,044**	96,024,581
Current portion of:		
Contract liabilities (Note 7)	**1,588,321,684**	1,085,106,497
Notes payable (Notes 21, 31 and 32)	**28,005,337,553**	12,745,831,195
Bank loans (Notes 20, 31 and 32)	**25,874,160,220**	11,561,568,479
Loans payable (Notes 20, 31 and 32)	**3,176,026,696**	3,767,253,212
Lease liabilities (Notes 28, 29 and 32)	**388,872,997**	368,459,297
Total Current Liabilities	**81,973,609,735**	47,498,407,416

(Forward)

	December 31	
	2023	2022
Noncurrent Liabilities		
Contract liabilities - net of current portion (Note 7)	**₱437,048,986**	₱1,058,495,304
Notes payable - net of current portion (Notes 21, 31 and 32)	**80,143,444,086**	89,702,372,246
Bank loans - net of current portion (Notes 20, 31 and 32)	**27,308,807,975**	44,385,254,638
Loans payable - net of current portion (Notes 20, 31 and 32)	**4,267,696,654**	1,567,365,940
Lease liabilities - net of current portion (Notes 28, 29 and 32)	**5,051,347,045**	5,065,593,706
Deferred tax liabilities - net (Notes 6 and 27)	**8,201,432,357**	6,107,386,965
Other noncurrent liabilities (Notes 22, 31 and 32)	**2,156,400,155**	3,178,998,174
Total Noncurrent Liabilities	**127,566,177,258**	151,065,466,973
Total Liabilities	**209,539,786,993**	198,563,874,389
Equity (Note 23)		
Attributable to equity holders of the Parent Company		
Preferred stock	**33,000,000**	33,000,000
Common stock	**13,114,136,376**	13,114,136,376
Additional paid-in capital	**30,684,713,292**	30,684,713,292
Retained earnings	**86,226,517,112**	78,311,116,523
Other comprehensive income (Notes 10 and 26)	**905,783,398**	798,914,337
Treasury shares	**(7,740,264,387)**	(7,740,264,387)
	123,223,885,791	115,201,616,141
Noncontrolling interest (Note 30)	**9,637,475,937**	8,448,577,034
Total Equity	**132,861,361,728**	123,650,193,175
	₱342,401,148,721	₱322,214,067,564

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
REVENUE			
Real estate (Notes 6 and 7)	**₱15,228,483,509**	₱12,789,877,721	₱17,397,931,318
Rental income (Notes 6, 14 and 34)	**16,021,430,433**	13,742,258,197	9,312,720,292
Interest income from installment contracts receivable (Notes 6, 11 and 25)	**606,298,284**	701,342,313	774,445,060
Parking, hotel, mall administrative and processing fees, and others (Notes 6 and 25)	**2,104,880,739**	1,607,345,055	2,146,874,201
	33,961,092,965	28,840,823,286	29,631,970,871
COSTS AND EXPENSES			
Costs of real estate sales (Notes 6, 12, and 24)	**6,112,020,965**	5,542,966,656	8,533,403,321
Operating expenses (Notes 6 and 24)	**11,596,161,423**	9,647,400,878	9,407,780,092
	17,708,182,388	15,190,367,534	17,941,183,413
OTHER INCOME (EXPENSES)			
Proceeds from insurance claims (Note 24)	**1,841,156,398**	–	–
Interest income from investments and other income (Notes 6, 9, 10, 13 and 25)	**1,202,284,056**	981,195,770	1,549,437,541
Interest and other financing charges (Notes 6, 20, 21, 25 and 28)	**(5,685,639,657)**	(5,217,887,075)	(4,315,329,854)
	(2,642,199,203)	(4,236,691,305)	(2,765,892,313)
INCOME BEFORE INCOME TAX	**13,610,711,374**	9,413,764,447	8,924,895,145
PROVISION FOR INCOME TAX (Note 27)	**3,318,646,232**	2,021,114,107	1,957,648,849
NET INCOME	**₱10,292,065,142**	₱7,392,650,340	₱6,967,246,296
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱8,656,053,138**	₱6,119,908,898	₱6,426,541,859
Noncontrolling interest	**1,636,012,004**	1,272,741,442	540,704,437
NET INCOME	**₱10,292,065,142**	₱7,392,650,340	₱6,967,246,296
BASIC/DILUTED EARNINGS PER SHARE (Note 30)	**₱0.725**	₱0.512	₱0.538

(Forward)

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱10,292,065,142**	₱7,392,650,340	₱6,967,246,296
OTHER COMPREHENSIVE INCOME			
Other comprehensive gain (loss) to be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustments (Note 32)	**111,391,632**	(18,488,017)	73,378,653
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit obligation - net of tax (Notes 26 and 27)	**(18,993,518)**	19,577,219	113,161,254
Changes in fair value on equity investments at fair value through other comprehensive income (Note 10)	**15,000,000**	22,000,000	8,000,000
	107,398,114	23,089,202	194,539,907
TOTAL COMPREHENSIVE INCOME	**₱10,399,463,256**	₱7,415,739,542	₱7,161,786,203
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱8,762,922,199**	₱6,140,749,468	₱6,619,014,287
Noncontrolling interest	**1,636,541,057**	1,274,990,074	542,771,916
	₱10,399,463,256	₱7,415,739,542	₱7,161,786,203

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 23)				Other Comprehensive Income					
	Preferred Stock	**Common Stock**	**Additional Paid-in Capital** (Note 23)	**Retained Earnings** (Note 23)	**Remeasurement Gains on Retirement Obligation** (Notes 23, 26 and 27)	**Cumulative Translation Adjustments** (Notes 23 and 32)	**Other Comprehensive Income** (Notes 10 and 23)	**Treasury Shares** (Note 23)	**Noncontrolling Interest** (Notes 23 and 30)	**Total**
Balances as at January 1, 2023	**₱33,000,000**	**₱13,114,136,376**	**₱30,684,713,292**	**₱78,311,116,523**	**₱609,081,665**	**(₱243,904,893)**	**₱433,737,565**	**(₱7,740,264,387)**	**₱8,448,577,034**	**123,650,193,175**
Net income	–	–	–	**8,656,053,138**	–	–	–	–	**1,636,012,004**	**10,292,065,142**
Other comprehensive income	–	–	–	–	**(19,522,571)**	**111,391,632**	**15,000,000**	–	**529,053**	**107,398,114**
Total comprehensive income (loss) for the year	–	–	–	**8,656,053,138**	**(19,522,571)**	**111,391,632**	**15,000,000**	–	**1,636,541,057**	**10,399,463,256**
Cash dividend declared	–	–	–	**(740,652,549)**	–	–	–	–	**(447,642,154)**	**(1,188,294,703)**
Balances as at December 31, 2023	**₱33,000,000**	**₱13,114,136,376**	**₱30,684,713,292**	**₱86,226,517,112**	**₱589,559,094**	**(₱132,513,261)**	**₱448,737,565**	**(₱7,740,264,387)**	**₱9,637,475,937**	**₱132,861,361,728**
Balances as at January 1, 2022	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱72,539,569,939	₱591,753,078	(₱225,416,876)	₱411,737,565	(₱7,740,264,387)	₱3,146,983,827	₱112,526,928,871
Net income	–	–	–	6,119,908,898	–	–	–	–	1,272,741,442	7,392,650,340
Other comprehensive income	–	–	–	–	17,328,587	(18,488,017)	22,000,000	–	2,248,632	23,089,202
Total comprehensive income (loss) for the year	–	–	–	6,119,908,898	17,328,587	(18,488,017)	22,000,000	–	1,274,990,074	7,415,739,542
Increase in noncontrolling interest (Note 23)	–	–	29,283,943	–	–	–	–	–	4,197,400,031	4,226,683,974
Cash dividend declared	–	–	–	(348,362,314)	–	–	–	–	(170,796,898)	(519,159,212)
Balances as at December 31, 2022	₱33,000,000	₱13,114,136,376	₱30,684,713,292	₱78,311,116,523	₱609,081,665	(₱243,904,893)	₱433,737,565	(₱7,740,264,387)	₱8,448,577,034	₱123,650,193,175
Balances as at January 1, 2021	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱66,411,673,066	₱480,659,303	(₱298,795,529)	₱403,737,565	(₱7,740,264,387)	₱2,620,068,365	₱105,679,644,108
Net income	–	–	–	6,426,541,859	–	–	–	–	540,704,437	6,967,246,296
Other comprehensive income	–	–	–	–	111,093,775	73,378,653	8,000,000	–	2,067,479	194,539,907
Total comprehensive income for the year	–	–	–	6,426,541,859	111,093,775	73,378,653	8,000,000	–	542,771,916	7,161,786,203
Cash dividend declared	–	–	–	(298,644,986)	–	–	–	–	(15,856,454)	(314,501,440)
Balances as at December 31, 2021	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱72,539,569,939	₱591,753,078	(₱225,416,876)	₱411,737,565	(₱7,740,264,387)	₱3,146,983,827	₱112,526,928,871

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱13,610,711,374**	₱9,413,764,447	₱8,924,895,145
Adjustments for:			
Interest and other financing charges (Note 25)	**5,685,639,657**	5,217,887,075	4,315,329,854
Depreciation and amortization (Notes 14, 15, 17 and 24)	**2,889,023,944**	2,638,853,067	2,686,583,410
Loss on asset retirement (Notes 14 and 24)	**164,649,301**	–	–
Retirement expense, net of payments (Note 26)	**20,647,941**	49,730,787	44,574,335
Unrealized foreign exchange loss (gain)	**8,148,500**	4,492,975	(9,708,504)
Loss from fire, net of claims (Notes 14, 15 and 24)	–	366,965,591	–
Share in equity earnings from investment in joint venture (Note 17)	**(31,374,260)**	(9,301,990)	(7,043,055)
Interest income from investments and other income (Note 25)	**(1,202,284,056)**	(981,195,770)	(1,549,437,541)
Proceeds from insurance claims (Note 24)	**(1,841,156,398)**	–	–
Operating income before working capital changes	**19,304,006,003**	16,701,196,182	14,405,193,644
Decrease (increase) in:			
Receivables (Note 33)	**(12,052,122,445)**	(3,266,159,674)	(6,559,097,831)
Real estate inventories (excluding capitalized borrowing costs)	**(6,641,841,141)**	(2,087,951,696)	(2,820,564,171)
Other current assets and cost to obtain contract	**(310,088,204)**	(1,535,795)	827,822,686
Increase (decrease) in:			
Accounts and other payables	**4,543,573,958**	(119,888,697)	(752,702,714)
Contract liabilities	**(118,231,131)**	342,131,111	(864,515,875)
Security deposits and advance rent (including noncurrent portion)	**115,934,564**	45,769,229	60,231,281
Other noncurrent liabilities	**(807,697,955)**	(45,803,311)	(724,789,167)
Plan assets contributions (Note 26)	**(16,020,000)**	(61,374,100)	(58,425,850)
Net cash flows generated from operations	**4,017,513,649**	11,506,383,249	3,513,152,003
Income tax paid (including creditable withholding taxes)	**(1,230,214,533)**	(886,982,696)	(926,526,124)
Net cash flows provided by operating activities	**2,787,299,116**	10,619,400,553	2,586,625,879
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Maturity of investments at amortized cost (Note 10)	**20,043,068,703**	24,898,766,326	12,958,036,143
Insurance claims (Note 24)	**1,841,156,398**	620,000,000	–
Short-term cash investments (Note 10)	**39,955,925**	288,741,543	–
Interest received	**1,256,264,386**	1,080,150,454	1,256,861,006
Additions to:			
Investments at amortized cost (Note 10)	**(17,958,242,982)**	(12,921,556,055)	(17,452,430,148)
Investment properties (excluding capitalized borrowing costs) (Notes 14 and 33)	**(3,680,168,116)**	(5,002,075,927)	(4,876,747,527)
Property and equipment (Notes 15 and 33)	**(670,779,503)**	(154,666,117)	(231,410,097)
Short-term cash investments (Note 10)	–	–	(219,091,344)
Deductions from (additions to):			
Advances to a related party (Note 33)	**(517,163,906)**	(957,087,103)	(14,709,230)
Project development costs	**(127,104,819)**	4,891,917	1,073,057,252
Restricted cash	**(35,147,846)**	(105,669,636)	388,437,931
Other noncurrent assets	**(68,248,368)**	(75,965,633)	(359,866,212)
Net cash flows provided by (used in) investing activities	**123,589,872**	7,675,529,769	(7,477,862,226)

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES (Note 33)			
Proceeds from:			
Notes payable (Note 21)	**₱18,900,000,000**	₱14,600,000,000	₱10,909,807,626
Bank loans (Note 20)	**11,820,592,370**	22,272,518,258	23,377,375,534
Loans payable (Note 20)	**3,963,399,970**	4,715,767,761	2,859,085,791
Increase in noncontrolling interest (Note 23)	**–**	4,226,683,974	–
Payments of:			
Lease liabilities (Note 28)	**(370,444,459)**	(375,018,792)	(283,190,395)
Dividends (Note 23)	**(986,303,240)**	(438,991,085)	(326,748,924)
Loans payable (Note 20)	**(1,854,295,772)**	(3,160,659,623)	(3,401,469,422)
Interest and other financing charges (including capitalized borrowing cost) (Notes 12 and 14)	**(11,343,917,313)**	(9,716,182,535)	(9,738,424,964)
Notes payable (Note 21)	**(12,816,674,933)**	(23,876,278,143)	(5,657,071,600)
Bank loans (Note 20)	**(14,593,149,597)**	(23,324,728,434)	(8,786,974,577)
Net cash flows provided by (used in) financing activities	**(7,280,792,974)**	(15,076,888,619)	8,952,389,069
EFFECT OF CHANGE IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**(8,148,500)**	(4,492,975)	9,708,504
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(4,378,052,486)**	3,213,548,728	4,070,861,226
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**15,070,204,626**	11,856,655,898	7,785,794,672
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 9)	**₱10,692,152,140**	₱15,070,204,626	₱11,856,655,898

See accompanying Notes to Consolidated Financial Statements.

1. **Corporate Information**

Vista Land & Lifescapes, Inc. (the Parent Company or VLLI) was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 28, 2007. The Parent Company's registered office address is at Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City. The Parent Company is a publicly-listed investment holding company which is 65.84% owned by Fine Properties, Inc., (Ultimate Parent Company), as of December 31, 2023 and 2022 and the rest by the public.

The Parent Company is the holding company of the Vista Group (the Group) which is engaged in real estate activities. The Group has six (6) wholly-owned subsidiaries, namely: Brittany Corporation (BC), Crown Asia Properties, Inc. (CAPI), Vista Residences, Inc. (VRI), Camella Homes, Inc. (CHI), Communities Philippines, Inc. (CPI) and VLL International Inc. (VII), and an 88.34% owned subsidiary, Vistamalls, Inc. (formerly Starmalls, Inc.) The Group is divided into horizontal, vertical and commercial and others segment. The Group caters to the development and sale of residential house and lot and residential condominium through its horizontal and vertical projects, respectively. Its commercial and others segment focuses on the development, leasing and management of shopping malls and commercial centers all over the Philippines and hotel operations.

Vista REIT Transaction

On August 7, 2020, the Board of Directors (BOD) of VLLI approved the incorporation of Vista One, Inc. (VOI), to be the vehicle for the Group's Real Estate Investment Trust (REIT) registration under Republic Act 9856 (The REIT Act of 2009). VOI was incorporated in the Republic of the Philippines and was registered with the SEC on August 24, 2020, primarily to own, manage, operate and engage in the leasing of income-generating real properties such as office buildings, shopping centers, hotels, resorts, residential buildings, condominium buildings, among others and to hold for investment or otherwise, real estate of all kind.

In compliance with applicable regulatory requirements of the SEC for companies seeking registration of their securities, VOI entered into and implemented the REIT Formation Transactions as follows:

Amendment of the Articles of Incorporation and By-Laws of VOI

On February 7, 2022, at least a majority of the BOD and the stockholders owning at least two- thirds (2/3) of the outstanding capital stock of VOI approved to increase its authorized capital stock to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share.

The increase in VOI's authorized capital stock from ₱2,000,000,000 divided into 2,000,000,000 shares with par value of ₱1.00 per share to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share was approved by the SEC on March 14, 2022.

On March 16, 2022, the BOD approved various amendments to the Articles of Incorporation and By-Laws of VOI including, among others, the following: (a) change in the corporate name to "VISTAREIT, INC."; (b) change in primary purpose to engage in the business of a real estate investment trust under Republic Act No. 9856 (the REIT Law), including the Revised Implementing Rules and Regulations of the REIT Law); (c) requirement to have independent directors in the Board; and (d) other amendments in connection with the initial public offering of VOI as a REIT entity. Such amendments were approved by the SEC on April 18, 2022.

Execution of Property-for-Share Swap Agreement and Deed of Assignment of Leases between the Sponsors and VOI
On February 7, 2022, VOI entered into various Deeds of Assignment and Subscription Agreements with each of Manuela Corporation (MC), Masterpiece Asia Properties, Inc. (MAPI), Vista Residences, Inc. (VRI), Crown Asia Properties, Inc. (CAPI) and Communities Pampanga, Inc. (CPAM) collectively referred to as the Sponsors, for the assignment, transfer, and conveyance by the Sponsors to VOI of 10 community malls and two office buildings with an aggregate gross lease area of 256,403.95 sqm (collectively, the Assigned Properties) and fair value of ₱35,952,992,730 in exchange for the issuance by VOI to the Sponsors out of the increase in authorized capital stock described hereinabove of an aggregate of 6,990,000,000 common shares at an issue price of ₱1.50 per share, or an aggregate issue or subscription price of ₱10,485,000,000 (the Property-for-Share Swap).

The Assigned Properties consists of Vista Mall Las Piñas (Main), Starmall Las Piñas (Annex), Starmall San Jose Del Monte (SJDM), Vista Mall Pampanga, SOMO – A Vista Mall, Vista Mall Antipolo, Vista Mall General Trias, Vista Mall Tanza, Starmall Talisay – Cebu, Vista Mall Imus, Vista Hub Molino and commercial and office units and parking lots in Vista Hub BGC.

On March 14, 2022, the SEC issued the confirmation of the valuation of the Property-for-Share Swap. The requisite Certificate Authorizing Registrations authorizing the transfer of legal title to the Assigned Properties from the Sponsors to VOI were issued by the Bureau of Internal Revenue (BIR) on April 25 to 29 and May 2, 2022.

On March 16, 2022, pursuant to the Deeds of Assignment and Subscription Agreements for the transfer, assignment and conveyance in favor of VOI of all of the Sponsors' rights, title and interests in the Assigned Properties in exchange for VOI's common shares, VOI and the Sponsors entered into a Deed of Assignment of Leases assigning all of the Sponsors' rights and interests in and to the Contracts of Lease over portions of the Assigned Properties leased out to various entities (the "Leases") effective upon the issuance of VOI's common shares in the name of the Sponsors.

Amendment of the Articles of Incorporation and By-Laws of Communities Palawan, Inc.
On February 16, 2022, at least a majority of the BOD and the stockholders owning at least two- thirds (2/3) of the outstanding capital stock of Communities Palawan, Inc. approved to increase its authorized capital stock to ₱500,000,000 divided into 500,000,000 shares with par value of ₱1.00 per share.

The increase in Communities Palawan, Inc.'s authorized capital stock from ₱50,000,000 divided into 500,000 shares with par value of ₱100.00 per share to ₱500,000,000 divided into 500,000,000 shares with par value of ₱1.00 per share was approved by the SEC on April 18, 2022.

On February 16, 2022, the BOD approved the following amendments to the Articles of Incorporation and By-Laws of Communities Palawan, Inc.: (a) change in the corporate name to "VFUND MANAGEMENT, INC."; (b) change in primary and secondary purpose to engage in the business of providing fund management services to REIT companies, as provided under Republic Act No. 9856; (c) requirement to have independent directors in the Board; and (d) amending the corporate term to perpetual existence. Such amendments were approved by the SEC on April 18, 2022.

The above amendments are pursuant to the Proposed Initial Public Offering of a REIT by VistaREIT, Inc. (VistaREIT) after Communities Palawan, Inc. and VistaREIT entered into a Fund Management Agreement on March 18, 2022 for Communities Palawan, Inc. to act as the Fund Manager to VistaREIT, to perform the functions required thereof as stated in the REIT Law and the regulations of the relevant government entities, which includes, in exchange for a fund management fee as agreed by the parties, execution of investment strategies and overseeing and coordinating property acquisition, property management, leasing, operational and financial reporting, appraisals, audits, market review, accounting and reporting procedures, as well as financing and asset deposition plans.

On June 15, 2022, VistaREIT was publicly listed in the Philippine Stock Exchange. With the listing, VLLI's effective ownership in VistaREIT as of December 31, 2022 was reduced to 60.09% from 98.94% as of December 31, 2021. As of December 31, 2023 and 2022, VistaREIT is 32.96% owned by Masterpiece Asia Properties, Inc., 17.40% owned by VRI, 5.92% owned by Manuela Corporation, 4.86% by Communities Pampanga, Inc., 3.49% owned by CAPI and 35.37% owned by the public (see Notes 23 and 30).

2. **Basis of Preparation and Statement of Compliance**

Basis of Preparation
The accompanying consolidated financial statements of the Group have been prepared on a historical cost basis, except for the financial assets measured at fair value through other comprehensive income which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱) which is the functional and presentation currency of the Parent Company, and all amounts are rounded to the nearest Philippine Peso unless otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. These accounting pronouncements address the issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry.

Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry
On December 15, 2020, the Philippine SEC issued SEC Memorandum Circular (MC) No. 34-2020 which further extended the deferral of the following provisions of PIC Q&A 2018-12 until December 31, 2023:

a. Exclusion of land in the determination of percentage-of-completion (POC) discussed in PIC Q&A No. 2018-12-E
b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
c. Implementation of International Financial Reporting Standards Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods under Philippine Accounting Standards (PAS) 23, *Borrowing Cost*, for Real Estate industry

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 3 to the consolidated financial statements.

PFRS include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023.

An investee is included in the consolidation at the point when control is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests (NCI), even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Parent and the subsidiaries are all domiciled and incorporated in the Philippines and are in the business of real estate development, leasing of commercial centers and buildings and hotel and resorts operation, except for VII and C&P International Limited. The latter are incorporated in Grand Cayman Island and domiciled in Hong Kong and operates as holding companies.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	Percentage of Ownership		
	2023	2022	2021
BC	**100.00%**	100.00%	100.00%
Balmoral Resources Corporation*	**36.93**	36.93	36.93
CAPI	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**16.93**	16.93	16.93
VistaREIT, Inc.**	**3.49**	3.49	19.61
VRI	**100.00**	100.00	100.00
Vista Leisure Club Corporation (VLCC)	**100.00**	100.00	100.00
Vista Hospitality Management Corp.	**100.00**	100.00	100.00
Malay Resorts Holdings, Inc. (MRHI)	**100.00**	100.00	100.00
Mella Hotel, Inc.	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**37.22**	37.22	37.22
Vproperty Management, Inc.	**100.00**	100.00	100.00
VistaREIT, Inc.**	**17.40**	17.40	19.61
Spaces Property Leasing and Services, Inc.	**100.00**	100.00	–
CHI	**100.00**	100.00	100.00
Household Development Corporation (HDC)	**100.00**	100.00	100.00
Brittany Estates Corporation	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**8.92**	8.92	8.92
Mandalay Resources Corp.	**100.00**	100.00	100.00
C&P International Limited	**100.00**	100.00	100.00
Camella Sales Specialists, Inc.	**100.00**	100.00	100.00
Vista Towers, Inc.	**100.00**	100.00	100.00
Prima Casa Land & Houses, Inc. (PCLHI)	**100.00**	100.00	100.00
CPI	**100.00**	100.00	100.00
Communities Batangas, Inc.	**100.00**	100.00	100.00
Communities Bulacan, Inc.	**100.00**	100.00	100.00
Communities Cebu, Inc.	**100.00**	100.00	100.00
Communities Cagayan, Inc.	**100.00**	100.00	100.00
Communities Davao, Inc.	**100.00**	100.00	100.00
Communities General Santos, Inc.	**100.00**	100.00	100.00
Communities Isabela, Inc.	**100.00**	100.00	100.00
Communities Leyte, Inc.	**100.00**	100.00	100.00
Communities Naga, Inc.	**100.00**	100.00	100.00
Communities Iloilo, Inc.	**100.00**	100.00	100.00
Communities Negros, Inc.	**100.00**	100.00	100.00
Communities Pampanga, Inc.	**100.00**	100.00	100.00
VistaREIT, Inc.**	**4.86**	4.86	19.61
Communities Pangasinan, Inc.	**100.00**	100.00	100.00
Communities Tarlac, Inc.	**100.00**	100.00	100.00
Communities Zamboanga, Inc.	**100.00**	100.00	100.00
Communities Ilocos, Inc.	**100.00**	100.00	100.00
Communities Bohol, Inc.	**100.00**	100.00	100.00
Communities Quezon, Inc.	**100.00**	100.00	100.00
Vfund Management, Inc. (formerly Communities Palawan, Inc.)	**100.00**	100.00	100.00
Communities Palawan, Inc.	**100.00**	–	–
Communities Panay, Inc.	**100.00**	100.00	100.00
VII	**100.00**	100.00	100.00
Vistamalls, Inc.	**88.34**	88.34	88.34
Manuela Corporation (MC)	**99.85**	99.85	99.85
VistaREIT, Inc.**	**5.92**	5.92	20.50
Masterpiece Asia Properties, Inc. (MAPI)	**100.00**	100.00	100.00
VistaREIT, Inc.**	**32.96**	32.96	19.61

**The Group effectively owns 100% of Balmoral Resources Corporation through Brittany, CAPI, VRI and HDC.*
***The Group effectively owns 60.09% of VistaREIT, Inc. (formerly Vista One, Inc.) through MC, MAPI, Communities Pampanga, Inc., CAPI and VRI and the rest are owned by individual shareholders, as of December 31, 2023 and 2022.*

Noncontrolling Interests
Noncontrolling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results to the noncontrolling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and recognized as "Additional paid-in-capital" in the consolidated statement of changes in equity. If the Group losses control over a subsidiary if:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

As at December 31, 2023 and 2022, the percentage of noncontrolling interests pertain to (i) VistaREIT at 39.91% and (ii) Vistamalls, Inc. and its subsidiaries at 11.66%. The voting rights held by the noncontrolling interests are in proportion of their ownership interest.

3. Changes in Accounting Policies

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amended standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

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

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2024

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

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

- Amendments to PAS 21*, Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

- Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this

PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

The PIC Q&A provisions covered by the SEC deferral that the Group availed as of December 31, 2023 follows:

	Deferral Period
Exclusion of land in the determination of POC discussed in PIC Q&A No. 2018-12-E	Until December 31, 2023
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A No. 2020-04)	Until December 31, 2023
Implementation of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods under PAS 23, *Borrowing Cost*) for Real Estate industry	Until December 31, 2023

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

a. The accounting policies applied;
b. Discussion of the deferral of the subject implementation issues in the PIC Q&A;
c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted; and
d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12, including any subsequent amendments thereto, and have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021.

Had the above provisions been adopted, the Group assessed that the impact would have been as follows:

- *Treatment of land in the determination of the percentage-of-completion*
  Adoption of this guidance would have impacted a reduction in revenue from real estate sales, installment contract receivables, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings. These would have not impacted the cash flows.

- *Assessing if the transaction price includes a significant financing component*
  The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability and the

opening balance of retained earnings. These would have impacted the cash flows from operations and cash flows from financing activities.

- *Impact of implementing the IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, Borrowing Cost*
  Adoption of this guidance would have impacted a reduction in net income, real estate inventories, provision for deferred income tax, deferred tax liability, and the opening balance of retained earnings, and a corresponding increase in interest and other financing charges. These would have not impacted the cash flows.

As of December 31, 2023, the Group is still in the process of assessing and calculating the impact of: (i) exclusion of land in the determination of POC, (ii) significant financing component, and (iii) implementing the IFRIC Agenda Decision. The Group opted to adopt the above changes using modified retroactive approach effective January 1, 2024 and impact will be recorded in the opening retained earnings.

4. Summary of Material Accounting Policies

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

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

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

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

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

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

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

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

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

Financial Instruments
Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

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

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

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term cash investments, receivables (except for advances to contractors, suppliers and brokers), and restricted cash under "Other current assets" and "Other noncurrent assets", and investments at amortized cost.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's equity instruments classified as financial assets designated at fair value through OCI include investments in golf club shares and preferred shares of utility companies.

Impairment of Financial Assets
The Group recognizes expected credit losses (ECL) for:

- debt instruments that are measured at amortized cost and fair value through OCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss.

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

The simplified approach is applied to installment contracts receivable. The Group has established a vintage analysis for installment contracts receivable that is based on historical credit loss experience, adjusted for forward-looking factors (i.e., bank lending rate, inflation rate or gross domestic product (GDP) growth rate) specific to the debtors and the economic environment.

The simplified approach is also used in calculating the Group's ECL for lease receivables and receivables from related parties. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for lease receivables and receivables from related parties that is based on its historical credit loss experience and incorporating forward-looking information (called overlays) specific to the debtors and economic environment.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables, dividends payable, notes payable, bank loans, loans payable, lease liabilities and other noncurrent liabilities (except for deferred output tax, security deposits and advance rent).

Subsequent measurement
Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statements of comprehensive income.

This category generally applies to accounts and other payables, dividends payable, notes payable, bank loans, loans payable, lease liabilities and other noncurrent liabilities (except for deferred output tax, security deposits and advance rent) presented in the consolidated statements of financial position.

Derecognition of Financial Assets and Financial Liabilities

Financial asset

A financial asset (or, where applicable, a part of a group of financial assets) is derecognized when, and only when: (a) the right to receive cash flows from the assets expires; (b) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third-party under a "pass-through" arrangement; or (c) the Group has transferred its right to receive cash flows from the asset and either: (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained the risks and rewards of the asset but has transferred control of the asset.

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

Modification of financial assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in the consolidated profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the profit or loss.

Financial liability

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default and in event of insolvency or bankruptcy of the Group and all of its counterparties.

Real Estate Inventories

Real estate inventories consist of subdivision land, residential house, and condominium units for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Acquisition cost of subdivision land;
- Amounts paid to contractors for construction and development of subdivision land, residential houses and lots and condominium units; and
- Capitalized borrowing costs, planning and design costs, cost of site preparation, professional fees, property transfer taxes, construction materials, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of real estate inventories is reduced through the use of an allowance account and the amount of loss is charged to profit or loss.

The cost of real estate inventory recognized in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Creditable Withholding Taxes
Creditable withholding taxes pertain to taxes withheld on income payments and may be applied against income tax due. The balance of taxes withheld is recovered in future period.

Prepaid Expenses
Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for advertising and marketing fees, taxes and licenses, rentals, and insurance.

Project Development Costs
Project development costs consist of advances for socialized housing credits and advances in joint operations. These are carried at cost less any accumulated impairment.

Advances for socialized housing credits
Advances for socialized housing credits pertain to advances made to a related party in relation to the Group's purchase of socialized housing credits in compliance with the requirements of Republic Act No. 7279 (Urban Development and Housing Act of 1992). Upon receipt of socialized housing credits, the advances is reclassified to "Real estate inventories" and is recognized in profit or loss with reference to the specific costs incurred on the property sold.

Advances on joint operations
Advances on joint operations pertain to costs incurred on various on-going projects under a joint venture agreements and memorandum of agreements entered into by the Group with individuals, private companies and entities under common control for the development of real estate projects.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have right to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognizes in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share to the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Investment Properties
Investment properties comprise of completed property and property under construction or re-development that are held to earn rentals or for capital appreciation. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of investment properties consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use and capitalized borrowing cost. Investment properties also include right-of-use assets primarily involving land where commercial buildings are located.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject for impairment.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. CIP is not depreciated until such time as the relevant assets are completed and put into operational use. Construction-in-progress are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Depreciation and amortization commence once the investment properties are available for use and computed using the straight-line method over the estimated useful lives (EUL) of the assets, regardless of utilization. The EUL and the depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties.

	Years
Buildings and building improvements	10 to 40 years or lease term, whichever is shorter
Right-of-use assets	11 to 30 years

Investment properties are derecognized when either these have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and do not change the cost of the property for measurement or for disclosure purposes.

Property and Equipment
Property and equipment, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment value at initial recognition and subsequently. The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after property and equipment have been put into operation are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against operations as incurred.

Depreciation commences once the property and equipment are available for use and is calculated on a the straight-line basis over the EUL life of property and equipment as follows:

	Years
Building and building improvements	10 to 40
Hotel building	30
Transportation equipment	2 to 5
Office furniture, fixtures and equipment	2 to 5
Construction equipment	2 to 5
Other fixed assets	1 to 5

The EUL and depreciation method are reviewed annually to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated and amortized property and equipment are retained in the accounts until they are no longer in use. No further depreciation is charged against current operations.

Deposits
Deposits consist of deposits for real estate purchases and deposits to utility companies which will either be applied or recouped against future billings or refunded upon completion of the real estate projects less any unpaid billings. Such deposits are necessary for the continuing construction and development of real estate projects of the Group. These are carried at cost less any impairment in value.

Impairment of Nonfinancial Assets
The Group assesses as at reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its

recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase in OCI. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Security Deposits
Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. These also include deposits of homeowners for their extension, fence construction and landscaping works which will be refunded after considering any charges.

Advance Rent
Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings.

Equity
Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Retained earnings represent accumulated earnings of the Group less dividends declared. It includes the accumulated equity in undistributed earnings of consolidated subsidiaries which are not available for dividends until declared by the subsidiaries.

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

The retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in operating expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Revenue and Cost Recognition for Real Estate Sales

Revenue from Contract with Customers
The Group primarily derives its real estate revenue from the sale of developed horizontal and vertical real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity services in its mall retail spaces and office leasing activities, wherein it is acting as agent.

The disclosures of significant accounting judgments and estimates relating to revenue from contracts with customers are provided in Note 5.

Real estate sales
The Group derives its real estate revenue from sale of developed house and lot and condominium units. Revenue from the sale of these real estate project is spread over time across the course of the construction since the Group's performance does not create an asset with an alternative use and the Group has an enforceable right for performance completed to date.

In measuring the progress of performance obligation over time, the Group uses input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method excludes the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs of the real estate project include costs of land, land development, house construction costs, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contracts receivable, is included in the "Receivables" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contracts receivable are included in the "Contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Other income is recognized if buyers forfeit their reservation fees and partial payments when not proceeding with the contract. The income recognized is net of any amount required to be returned to the buyers.

Costs of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of real estate sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes cost as an asset only when it gives rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

<u>Contract Balances</u>
Installment Contracts Receivable
An installment contracts receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). It also includes the difference between the consideration received from the customer and the transferred goods or services to a customer.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Cost to obtain contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Operating expenses" account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, derecognition and impairment of capitalized costs to obtain a contract
The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within operating expenses.

Capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgment is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Rental Income
The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to the ownership of the investment properties. Rental income from leased properties is accounted for on a straight-line basis over the lease term and is included in the revenue in the consolidated statement of comprehensive income due to its operating nature, except for contingent rental income which is recognized when it arises.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognized as a reduction of rental income on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise the option. For more information on the judgment involved, refer to Note 5.

The tenant lease incentives are considered in the calculation of “Accrued rental receivable” in the line item “Receivables” in the consolidated statement of financial position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of comprehensive income when the right to receive them arises.

The contracts for commercial and office spaces leased out by the Group to its tenants include the rights to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The consideration charged to tenants for these services is based on a fixed amount as agreed with the tenants.

The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis. For more information, please refer to Note 5.

<u>Interest Income</u>
Interest is recognized using the effective interest method, i.e., the rate, that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Unearned discount is recognized as income over the terms of the financial assets at amortized cost using the effective interest method and is shown as deduction for the financial assets.

<u>Other Revenue</u>
Other revenue is recognized when earned.

<u>Proceeds from Insurance Claims</u>
Proceeds received from insurance claims are recognized when it is virtually certain that an inflow of economic benefit will flow to the Group, and this is recorded as “Proceeds from insurance claims” in the consolidated statements of comprehensive income. Loss from fire, which is equivalent to the carrying values of the assets, is recognized as when the event happened.

Pension Cost

Defined benefit plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit (PUC) method.

Defined benefit costs comprise the following:

(a) service cost;
(b) net interest on the net defined benefit liability or asset; and
(c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Income Taxes

Current tax

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

The Group periodically evaluates the income tax positions taken in situations where the applicable tax regulations are subject to interpretation and considers these positions separately from other uncertainties. The Group assesses whether or not it is probable that those income tax positions will be accepted by the tax authorities, where if not, the Group recognizes additional income tax expense and liability relating to those positions.

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax liabilities shall be recognized for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in foreseeable future. Otherwise, no deferred tax liability is set up.

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

Deferred tax assets shall be recognized for deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary differences can be utilized.

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

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

Deferred tax relating to items recognized outside profit or loss is recognized in OCI. Deferred tax items recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in “Real estate inventories” and “Investment properties” accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Borrowings originally made to develop a specific qualifying asset are transferred to general borrowings (a) when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete, and (b) the entity chooses to use its funds on constructing other qualifying assets rather than repaying the loan.

Operating Expenses

Operating expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Operating expenses are recognized:

- on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or

- immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statement of financial position as an asset.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessee

Lease liabilities

At the commencement date of the lease, the Group recognizes the liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and Leases of low-value assets
The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group applies the low-value assets recognition exemption to leases of underlying assets with a value, when new, of ₱0.25 million and below. Lease payments on short-term leases and low-value assets are recognized as expense on a straight-line basis over the lease term.

Lease modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessee recognizes the right-of-use assets and lease liability as a separate new lease after assessing that the consideration for the lease increases by an amount commensurate with the stand-alone price and any adjustments to that stand-alone price reflects the circumstances of the particular contract. The Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use assets, without affecting profit or loss. For lease termination, the difference between the right-of-use assets and lease liability is recognized in the profit or loss.

Group as a Lessor
Leases where the lessor does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Pretermination is defined as termination of lease contract by the lessee or lessor before the end of the lease term. In the case of pretermination of an operating lease, a lessor derecognizes the accrued rental receivable which is the effect of straight-line calculation of rental income and is charged against rental income in the statement of comprehensive income.

Foreign Currency Translation
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

The functional currency of C&P International Limited and VII is the US Dollar. As of reporting date, the assets and liabilities of foreign subsidiaries, with functional currencies other than the functional currency of the Parent Company, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and their respective income and expenses at the weighted average rates for the year. The exchange differences arising on the translation are recognized in OCI under "Cumulative Translation Adjustment". On disposal of a foreign operation, the component of OCI relating to that particular foreign operation shall be recognized in profit or loss in the consolidated statement of comprehensive income.

Basic and Diluted Earnings Per Share (EPS)
Basic EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income attributable to the equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year after giving effect to assumed conversion of potential common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

As of December 31, 2023, 2022 and 2021, the Group has no potential dilutive common shares (see Note 30).

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 6 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risk specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized only when the reimbursement is virtually certain. The expense relating to any provision is presented in consolidated statement of comprehensive income net of any reimbursement.

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

Events After the Financial Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. Material Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in compliance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements, requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Revenue from contracts with customers

Existence of a contract
The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as payment history of customer, age and pricing of the property.

Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that input method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Determination of the lease term
The Group determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

As a lessor, the Group enters into lease agreements that contain options to terminate or to extend the lease. At commencement date, the Group determines whether the lessee is reasonably certain to extend the lease term or not to terminate the lease. To make this analysis, the Group takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases, the Group does not identify sufficient evidence to meet the required level of certainty.

As a lessee, the Group has a lease contract for the land where investment properties are situated that includes an extension and a termination option. The Group applies judgement in evaluating whether or not it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Definition of default and credit-impaired installment contracts receivable
The Group defines the account as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria*
  The customer receives a notice of cancellation and does not continue the payments.

- *Qualitative criteria*
  The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

  a. The customer is experiencing financial difficulty or is insolvent
  b. The customer is in breach of financial covenant(s)
  c. An active market for that financial assets has disappeared because of financial difficulties

d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group considers a range of relevant forward-looking macro-economic assumptions (i.e., inflation rate and GDP growth rate for commercial segment and bank lending rate, inflation rate or GDP growth rate for residential segment) for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Significant increase in credit risk
The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors. The Group's cash and cash equivalents, short-term cash investments, investments at amortized cost, and restricted cash are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, are considered to be low credit risk investments. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs. Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

Determining Taxable Profit, Tax Bases, Unused Tax Losses, Unused Tax Credits and Tax Rates
Upon adoption of the Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments,* the Group has assessed whether it has any uncertain tax position. The Group applies significant judgment in identifying uncertainties over its income tax treatments. The Group determined based on its assessment, in consultation with its tax counsel, that it is probable that its income tax treatments will be accepted by the taxation authorities. Accordingly, the interpretation did not have an impact on the consolidated financial statements of the Group.

Assessment of Joint Control
The investment in VVTI is accounted for as investment in joint venture despite the Group owning 60%, this is because the relevant activities such as matters related to project development, approval of annual budget and programme, change in joint venture business structure and distribution of dividends among others of the Group and Mitsubishi Estate Co., Ltd. require the unanimous consent of both parties. Even though the Group holds 60% ownership interest on these arrangements, their respective joint arrangement agreements require unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements.

Management's Use of Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Measurement of progress when revenue is recognized over time
The Group's real estate sales is recognized over time and the percentage-of-completion is determined using input method measured principally based on total actual cost of resources consumed such as materials, labor hours expended, and actual overhead incurred over the total expected project development cost. Actual costs also include incurred costs but not yet billed which are estimated by the project engineers. Total estimated project development cost involves significant estimate since it requires technical determination by management's specialists (project engineers). Estimated project development costs include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

See Notes 7, 11, and 12 for the related balances.

Provision for expected credit losses of financial assets
Cash and cash equivalents, short-term cash investments, investments at amortized cost and restricted cash:

The Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group uses external credit rating approach to calculate ECL for cash and cash equivalents, short-term cash investments, investments at amortized cost, and restricted cash. This approach leverages on available market data (i.e., S&P and Moody's and Fitch credit ratings for default rates). S&P, Moody's, Fitch and Reuters are reliable market data sources that provide default and recovery rate data. These information are widely used by investors and stakeholders in decision-making in terms of investment, credit activities, etc.

Installment contracts receivables, accounts receivable and accrued rental receivable:

The Group uses vintage analysis to calculate ECLs for installment contracts receivable. The PD rates using vintage analysis are based on default counts of contract issuances in a given period for groupings of various customer segments that have similar loss patterns (e.g., by customer's type of financing and employment).

The vintage analysis is initially based on the Group's historical observed default rates. The Group will calibrate the matrices to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The Group also considers the timing of re-sale of the covered properties and related costs in determining the expected net recoveries.

For third-party receivable from tenants and accrued rental receivables, the Group recognizes a loss allowance based on lifetime ECLs. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss.

For related party receivables from tenants, including the accrued rental receivable, the Group considers the ability to pay of the related party and considers factors whether the related party is a listed company or not, its current results of operations and the projected cash flows from operations. The assessment also includes the assumption of the liability of the related parties' parent company and future plans of payments for remaining uncollected receivables such as entering into property exchange or joint venture arrangements wherein land properties will be received as form of settlement, which are to be used in the Group's planned expansion activities. The collectability assessment also includes the continuing commitment to provide financial support to these related parties and common control entities by Fine Properties, Inc. and the assessment of the latter's capacity to provide such financial support.

The assessment of the relationship between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The collectability of the significant portion of its receivables from real estate sales is impacted by the continuing employment of its customers, both the overseas contract workers and locally employed customers.

Tenants which belong to micro, small and medium enterprise and those operating under entertainment, non-essentials and food industries were previously adversely affected due to temporary closure of mall operations which increased the risk of non-collection of the remaining receivables. The Group has updated its assumptions as various tenants has recovered from the impact of the pandemic.

Considering the above, the Group revisited the expected credit loss exercise as at December 31, 2023 and 2022 for its receivables.

For the installment contracts receivable, the calculation of the probability of default (PD) was updated by further segmenting the buyers tagged as overseas Filipino workers based on location of employment (e.g., Middle East, Europe, East Asia, etc.).

For installment contracts receivable and receivables from tenants, the PD scenario used in the calculation of ECL were assigned with 33% equal probability for all scenarios as of December 31, 2023 and 2022, and 30% best, 33% base, and 37% worse and 31% best, 33% base, and 36% worst case probability scenario as of December 31, 2021, respectively. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

As a result of the loss estimation, management recognized impairment loss for receivable from tenants and investments at amortized cost in each period presented.

Further details are provided in Notes 10, 11 and 32.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

Further details about the fair value of financial instruments are provided in Note 31.

Evaluation of net realizable value of real estate inventories
Real estate inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the estimated selling price of the real estate inventories in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of these assets. In determining the recoverability of these assets, management considers whether these assets are damaged, if their selling prices have declined and management's plan in discontinuing the real estate projects. Estimated selling price is derived from publicly available market data and historical experience, while estimated selling costs are basically commission expense based on historical experience. In evaluating NRV, recent market conditions and current market prices have been considered.

Further details are provided in Note 12.

Evaluation of impairment of nonfinancial assets
The Group reviews project development costs, investment in joint venture, property and equipment, investment properties, goodwill, and other nonfinancial assets for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant industry or economic trends.

The Group estimates the recoverable amount as the higher of the fair value less costs to sell and value in use. Fair value less costs to sell pertain to quoted prices and for fair values determined using discounted cash flows or other valuation technique such as multiples. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect project development costs, investment in joint venture, property and equipment, investment properties, goodwill, and other nonfinancial assets.

For goodwill, this requires an estimation of the recoverable amount which is the fair value less costs to sell or value in use of the cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the future cash flows for the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of cash flows.

Further details are provided in Notes 8, 13, 14, 15, 16, and 17.

Determining the fair value of investment properties
The Group discloses the fair values of its investment properties. The Group's investment properties consist of land and land developments and building and building improvements. For properties for leasing, the fair values were derived using income approach as determined by third party appraisers while land properties held for capital appreciation were based on market-based listing of the properties of the same features and locations as determined by management. Fair values of right of use asset were determined using the latest discount rate every end of reporting period based on remaining cash flows while that of construction in progress is aligned with cost as management believes the values of cost represents the current replacement cost as of balance sheet date.

Further details are provided in Note 14.

Recognition of deferred tax assets
The Group reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

Further details are provided in Note 27.

6. Segment Information

For management purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has three reportable operating segments as follows:

Horizontal Projects
This segment pertains to the development and sale of residential house and lot across the Philippines.

Vertical Projects
This segment caters on the development and sale of residential condominium projects across the Philippines.

Commercial and others
This segment pertains to rental of malls and office spaces, hotel operations, and activities of holding companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss before income tax and earnings before income tax, depreciation and amortization (EBITDA) and other gains/losses. Other gains/losses include loss (gain) from fire, interest income, provision for impairment losses and cost-out of capitalized borrowing cost. Segment operating income or loss before income tax is based on the same accounting policies as consolidated operating income or loss, excluding interest income from installment contracts receivable. No operating segments have been aggregated to form the above reportable operating business segments. The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Group's internal reports in order to assess performance of the Group.

Transfer prices between operating segments are based on the agreed terms between the related parties.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statements of financial position which is in accordance with PFRS. The segment assets are presented separately from the advances a to related party, investments at fair value through other comprehensive income (FVOCI), investments at amortized cost and deferred taxes. Segment liabilities are presented separately from the deferred tax liabilities.

The financial information about the operations of these operating segments is summarized below:

	December 31, 2023				
	Horizontal	**Vertical**	**Commercial and Others**	**Intersegment Adjustments**	**Consolidated**
			(Amounts in thousands)		
Real estate revenue (Note 7)	**₱9,814,162**	**₱5,414,322**	**₱–**	**₱–**	**₱15,228,484**
Rental income (Notes 14 and 34)	**–**	**–**	**16,191,431**	**(170,001)**	**16,021,430**
Parking, hotel, mall administrative and processing fees, and others (Note 25)	**745,278**	**264,408**	**1,118,715**	**(23,520)**	**2,104,881**
	10,559,440	**5,678,730**	**17,310,146**	**(193,521)**	**33,354,795**
Costs and operating expenses (Note 24)	**6,826,007**	**3,571,149**	**4,445,522**	**(23,520)**	**14,819,158**
Segment income before income tax	**3,733,433**	**2,107,581**	**12,864,624**	**(170,001)**	**18,535,637**
Proceeds from insurance claims (Note 24)	**–**	**–**	**1,841,156**	**–**	**1,841,156**
Interest income from installment contracts receivable and interest income from investments and other income (Note 25)	**505,999**	**93,421**	**1,209,162**	**–**	**1,808,582**
Interest and other financing charges (Note 25)	**(356,598)**	**(21)**	**(5,329,021)**	**–**	**(5,685,640)**
Depreciation and amortization (Note 24)	**(836,829)**	**(28,839)**	**(2,023,356)**	**–**	**(2,889,024)**
Income before income tax	**3,046,005**	**2,172,142**	**8,562,565**	**(170,001)**	**13,610,711**
Provision for income tax (Note 27)	**777,971**	**514,400**	**2,026,276**	**–**	**3,318,647**
Net income	**₱2,268,034**	**₱1,657,742**	**₱6,536,289**	**(₱170,001)**	**₱10,292,064**
Other Information					
Segment assets	**₱123,946,924**	**₱23,929,978**	**₱147,276,690**	**(₱258,617)**	**₱294,894,975**
Advances to a related party (Note 29)	**7,559,440**	**–**	**–**	**–**	**7,559,440**
Investment in joint venture (Note 17)	**–**	**499,448**	**–**	**–**	**499,448**
Investments at FVOCI (Note 10)	**12,158**	**–**	**120,000**	**–**	**132,158**
Investments at amortized cost (Note 10)	**–**	**–**	**39,209,417**	**–**	**39,209,417**
Deferred tax assets - net (Note 27)	**104,627**	**–**	**1,083**	**–**	**105,710**
Total Assets	**₱131,623,149**	**₱24,429,426**	**₱186,607,190**	**(₱258,617)**	**₱342,401,148**
Segment liabilities	**₱13,763,051**	**₱8,844,209**	**₱178,819,711**	**(₱88,616)**	**201,338,355**
Deferred tax liabilities - net (Note 27)	**492,700**	**435,502**	**7,273,230**	**–**	**8,201,432**
Total Liabilities	**₱14,255,751**	**₱9,279,711**	**₱186,092,941**	**(₱88,616)**	**₱209,539,787**
Capital expenditures	**₱15,616,691**	**₱8,615,489**	**₱2,882,950**	**₱–**	**₱27,115,130**

**For the year ended December 31, 2023, EBITDA amounts to ₱20,252.11 million.*

	December 31, 2022				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
			(Amounts in thousands)		
Real estate revenue (Note 7)	₱8,402,272	₱4,387,606	₱–	₱–	₱12,789,878
Rental income (Notes 14 and 34)	–	–	14,135,752	(393,494)	13,742,258
Parking, hotel, mall administrative and processing fees, and others (Note 25)	708,601	292,840	627,244	(21,340)	1,607,345
	9,110,873	4,680,446	14,762,996	(414,834)	28,139,481
Costs and operating expenses (Note 24)	5,229,702	3,111,737	4,210,076	–	12,551,515
Segment income before income tax	3,881,171	1,568,709	10,552,920	(414,834)	15,587,966
Interest income from installment contracts receivable and interest income from investments and other income (Note 25)	909,341	55,511	717,686	–	1,682,538
Interest and other financing charges (Note 25)	(429,929)	(35,853)	(4,752,105)	–	(5,217,887)
Depreciation and amortization (Note 24)	(656,089)	(25,285)	(1,957,479)	–	(2,638,853)
Income before income tax	3,704,494	1,563,082	4,561,022	(414,834)	9,413,764
Provision for income tax (Note 27)	522,632	312,616	1,185,866	–	2,021,114
Net income	₱3,181,862	₱1,250,466	₱3,375,156	(₱414,834)	₱7,392,650
Other Information					
Segment assets	₱99,716,662	₱23,922,805	₱149,522,455	(₱186,312)	₱272,975,610
Advances to a related party (Note 29)	7,042,276	–	–	–	7,042,276
Investment in joint venture (Note 17)	–	468,074	–	–	468,074
Investments at FVOCI (Note 10)	12,158	–	105,000	–	117,158
Investments at amortized cost (Note 10)	–	–	41,499,484	–	41,499,484
Deferred tax assets - net (Note 27)	111,464	–	–	–	111,464
Total Assets	₱106,882,560	₱24,390,879	₱191,126,939	(₱186,312)	₱322,214,066
Segment liabilities	₱20,217,005	₱7,822,545	₱164,603,249	(₱186,312)	₱192,456,487
Deferred tax liabilities - net (Note 27)	1,664,144	152,292	4,290,951	–	6,107,387
Total Liabilities	₱21,881,149	₱7,974,837	₱168,894,200	(₱186,312)	₱198,563,874
Capital expenditures	₱12,089,005	₱6,323,525	₱4,103,770	₱–	₱22,516,300

**For the year ended December 31, 2022, EBITDA amounts to ₱17,007.09 million.*

	December 31, 2021				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
			(Amounts in thousands)		
Real estate revenue (Note 7)	₱13,602,441	₱3,795,490	₱–	₱–	₱17,397,931
Rental income (Notes 14 and 34)	–	–	9,851,733	(539,013)	9,312,720
Parking, hotel, mall administrative and processing fees, and others (Note 25)	1,282,740	178,395	901,204	(215,465)	2,146,874
	14,885,181	3,973,885	10,752,937	(754,478)	28,857,525
Costs and operating expenses (Note 24)	10,074,372	1,842,673	4,092,032	(754,478)	15,254,599
Segment income before income tax	4,810,809	2,131,212	6,660,905	–	13,602,926
Interest income from installment contracts receivable and interest income from investments and other income (Note 25)	763,936	26,230	1,533,716	–	2,323,882
Interest and other financing charges (Note 25)	(355,563)	(29,651)	(3,930,116)	–	(4,315,330)
Depreciation and amortization (Note 24)	(651,485)	(31,113)	(2,003,985)	–	(2,686,583)
Income before income tax	4,567,697	2,096,678	2,260,520	–	8,924,895
Provision for income tax (Note 27)	977,371	324,020	656,258	–	1,957,649
Net income	₱3,590,326	₱1,772,658	₱1,604,262	₱–	₱6,967,246
Other Information					
Segment assets	₱111,933,085	₱17,782,356	₱128,248,850	(₱511,958)	₱257,452,333
Advances to a related party (Note 29)	6,085,189	–	–	–	6,085,189
Investment in joint venture (Note 17)	–	458,772	–	–	458,772
Investments at FVOCI (Note 10)	41,499	–	83,000	–	124,499
Investments at amortized cost (Note 10)	–	–	49,817,450	–	49,817,450
Deferred tax assets - net (Note 27)	48,279	–	105	–	48,384
Total Assets	₱118,108,052	₱18,241,128	₱178,149,405	(₱511,958)	₱313,986,627
Segment liabilities	₱27,576,766	₱5,707,468	₱163,704,772	(₱511,958)	₱196,477,048
Deferred tax liabilities - net (Note 27)	1,017,709	133,280	3,831,662	–	4,982,651
Total Liabilities	₱28,594,475	₱5,840,748	₱167,536,434	(₱511,958)	₱201,459,699
Capital expenditures	₱14,615,731	₱4,078,229	₱2,445,640	₱–	₱21,139,600

**For the year ended December 31, 2021, EBITDA amounts to ₱15,652.27 million.*

Capital expenditures consists of construction costs, land acquisition and land development costs.

The reconciliation of the Group's income before income tax to EBITDA and other gains/losses is as follows (amounts in millions):

	2023	2022
Income before income tax	**₱13,611**	₱9,414
Interest and other financing charges	**5,686**	5,218
Depreciation and amortization	**2,889**	2,639
Proceeds from insurance claims	**(1,841)**	–
Interest income and others	**229**	(264)
EBITDA and other gains/losses	**₱20,574**	₱17,007

Rental income amounting to ₱12,394.34 million or 77.36%, ₱11,506.05 million or 83.73%, and ₱7,113.08 million or 76.38% of the commercial segment of the Group was generated from anchor tenants as defined in Note 29 for the years ended December 31, 2023, 2022 and 2021, respectively.

There is no cyclicality in the Group's operations.

7. Revenue from Contracts with Customers

a. Disaggregated Revenue Information

The Group derives revenue from the transfer of services and goods over time and at a point in time, respectively, in different product types and other geographical location within the Philippines.
The Group's disaggregation of each source of revenue from contracts with customers are presented below:

	2023	2022	2021
	(Amounts in Thousands)		
Type of Product			
Real estate sales			
Horizontal	**₱9,814,162**	₱8,402,272	₱13,602,441
Vertical	**5,414,322**	4,387,606	3,795,490
	15,228,484	12,789,878	17,397,931
Hotel operations (Note 25)	**133,346**	103,138	89,267
	₱15,361,830	₱12,893,016	₱17,487,198

All of the Group's real estate sales and revenue from room accommodation services are revenue from contracts with customers that are recognized over time, except for hotel operation's sale of food and beverages which are at point in time. There are no inter-segment eliminations among revenue from contracts with customers on real estate, as these are all sold to external customers as disclosed in the segment information in 2023 and 2022 (see Note 6).

Contract Balances

	2023	2022
Installment contracts receivable (Note 11)	**₱34,274,453,178**	₱35,296,250,329
Cost to obtain contract	**510,675,843**	740,176,709
Contract liabilities	**2,025,370,670**	2,143,601,801

Installment contracts receivable are from real estate sales which are collectible in equal monthly principal installments with various terms up to a maximum of 15 years. These are recognized at amortized cost using the effective interest method. Interest rates, which vary depending on the term of the receivable, ranges from 5.56% to 16.00% per annum, 2.43% to 19.00%, and 2.44% to 19.00% per annum in 2023, 2022 and 2021, respectively. The corresponding titles to the residential units sold under this arrangement are transferred to the customers only upon full payment of the contract price.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on percentage of completion. The movement in contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in percentage of completion.

The amount of revenue recognized in 2023 and 2022 from amounts included in contract liabilities at the beginning of the year amounted to ₱495.82 million and ₱799.11 million, respectively.

b. Performance obligations

Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into reservation agreements with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the reservation agreement is fixed and has no variable consideration.

The sale of real estate unit covers subdivision land, residential house units, and condominium units and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the reservation agreement and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% - 20% of the contract price to be paid over a maximum of 24 months at a fixed payment for horizontal developments and 20% - 40% of the contract price to be paid over a maximum of 48 months at a fixed payment for vertical developments with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to 15 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an installment contracts receivable or contract liability.

After the delivery of the completed real estate unit, the Group provides one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2023 and 2022 are, as follows:

	2023	2022
Within one year	**₱8,190,047,037**	₱8,619,451,367
More than one year	**3,785,834,615**	6,665,369,229
	₱11,975,881,652	₱15,284,820,596

The remaining performance obligations expected to be recognized within one year and more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

Rental agreements
The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space, (b) provisioning of water and electricity, and (c) connection to air conditioning system, (d) CUSA services, and (e) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within 30 days upon receipt of the bill. Except for related party tenants, in case of delay in payments, a penalty of 5% is charged for the amount due and shall be charged another 5% the following month of delay and every month thereafter inclusive of penalties previously charged. Except for related party tenants, the lease arrangement would typically require a tenant to pay advance rental equivalent to two (2) to four (4) months and a security deposit equivalent to two (2) to four (4) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

In various dates in 2021, certain third party and related party tenants of the Group operating within the entertainment, food and low-priced apparel retailing have requested for the termination of their lease contracts with the Group prior to the original end dates. The requests, as granted by the Group, are primarily due to the impact of COVID 19 pandemic to their business. As a result, the Group reversed the accrued rental receivable which is the effect of straight-line calculation of rental income of those tenants who pre-terminated the contracts, amounting to ₱38.81 million against rental income for the year ended December 31, 2021 (see Note 11). The related deferred tax liability of ₱9.70 million for the reversed accrued rental receivable from tenants was reversed in 2021. Of these terminated tenants in 2021, ₱2.84 million were related parties. The specific portion relating to the termination of related party tenants are further included in the related party transactions disclosure of the Group (see Note 29). There was no reversal of accrued rental receivables due to the impact of COVID-19 pandemic in 2023 and 2022.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19 pandemic, the Group came up with its own waiver scheme that applies to different classifications of lessees based on their respective financial position and performance before and during the community quarantine, their status as an essential vis-à-vis non-essential service, and their growth projections. The Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions. Granting of concessions were extended up to December 31, 2021 and beyond depending on the tenant's profile and credit. The rent concessions granted by the Group to its tenants for the years ended December 31, 2022 and 2021 amounted to ₱39.18 million and ₱240.65 million, respectively.

In January 2022, due to the fire that hit Star Mall Alabang in Muntinlupa City, the tenants pre-terminated the contracts that resulted to reversal of the Group's accrued rental receivables, which is the effect of straight-line calculation of rental income, amounting to ₱385.01 million with related deferred tax liabilities of ₱96.25 million. Of these terminated tenants, ₱377.77 million were related parties (see Note 29).

c. Cost to Obtain Contract

The balances below pertain to the cost to obtain contract presented in consolidated statements of financial position:

	2023	2022
Balance at beginning of year	**₱740,176,709**	₱898,663,714
Net additions	**454,998,698**	435,533,435
Amortization (Note 24)	**(684,499,564)**	(594,020,440)
Balance at end of year	**₱510,675,843**	₱740,176,709

8. Goodwill

On December 29, 2015, VLCC, a wholly owned subsidiary of VRI, acquired 100% ownership of MRHI for a total cash consideration of ₱157.00 million. MRHI owns and operates the Boracay Sands Hotel. The transaction was accounted for as a business combination under acquisition method. Fair values of identifiable net assets of MRHI amounted to ₱9.73 million, which resulted to recognition of goodwill of ₱147.27 million.

The recoverable amount is based on value in use calculations using cash flow projections from financial budgets approved by the Group's management covering the period the CGU is expected to be operational. The pre-tax discount rate used on December 31, 2023 and 2022 are 8.23% and 9.78% respectively, which is based on weighted average cost of capital of comparable entities. The average growth rate used is 4.00% as of December 31, 2023 and 2022. The value-in-use computation is most sensitive to the discount rate and growth rate applies to the cash flow projection. There is no impairment loss recognized since acquisition.

9. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	**₱14,662,374**	₱13,210,348
Cash in banks	**8,281,651,521**	8,640,751,874
Cash equivalents	**2,395,838,245**	6,416,242,404
	₱10,692,152,140	₱15,070,204,626

Cash in banks are stated at face amount and earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to an insignificant risk of changes in value.

The Group earns interest from cash in banks and cash equivalents as follows:

	2023	**2022**	2021
Philippine Peso	**0.01% to 4.25%**	0.01% to 1.25%	0.03% to 0.50%
US Dollar	**0.06% to 1.50%**	0.06% to 0.13%	0.05% to 0.13%

Interest earned from cash in banks and cash equivalents for the years ended December 31, 2023, 2022 and 2021 amounted to ₱210.10 million, ₱45.84 million and ₱34.08 million, respectively (see Note 25).

No cash and cash equivalents are used to secure the obligations of the Group.

10. **Investments**

Short-term cash investments
Short-term cash investments consist of money market placements with maturities of more than three (3) months up to one (1) year and earn annual interest at the respective short-term investment rates, as follows:

	2023	2022	2021
Philippine Peso	**1.26%**	0.10% to 3.13%	1.00% to 4.00%

As of December 31, 2023, and 2022, short-term cash investments amounted to ₱7.32 million and ₱47.28 million, respectively.

Interest earned from short-term cash investments for the years ended December 31, 2023, 2022 and 2021 amounted to ₱0.09 million, ₱1.12 million and ₱2.47 million, respectively (see Note 25).

Investments at amortized cost
This account consists of the Group's investments in various US dollar-denominated debt securities with nominal interest rates ranging from 0.58% to 8.88%, 0.25% to 8.00% and 1.00% to 7.75% for the years ended December 31, 2023, 2022 and 2021, respectively.

In 2023, 2022 and 2021, effective interest rate ranges from 0.12% to 10.74%, 1.05% to 7.19% and 0.39% to 10.82%, respectively.

Investments at amortized cost amounting to \$548.24 million (₱30,355.86 million) and \$552.94 million (₱30,829.00 million) are used to secure the bank loans of the Parent Company amounting to ₱27,546.54 million and ₱27,477.92 million as of December 31, 2023 and 2022, respectively.

The fair values of the investments used as collateral amounted to ₱31,319.04 million and ₱31,409.51 million as of December 31, 2023 and 2022 respectively (see Note 20).

Interest income from these investments including amortization of premium amounted to ₱984.53 million, ₱931.41 million and ₱1,507.49 million in 2023, 2022 and 2021, respectively (see Note 25).

Provision for (recovery from) expected credit loss amounting to (₱100.43 million), ₱23.29 million and ₱15.53 million were recognized in 2023, 2022 and 2021 on these investments, respectively (see Note 24).

The following presents the breakdown of investments by contractual maturity dates as of December 31, 2023 and 2022:

	2023	2022
Due in one (1) year or less	**₱18,425,130,586**	₱9,440,433,583
Due after one (1) year through five (5) years	**20,503,648,593**	31,629,125,036
Due after five (5) years	**280,638,050**	429,925,463
	₱39,209,417,229	₱41,499,484,082

The rollforward analysis of investments at amortized cost follow:

	2023	2022
Balance at beginning of year	**₱41,499,484,082**	₱49,817,449,839
Additions	**17,958,242,982**	12,921,556,055
Redemptions*	**(19,557,879,066)**	(24,461,735,580)
Amortization of premium	**(485,189,637)**	(437,030,746)
Recovery from (provision for) expected credit loss (Note 24)	**100,431,968**	(23,289,723)
Cumulative translation adjustment	**(305,673,100)**	3,682,534,237
Balance at end of year	**₱39,209,417,229**	₱41,499,484,082

**These include early redemptions initiated by the issuer/s.*

Investment at fair value through FVOCI
The investment at fair value through FVOCI consists of investments in golf club shares and preferred shares in utility companies carried at fair value which the Group irrevocably elected to classify as FVOCI.

	2023	2022
Balance at beginning of year	**₱117,158,380**	₱124,499,183
Unrealized fair value gain during the year	**15,000,000**	22,000,000
Disposals	**–**	(29,340,803)
Balance at end of year	**₱132,158,380**	₱117,158,380

11. **Receivables**

This account consists of:

	2023	2022
Installment contracts receivable (Note 7)	**₱34,274,453,178**	₱35,296,250,329
Accounts receivable:		
Tenants (Note 29)	**9,672,214,138**	10,141,422,954
Home Development Mutual Fund (HDMF)	**362,103,100**	185,386,869
Buyers	**184,969,070**	171,303,255
Others	**59,816,222**	44,839,102
Advances to:		
Contractors and suppliers	**10,916,450,265**	9,796,524,267
Private companies (Note 29)	**2,672,917,254**	1,407,176,313
Brokers	**297,454,553**	153,347,171
Accrued rental receivable (Note 29)	**22,905,714,492**	17,387,952,584
Receivables from related parties (Note 29)	**3,218,440,000**	–
Accrued interest receivable	**390,958,484**	444,938,814
	84,955,490,756	75,029,141,658
Less allowance for impairment losses	**1,552,389,443**	628,505,247
	83,403,101,313	74,400,636,411
Less noncurrent portion	**31,191,466,002**	21,166,092,635
Current portion	**₱52,211,635,311**	₱53,234,543,776

Installment Contracts Receivable

Installment contracts receivable consist of accounts collectible in equal monthly installments with various terms up to a maximum of 15 years. These are carried at amortized cost. The corresponding titles to the subdivision or condominium units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. The installment contracts receivables are interest-bearing except for those with installment terms within two years. Annual nominal interest rates on installment contracts receivables range from 12.00% to 16.00% and 12.00% to 19.00% in 2023 and 2022, respectively. Total interest income recognized amounted to ₱539.02 million, ₱671.52 million and ₱726.01 million in 2023, 2022 and 2021, respectively (see Note 25).

In 2023 and 2022, installment contracts receivables with a total nominal amount of ₱690.37 million and ₱559.06 million, respectively, were recorded at amortized cost amounting to ₱638.75 million and ₱526.98 million, respectively. These are installment contracts receivables that are to be collected in two years which are noninterest-bearing. The fair value upon initial recognition is derived using discounted cash flow model at discount rates ranging from 5.56% to 7.74% and 2.43% to 7.13% in 2023 and 2022, respectively.

Interest income recognized from these receivables amounted to ₱67.28 million, ₱29.83 million and ₱48.43 million in 2023, 2022 and 2021, respectively (see Note 25). The unamortized discount amounted to ₱40.38 million and ₱56.03 million as of December 31, 2023 and 2022, respectively.

Rollforward in unamortized discount arising from noninterest-bearing receivables is as follows:

	2023	2022
Balance at beginning of year	**₱56,034,328**	₱53,780,521
Additions	**51,623,950**	32,080,586
Accretion (Note 25)	**(67,277,317)**	(29,826,779)
Balance at end of year	**₱40,380,961**	₱56,034,328

In 2023 and 2022, the Group entered into various purchase agreements with financial institutions whereby the Group sold its installment contracts receivables on a with recourse basis. These installment contracts receivables on a with recourse basis are used as collateral to secure the corresponding loans payable obtained. The purchase agreements provide substitution of contracts which will default. The Group still retains the sold receivables in the installment contracts receivables account and records the proceeds from these sales as loans payable.

As of December 31, 2023, the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱5,059.73 million and ₱7,443.72 million, respectively (see Note 20).

As of December 31, 2022, the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱4,310.47 million and ₱5,334.62 million, respectively (see Note 20).

Accounts Receivable

The accounts receivables are noninterest-bearing and collectible within one year. This consists of:

Receivable from tenants

Receivables from tenants represent the outstanding receivables arising from the lease of commercial centers relating to the Group's mall and offices and are collectible within 30 days from billing date. Except for lease contracts with related parties, these are covered by security deposit of tenants' equivalent to 2 to 4-month rental and 2 to 4-month advance rental paid by the lessees. This includes both the billed fixed and contingent portion of lease.

Receivable from HDMF

Receivable from HDMF pertains to amounts retained by HDMF from the proceeds of loans availed by real estate buyers. This amount is released by HDMF upon the release of the related title to the property by the Group to HDMF within a six-month to one year period from loan takeout date.

Receivable from buyers

Receivables from buyers mainly consist of receivables from buyers of real estate arising from restructured amortization including interest and penalties for late payments. These are noninterest-bearing and are due and demandable.

Others

Other receivables are noninterest-bearing and are due and demandable.

Advances to contractors and suppliers
Advances to contractors are advance payments in relation to the Group's construction activities and are recouped through reduction against progress billings as the construction progresses. Advances to suppliers are advance payments for the purchase of construction materials and are applied to billings for deliveries made. Recoupment occur within one to five years from the date the advances were made. Current portion of these advances are for the construction of inventories, while advance payments for the construction of investment properties are presented as noncurrent portion.

Advances to private companies
Advances to private companies pertain to advances made by the Group to third parties to facilitate the transfer of title to the buyers. These include expected charges for documentary stamp taxes, transfer fees, registration fees, city and business tax and notarial expenses. These advances are liquidated by the private companies once the purpose for which the advances were made had been accomplished.

Advances to brokers
Advances to brokers are cash advances for operating use. These are applied to subsequent commission payout to brokers.

Accrued Rental Receivable
Accrued rental receivable pertains to the effect of straight-line calculation of rental income.
The noncurrent portion of accrued rent receivable are expected to be realized beyond one year from the reporting date.

Accrued Interest Receivable
Accrued interest receivable pertains to income earned from investments at amortized cost.

Allowance for Impairment Losses
The rollforward analysis of allowance for impairment losses are as follow:

	Receivable from tenants	Accounts Receivable - buyer and others	Advances to private companies	Advances to Contractors and suppliers	Total
Balance at January 1, 2022	₱497,186,046	₱–	₱126,761,771	₱6,106,983	₱630,054,800
Recoveries during the year (Note 24)	(1,549,553)	–	–	–	(1,549,553)
Balance at December 31, 2022	495,636,493	–	126,761,771	6,106,983	628,505,247
Provision during the year (Note 24)	523,013,817	395,595,740	–	5,274,639	923,884,196
Balance at December 31, 2023	**₱1,018,650,310**	**₱395,595,740**	**₱126,761,771**	**₱11,381,622**	**₱1,552,389,443**

The Group has directly written off its specifically impaired receivable from third-party tenants arising from the fire in Starmall Alabang amounting to ₱24.53 million in 2023 and this is included on the "Provision for impairment losses on receivables" account under "Operating expenses" in the consolidated statements of comprehensive income (see Note 24).

Set out below is the information about the credit risk exposure on the Group's accounts receivable from third party tenants using a provision matrix:

	2023					
		Days past due				
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Total**
Average expected credit loss rates	**14.14%**	**22.22%**	**42.37%**	**53.60%**	**60.09%**	
Amount of exposure at default net of advance rent and security deposits	**₱98,530,332**	**₱16,074,222**	**₱10,751,129**	**₱7,972,972**	**₱88,266,347**	**₱221,595,002**
Expected credit loss	**₱13,933,697**	**₱3,571,498**	**₱4,554,795**	**₱4,273,456**	**₱53,036,590**	**₱79,370,036**

	2022					
	Current	Days past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
Average expected credit loss rates	3.34%	5.75%	10.04%	13.75%	11.20%	
Amount of exposure at default net of advance rent and security deposits	₱42,987,382	₱8,357,504	₱449,441	₱7,811,847	₱77,662,922	₱137,269,096
Expected credit loss	₱1,436,931	₱480,358	₱45,119	₱1,074,323	₱8,698,848	₱11,735,579

In 2023, out of the total impairment loss of ₱923.88 million, ₱844.51 million pertains to specifically impaired receivables, while ₱79.37 million is from generally impaired receivables from expected credit loss testing (see Note 24).

In 2022, the Group has no specifically impaired receivables.

In 2021, out of the total impairment loss of ₱427.75 million, ₱402.96 million pertains to specifically impaired receivables, while ₱24.79 million is from generally impaired receivables from expected credit loss testing (see Note 24). The specifically identified impaired accounts pertain to tenants which were affected by the pandemic, thus terminated the lease contracts prior to the original end date.

For the accounts receivable from related party tenants, the expected credit loss from the impairment exercise using a provision matrix is zero as of December 31, 2023 and 2022 (see Note 5).

12. **Real Estate Inventories**

The rollforward analysis of this account follows:

	2023	2022
Balance at beginning of year	**₱53,533,899,417**	₱49,596,883,277
Construction/development costs incurred	**12,099,427,086**	5,869,649,043
Borrowing costs capitalized (Note 25)	**3,509,509,742**	2,943,918,362
Purchases of construction materials and others	**473,166,204**	463,973,383
Additions to land	**208,776,211**	202,442,008
Transfers from investment properties (Note 14)	**58,463,403**	–
Costs of real estate sales (Note 24)	**(6,112,020,965)**	(5,542,966,656)
Balance at end of year	**₱63,771,221,098**	₱53,533,899,417

The real estate inventories are carried at cost. No inventory is recorded at amount lower than its cost in 2023 and 2022.

This account consists of:

	2023	2022
Subdivision land for sale	**₱30,817,164,894**	₱23,054,061,619
Subdivision land for development	**20,318,261,604**	17,825,746,331
Condominium units for sale and development	**10,389,887,858**	9,732,496,239
Residential house for sale and development	**1,171,967,698**	1,179,296,520
Construction materials and others	**1,073,939,044**	1,742,298,708
	₱63,771,221,098	₱53,533,899,417

Subdivision land (e.g., lot only) for sale and development includes real estate subdivision projects in which the Group has been granted License to Sell (LTS) by the Housing and Land Use Regulatory Board of the Philippines. It also includes raw land inventories that are under development and those that are about to undergo development.

Construction materials pertain to supplies, such as but not limited to steel bars, cement, plywood and hollow blocks, used in the construction and development. These are expected to be utilized within one year and included in the cost of real estate inventories upon utilization.

Real estate inventories recognized as costs of real estate sales amounted to ₱6,112.02 million in 2023, ₱5,542.97 million in 2022, ₱8,533.40 million in 2021, and are included as costs of real estate sales in the consolidated statements of comprehensive income (see Note 24).

Borrowing cost capitalized to inventories amounted to ₱3,509.51 million, ₱2,943.92 million and ₱2,752.40 million in 2023, 2022 and 2021, respectively (see Note 25). The capitalization rate used to determine the borrowing costs eligible for capitalization is 6.95%, 6.47% and 6.66% in 2023, 2022 and 2021, respectively.

13. **Other Current Assets**

This account consists of:

	2023	2022
Input VAT	**₱3,559,749,034**	₱3,423,807,481
Creditable withholding taxes	**1,473,868,086**	1,575,617,117
Prepaid expenses	**1,056,595,349**	546,331,346
Restricted cash	**323,916,368**	143,411,220
Others	**33,806,221**	35,591,414
	₱6,447,935,058	₱5,724,758,578

Input VAT
Input VAT is a tax imposed on purchases of goods, professional and consulting services, and construction costs. These are available for offset against output VAT in future periods.

Creditable withholding taxes
Creditable withholding taxes pertain to taxes withheld by the customer and are recoverable and can be applied against income tax in future periods. For the years ended December 31, 2023, 2022 and 2021, creditable withholding taxes applied to income tax payable amounted to ₱983.71 million, ₱819.85 million and ₱857.63 million, respectively.

Prepaid expenses
Prepaid expenses mainly include advertising and marketing fees, taxes and licenses, rentals and insurance paid in advance. These are to be fully amortized within one year.

Restricted cash
Cash restricted for use are deposits restricted solely for payment of the principal amortization and interest of certain bank loans. These deposits bear prevailing interest rates and will be retained as deposits until the bank loans are fully paid. Deposit balance should be equivalent to two quarters of debt amortization. Interest income from cash restricted for use amounted to ₱7.56 million, ₱2.83 million and ₱5.40 million in 2023, 2022 and 2021, respectively (see Note 25). The current and

noncurrent portion of the restricted cash pertain to the two quarters of debt amortization for the bank loans maturing on or before December 31, 2023 and bank loans maturing beyond December 31, 2023, respectively. The noncurrent portion of this account is presented as noncurrent restricted cash under "Other noncurrent assets" in the Group's consolidated statements of financial position (see Note 17).

14. Investment Properties

The rollforward of analysis of this account follows:

	2023				
	Land and Land Developments	**Building and Building Improvements**	**Construction in Progress**	**Right-of-use Assets**	**Total**
Cost					
Balances at beginning of year	**₱63,738,889,690**	**₱58,207,880,072**	**₱5,053,402,011**	**₱5,066,106,297**	**₱132,066,278,070**
Additions	**6,027,799,163**	**415,566,459**	**2,662,970,717**	**–**	**9,106,336,339**
Transfers to real estate inventories (Note 10)	**(58,463,403)**	**–**	**–**	**–**	**(58,463,403)**
Retirement (Note 24)	**–**	**(184,700,871)**	**–**	**–**	**(184,700,871)**
Balances at end of year	**69,708,225,450**	**58,438,745,660**	**7,716,372,728**	**5,066,106,297**	**140,929,450,135**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**–**	**13,030,061,731**	**–**	**692,618,440**	**13,722,680,171**
Depreciation and amortization (Note 24)	**–**	**2,361,473,936**	**–**	**209,216,860**	**2,570,690,796**
Retirement (Note 24)	**–**	**(20,051,570)**	**–**	**–**	**(20,051,570)**
Balances at end of year	**–**	**15,371,484,097**	**–**	**901,835,300**	**16,273,319,397**
Net Book Value	**₱69,708,225,450**	**₱43,067,261,563**	**₱7,716,372,728**	**₱4,164,270,997**	**₱124,656,130,738**

	2022				
	Land and Land Developments	Building and Building Improvements	Construction in Progress	Right-of-use Assets	Total
Cost					
Balances at beginning of year	₱59,562,465,614	₱56,343,159,680	₱4,500,891,214	₱5,066,106,297	₱125,472,622,805
Additions	4,176,424,076	1,640,235,738	2,933,530,813	–	8,750,190,627
Write off (Note 24)	–	(1,962,779,198)	(193,756,164)	–	(2,156,535,362)
Reclassifications	–	2,187,263,852	(2,187,263,852)	–	–
Balances at end of year	63,738,889,690	58,207,880,072	5,053,402,011	5,066,106,297	132,066,278,070
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	11,964,167,066	–	516,628,719	12,480,795,785
Depreciation and amortization (Note 24)	–	2,239,064,970	–	175,989,721	2,415,054,691
Write off (Note 24)	–	(1,173,170,305)	–	–	(1,173,170,305)
Balances at end of year	–	13,030,061,731	–	692,618,440	13,722,680,171
Net Book Value	₱63,738,889,690	₱45,177,818,341	₱5,053,402,011	₱4,373,487,857	₱118,343,597,899

Investment properties include properties, currently being leased out, for future leasing or currently held for capital appreciation. The commercial centers include retail malls, commercial centers within residential projects, Vistamalls and Starmalls that are located in key cities and municipalities in the Philippines and office spaces.

Rental income earned from investment properties amounted to ₱16,021.43 million, ₱13,742.26 million and ₱9,312.72 million in 2023, 2022 and 2021, respectively. Repairs and maintenance costs recognized under "Operating expenses" arising from investment properties amounted to ₱382.66 million, ₱156.65 million and ₱160.53 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 24). Cost of property operations amounted to ₱5,284.74 million, ₱5,625.67 million and ₱4,069.32 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 24). For the terms and conditions on the lease, refer to Note 34.

As of December 31, 2023, the aggregate fair values of investment properties amounted to ₱637,875.42 million, using Level 3 (significant unobservable inputs).

The fair values of the investment properties held for leasing were determined by independent professionally qualified appraisers while that for land and land developments were determined by management.

In the determination of fair values, market value approach method was used for land and land development, income approach method was used for completed and substantially completed malls and office buildings for rent, cost approach method was used for construction in progress under early stage of construction and discounted cash flow method was used for right-of-use asset.

The key assumptions used to determine the fair value of the investment properties held for leasing are the estimated rental value per sqm per year, rental growth rate per annum, vacancy rate and discount rate. The discount rate used in the valuation range from 9.20% to 9.60% and 8.77% to 9.70% in 2023 and 2022, respectively. Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate, and an opposite change in the long-term vacancy rate.

The parcels of land are mainly located in Bulacan, Tagaytay, Tanza, Bacoor, Dasmariñas, General Trias, Caloocan, Imus, Laguna, Muntinlupa, Nueva Ecija, Pangasinan, Tarlac, Ilocos Sur, Iloilo, Cagayan de Oro and Bacolod. The market price per square meter of the land ranges between ₱4,505 to ₱126,000 in Mega Manila, ₱18,584 to ₱47,566 in Northern Luzon, ₱8,955 to ₱63,725 in Southern Luzon, ₱5,500 to ₱404,040 in Central Luzon, ₱6,000 to ₱109,639 in Visayas, and ₱15,068 to ₱48,252 in Mindanao.

The fair value measurement using unobservable data in active market is Level 3 of the fair value hierarchy.

Investment properties with carrying value of ₱370.56 million are used to secure the bank loans of the Group as of December 31, 2023 (see Note 20). The fair value of the investment properties used as collateral amounted to ₱5,575.57 million under market approach as of December 31, 2023.

Borrowing cost capitalized to investment properties amounted to ₱2,594.83 million, ₱2,702.61 million and ₱3,671.16 million for years ended December 31, 2023, 2022 and 2021, respectively (see Note 25). The capitalization rates used to determine the borrowing costs eligible for capitalization is 6.95%, 6.47% and 6.66% in 2023, 2022 and 2021, respectively, for general borrowings and ranges from 5.70% to 8.25% for specific borrowings in 2023, 2022 and 2021.

Depreciation and amortization expense charged to operations amounted to ₱2,570.69 million and ₱2,415.05 million and ₱2,441.07 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 24).

In 2023, the Group has written off its investment properties that were identified as no longer functioning as intended, with carrying value of ₱164.65 million and this was included under “Repairs and maintenance and loss on asset retirement” account under “Operating expenses” in the consolidated statements of comprehensive income (see Note 24).

On January 8, 2022, a fire hit Star Mall Alabang in Muntinlupa City which resulted to loss of assets with carrying value of ₱983.37 million (see Note 24).

The total contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancement amounted to ₱1,839.38 million and ₱2,139.91 million as of December 31, 2023 and 2022, respectively.

15. Property and Equipment

The rollforward analysis of this account follow:

	2023							
	Land	**Hotel Building**	**Building and Building Improvements**	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**Construction Equipment**	**Other Fixed Assets**	**Total**
Cost								
Balances at beginning of year	**₱83,333,600**	**₱794,394,692**	**₱461,823,991**	**₱941,358,954**	**₱1,091,878,461**	**₱1,333,412,183**	**₱344,551,951**	**₱5,050,753,832**
Additions	–	**85,609,531**	**319,425,472**	**31,957,825**	**89,771,200**	**75,094,043**	**76,725,949**	**678,584,020**
Write off (Note 24)	–	–	–	–	–	**(88,916,310)**	–	**(88,916,310)**
Balances at end of year	**83,333,600**	**880,004,223**	**781,249,463**	**973,316,779**	**1,181,649,661**	**1,319,589,916**	**421,277,900**	**5,640,421,542**
Accumulated Depreciation and Amortization								
Balances at beginning of year	–	**179,939,378**	**290,901,951**	**800,591,074**	**989,478,352**	**272,264,761**	**216,491,828**	**2,749,667,344**
Depreciation and amortization (Note 24)	–	**26,039,751**	**10,891,951**	**54,772,374**	**101,971,284**	**31,710,221**	**29,217,556**	**254,603,137**
Balances at end of year	–	**205,979,129**	**301,793,902**	**855,363,448**	**1,091,449,636**	**303,974,982**	**245,709,384**	**3,004,270,481**
Net Book Value	**₱83,333,600**	**₱674,025,094**	**₱479,455,561**	**₱117,953,331**	**₱90,200,025**	**₱1,015,614,934**	**₱175,568,516**	**₱2,636,151,061**

	2022							
	Land	Hotel Building	Building and Building Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction Equipment	Other Fixed Assets	Total
Cost								
Balances at beginning of year	₱83,333,600	₱737,782,010	₱452,945,633	₱941,358,954	₱1,049,843,577	₱1,333,412,183	₱305,568,320	₱4,904,244,277
Additions	–	56,612,682	8,878,358	–	50,957,987	–	38,983,631	155,432,658
Write off (Note 24)	–	–	–	–	(8,923,103)	–	–	(8,923,103)
Balances at end of year	83,333,600	794,394,692	461,823,991	941,358,954	1,091,878,461	1,333,412,183	344,551,951	5,050,753,832
Accumulated Depreciation and Amortization								
Balances at beginning of year	–	176,439,830	284,347,999	743,667,096	929,290,053	260,053,295	193,555,593	2,587,353,866
Depreciation and amortization (Note 24)	–	3,499,548	6,553,952	56,923,978	65,510,868	12,211,466	22,936,235	167,636,047
Write off (Note 24)	–	–	–	–	(5,322,569)	–	–	(5,322,569)
Balances at end of year	–	179,939,378	290,901,951	800,591,074	989,478,352	272,264,761	216,491,828	2,749,667,344
Net Book Value	₱83,333,600	₱614,455,314	₱170,922,040	₱140,767,880	₱102,400,109	₱1,061,147,422	₱128,060,123	₱2,301,086,488

Depreciation and amortization expense charged to operations amounted to ₱254.60 million, ₱167.64 million and ₱205.75 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 24).

The Group performed impairment testing on its hotel property and equipment with carrying value of ₱674.03 million and ₱614.46 million as of December 31, 2023 and 2022, respectively, by assessing its recoverable amount through estimation of its value-in-use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rate of 8.23% with an average growth rate of 4.00%. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment.

The Group's transportation equipment with a carrying value of ₱15.61 million and ₱9.75 million as of December 31, 2023 and 2022, respectively, were pledged as collateral under chattel mortgage to secure the car loans of the Group with various financial institutions (see Note 20).

The fire that hit Star Mall Alabang in Muntinlupa City resulted to a loss of assets with carrying value of ₱3.56 million in 2022 (see Note 24).

16. Project Development Costs

Project development costs pertain to (a) advances to a related party, covered by memorandum of agreement for the purchase of socialized housing units, (b) advances to third and related parties for project developments.

The requirement for socialized housing units is required by the Housing and Land Use Regulatory Board (HLURB) (see Note 29). These advances are recouped upon receipt of the socialized housing units from Bria Homes. On December 23, 2019, the Group entered into a Memorandum of Agreement with Bria Homes, Inc. that stipulated the allocated socialized housing units to the Group from the latter's ongoing and new projects. On December 21, 2020, the Group executed an amended Memorandum of Agreement with Bria Homes, Inc. that stipulated the number of socialized housing credits to be delivered as final settlement of the advances from its on-going projects under different documentation stages after deducting the partial delivery of social housing credits and cash payments.

This account also includes deposits, cash advances and other charges in connection with joint venture agreements and memorandum of agreements entered into by the Group with individuals, corporate entities and related parties for the development of real estate projects. These agreements provide, among others, the following: a) the Group will undertake the improvement and development of the real estate project within a certain period, subject to certain conditions to be fulfilled by the real estate property owner; and b) the parties shall divide among themselves all saleable inventory and commercial development of the real estate project in accordance with the ratio mutually agreed. The real estate projects are in various stages of development from planning to ongoing construction.

17. Investment in Joint Venture and Other Noncurrent Assets

Investment in Joint Venture

Vista Ventures Taft, Inc. (VVTI) was incorporated in the Republic of the Philippines primarily to engage in real estate activities particularly from construction and sale of condominium project at Taft Avenue, Manila. VRI originally subscribed for 4,587,718 shares of stock of VVTI with par value of ₱100 per share amounting to ₱458.77 million. As of December 31, 2019, VVTI was previously a wholly owned subsidiary of VRI. On November 27, 2020, VRI executed a joint venture agreement (JVA) with Mitsubishi Estate Corp. (MEC). VVTI is 60% owned by VRI and 40% owned by MEC, however, it was agreed in the JVA that at least affirmative vote of four board representatives are required in board reserved matters which include the budget and design of the condominium project.

VVTI's principal place of business is LGF Bldg B Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City.

Below is the financial information on VVTI as of December 31, 2023 and 2022:

	2023	2022
Current assets	**₱2,158,030,541**	₱1,174,604,349
Noncurrent assets	**2,213,544**	109,799,098
Current liabilities	**222,861,570**	90,636,796
Noncurrent liabilities	**1,084,986,183**	393,660,755
Equity	**852,396,332**	800,105,896
Proportion of Group's ownership	**60%**	60%
Group's share in identifiable net assets	**511,437,798**	480,063,538
Other adjustments	**(11,989,749)**	(11,989,749)
Carrying amount of the investment	**₱499,448,049**	₱468,073,789
Revenue	**₱169,605,706**	₱89,215,418
Net income	**52,290,436**	15,503,316
Total comprehensive income	**52,290,436**	15,503,316

Below is the reconciliation with the carrying amount of the investment in the consolidated financial statements:

	2023	2022
At beginning of year	**₱468,073,789**	₱458,771,799
Share in equity earnings during the year	**31,374,260**	9,301,990
At end of year	**₱499,448,049**	₱468,073,789

Other Noncurrent Assets
This account consists of:

	2023	2022
Deposits	**₱630,110,886**	₱657,772,888
Model house accessories at cost	**174,286,682**	166,240,657
Deferred input VAT	**79,906,037**	51,706,852
Systems development costs	**40,836,783**	44,901,634
Cash restricted for use - net (Note 13)	**10,848,491**	156,205,793
	₱935,988,879	₱1,076,827,824

Amortization of system development costs amounted to ₱63.73 million, ₱56.16 million and ₱39.77 million for the years ended December 31, 2023, 2022 and 2021, respectively. These are included in the "Depreciation and amortization" account under "Operating expenses" in the consolidated statements of comprehensive income (see Note 24).

18. Accounts and Other Payables

This account consists of:

	2023	2022
Accounts payable		
Contractors	**₱5,329,525,074**	₱1,931,756,942
Suppliers	**2,851,391,542**	2,620,364,458
Incidental costs	**2,090,433,184**	2,118,285,618
Buyers	**1,096,012,563**	1,373,924,136
Accrued expenses	**2,184,783,101**	1,806,443,825
Current portion of deferred output tax	**2,007,448,590**	1,217,685,114
Current portion of liabilities for purchased land	**1,745,507,099**	1,679,558,285
Commissions payable	**1,629,257,467**	1,857,564,642
Current portion of retention payable	**1,152,301,636**	919,332,613
Other payables	**430,690,617**	365,627,633
	₱20,517,350,873	₱15,890,543,266

Accounts payable - contractors
Accounts payable - contractors pertain to contractors' billings for construction services related to the development of various projects of the Group. These are expected to be settled within a year after the financial reporting date.

Accounts payable - suppliers
Accounts payable - suppliers represent payables for construction materials, marketing collaterals, office supplies and property and equipment ordered and delivered but not yet due. These are expected to be settled within a year from recognition date.

Accounts payable - incidental costs
Accounts payable - incidental costs pertain to liabilities incurred in relation to land acquired. These include payable for titling costs, clearing, security and such other additional costs incurred.

Accounts payable - buyers
Accounts payable - buyers pertain to refunds arising from the cancellation of contract to sell agreement which is determined based on the required refund under the Maceda Law.

Accrued expenses
Details of accrued expenses as follow:

	2023	2022
Interest	**₱1,589,407,383**	₱1,442,359,902
Subdivision maintenance and licenses	**169,976,477**	94,018,993
Light and power	**111,759,773**	34,099,817
Repairs and maintenance	**58,264,145**	32,156,650
Security	**55,167,310**	29,459,913
Rental	**43,706,583**	36,044,987
Contracted services	**37,668,623**	43,660,128
Marketing	**32,228,464**	37,610,937
Others	**86,604,343**	57,032,498
	₱2,184,783,101	₱1,806,443,825

Deferred output tax
Deferred output tax pertains to the VAT charged to the buyers on installment upon contracting of real estate sale but were not yet collected as of reporting date. Further, upon collection of the VAT portion of installment receivables, the equivalent output tax is included in the current VAT payable of the month. Deferred output VAT pertaining to installment receivables that are beyond one year after reporting date are presented as noncurrent liabilities (see Note 22).

Liabilities for purchased land
Liabilities for purchased land are payables to various real estate property sellers. Under the terms of the agreements executed by the Group covering the purchase of certain real estate properties, the titles of the subject properties shall be transferred to the Group only upon full payment of the real estate payables. Liabilities for purchased land that are payable beyond one year from reporting date are presented as noncurrent liabilities (see Note 22).

Commissions payable
Commissions payable pertains to fees due to brokers for services rendered which are expected to be settled within one year.

Retention payable
Retention payable pertains to 10.00% retention from the contractors' progress billings which will be released after the completion of contractors' project and upon acceptance of the work by the Group. The retention serves as a holdout amount withheld from the contractor to cover for back charges that may arise from quality issues in affected projects. Retention payables that will be settled beyond one year from reporting date are presented as noncurrent liabilities (see Note 22).

Other payables
Other payables include statutory payables which are remitted on a monthly basis.

19. Security Deposits and Advance Rent

This account consists of:

	2023	2022
Current portion of security deposits (Note 22)	**₱1,167,057,893**	₱996,146,370
Current portion of advance rent (Note 22)	**845,985,875**	860,377,419
	₱2,013,043,768	₱1,856,523,789

Current portion of security deposits
Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. Security deposit also include bond deposits of homeowners for their house extension, fence construction and landscaping works which will be refunded after considering any charges. Current portion are those to be settled within one year from financial reporting date.

Current portion of advance rent
Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings. Current portion are those to be settled within one year from financial reporting date.

20. **Bank Loans and Loans Payable**

Bank Loans
Bank loans pertain to the borrowings of the Group from various local financial institutions. These bank loans are obtained to finance capital expenditures and for general corporate purposes.

The rollforward analysis of this account follows:

	2023	2022
Balance at beginning of year	**₱56,044,615,331**	₱57,096,825,507
Availment*	**39,917,136,939**	44,832,843,792
Payment*	**(42,689,694,166)**	(45,885,053,968)
Balance at end of year	**53,272,058,104**	56,044,615,331
Debt issue cost		
Balance at beginning of year	**97,792,214**	104,483,644
Additions	**34,946,237**	50,533,616
Amortizations	**(43,648,542)**	(57,225,046)
Balance at end of year	**89,089,909**	97,792,214
Carrying value	**53,182,968,195**	55,946,823,117
Less current portion	**25,874,160,220**	11,561,568,479
Noncurrent portion	**₱27,308,807,975**	₱44,385,254,638

**Gross of bank loans that were rolled over during the year (see Note 33).*

Details of the bank loans as of December 31, 2023 and 2022 follow:

Loan Type	Date of Availment	2023	2022	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
VLLI							
Bank loan	December 2023	**₱6,465,053,763**	₱–	December 2028	7.54%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	December 2023	**1,600,000,000**	–	December 2026	7.10%	Interest and 70% of principal payable quarterly and 30% of principal payable upon maturity	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	June 2022	**6,974,384,611**	8,958,978,014	June 2027	7.13%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	October 2022	–	2,500,000,000	January 2023	4.00%	Interest payable monthly and principal payable upon maturity	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured;
Bank loan	June 2021	**2,493,341,306**	3,487,215,026	June 2026	4.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	June 2021	**2,353,055,000**	2,353,055,000	April 2024	6.80% in 2023 3.80% in 2022	Interest and principal payable upon maturity	Secured by hold-out investments at amortized cost
Bank loan	May 2021	**1,556,458,333**	2,178,958,333	May 2026	4.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	March 2020	**1,314,250,365**	2,363,197,742	March 2025	5.15%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	April 2018	**1,200,000,000**	2,000,000,000	April 2025	7.36%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	November 2022	**1,000,000,000**	1,000,000,000	Various maturities, renewed upon maturity subject to change in interest rate	8.00% in 2023, 7.00% in 2022	Interest payable monthly, principal payable annually upon maturity	–
Bank loan	October 2019	**315,789,474**	947,368,421	May 2024	5.54%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	October 2016	–	600,000,000	October 2023	5.00%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	May 2019	**200,000,000**	598,103,702	May 2024	7.15%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	November 2018	–	500,000,000	November 2023	8.17%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries

(Forward)

Loan Type	Date of Availment	2023	2022	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
Bank loan	October 2018	**₱–**	₱499,208,548	October 2023	7.99%	Interest and principal payable quarterly	Change of control provision wherein a material change of ownership of the major shareholder is not permitted; Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	September 2016	–	369,944,431	September 2023	5.00%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	Availed and/or renewed in various dates in 2023 and 2022	**24,708,470,535**	24,121,270,533	Various maturities, renewed upon maturity subject to change in interest rate	6.75% to 7.13% in 2023, 3.25% to 4.75% in 2022	Interest payable monthly and quarterly, principal payable upon maturity	Secured by hold-out of investments at amortized cost
		50,180,803,387	52,477,299,750				
VII							
Bank Loan	June 2023 June 2022	**1,035,019,035**	1,003,590,000	June 2024 June 2023	7.00% in 2023, 3.77% in 2022	Interest and principal payable upon maturity	Secured by hold-out of investments at amortized cost
MAPI							
Bank loan	July 2017	**234,375,000**	296,875,000	June 2027	6.23%	Interest and principal payable monthly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00
MC							
Bank loan	October 2022	**1,485,711,186**	1,877,523,044	October 2027	7.55%	Interest and principal payable quarterly	With investment properties used as collateral
HDC							
Bank loan	November 2023	**98,840,000**	–	November 2024	8.25%	Interest payable quarterly, principal payable upon maturity	Unsecured
Prima							
Bank Loan	March 2023	**1,134,564**	–	March 2025	8.05%	Interest and principal payable monthly	Chattel Mortgage
Brittany							
Bank loan	October 2022	**3,589,669**	4,237,586	October 2026	7.47%	Interest and principal payable monthly	Chattel Mortgage
VRI							
Bank loan	December 2017	**142,538,104**	285,110,678	December 2024	6.70%	Interest payable quarterly, principal payable upon maturity	Unsecured
Bank loan	Various	**957,250**	2,187,059	October 2024 and May 2023	6.92% in 2023, 10.50% in 2022	Interest and principal payable monthly	Chattel mortgage
		143,495,354	287,297,737				
		53,182,968,195	55,946,823,117				
Less current portion		**25,874,160,220**	11,561,568,479				
Bank loans, net of current portion		**₱27,308,807,975**	₱44,385,254,638				

In December 2023, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱6,500.00 million which bears annual fixed interest of 7.54%, payable quarterly. The principal balance of the loan will be paid in 20 equal quarterly installments commencing on the first interest payment date subject to prepayment option.

In December 2023, the Parent Company obtained a 3-year unsecured peso denominated loan amounting to ₱1,600.00 million which bears annual fixed interest of 7.10% payable quarterly. 70% of the principal amount of the loan will be paid in equal quarterly installments commencing on the second interest payment date, and the 30% balance will be paid in full on maturity date.

In October 2022, the Parent Company obtained a short-term unsecured peso denominated loan amounting to ₱2,500.00 million which bears annual fixed interest of 4.00% payable monthly. The principal is payable upon maturity in 2023.

In June 2022, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱10,000.00 million which bears annual fixed interest of 7.13%, payable quarterly. The principal balance of the loan will be paid in 20 equal quarterly installments commencing on the first interest payment date subject to prepayment option.

The Parent Company has various peso-denominated bank loans with fixed interest-rates ranging from 6.75% to 7.13% per annum and 3.25% to 4.75% per annum as of December 31, 2023 and 2022, respectively. In 2023 and 2022, these bank loans are renewable upon maturity subject to change in interest rates and/or hold-out amount of the investments at amortized cost of VII amounting to $548.24 million (₱30,355.86 million) and US$552.937 million (₱30,829.00 million) as of December 31, 2023 and 2022, respectively. No fees are charged by VII for its investments held as security.

As disclosed in Notes 10, 14, and 15, certain investments at amortized cost, property and equipment, and investment properties are used as collateral to the bank loans.

Subsidiaries of the Parent Company namely, Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences, Inc. acted as guarantors for selected bank loans of the Parent Company. No fees are charged for these guarantee agreements.

Loans Payable
These loans bear annual fixed interest rates ranging from 6.25% to 8.25% and 6.00% to 6.75% as at December 31, 2023 and 2022, respectively, payable on equal monthly installment over a maximum period of 10 years. Installment contracts receivable serve as collateral to the loans payable (see Note 11).

Movement of loans payable follows:

	2023	2022
Balance at beginning of year	**₱5,334,619,152**	₱3,779,511,014
Availments	**3,963,399,970**	4,715,767,761
Payments	**(1,854,295,772)**	(3,160,659,623)
Balance at end of year	**7,443,723,350**	5,334,619,152
Less current portion	**3,176,026,696**	3,767,253,212
Noncurrent portion	**₱4,267,696,654**	₱1,567,365,940

Interest expense on bank loans and loans payable amounted to ₱3,673.31 million, ₱3,197.46 million and ₱2,883.09 million in 2023, 2022 and 2021, respectively (see Note 25).

The Group was able to comply with the loan covenants as of December 31, 2023 and 2022.

21. **Notes Payable**

This account consists of:

	2023	2022
Dollar denominated bonds	**₱42,664,040,138**	₱42,931,186,590
Corporate note facility	**41,135,771,640**	34,628,130,134
Retail bonds	**24,348,969,861**	24,888,886,717
	108,148,781,639	102,448,203,441
Less current portion	**28,005,337,553**	12,745,831,195
Noncurrent portion	**₱80,143,444,086**	₱89,702,372,246

A. Dollar Denominated Bonds

a. US$220.00 million Notes (Due July 2027)
On May 17, 2021, VII (the Issuer) issued US$170.00 million notes ("Notes") with a term of six years from initial drawdown date. The interest rate is 7.25% per annum, payable semi-annually in arrears on January 20 and July 20 of each year beginning on January 20, 2022. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2023 and 2022, outstanding balance of the note amounted to US$172.60 million (₱9,556.63 million) and US$173.68 million (₱9,683.72 million), respectively.

On June 1, 2021, VII issued an additional US$50.00 million unsecured note, with similar terms and conditions as the above notes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2023 and 2022, outstanding balance of the note amounted to US$50.76 million (₱2,810.78 million) and US$51.08 million (₱2,848.15 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after July 20, 2024 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on July 20 of the years set forth below:

Period	Price
2024	103.6250%
2025	101.8125%
2026 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the Parent Company and its subsidiaries that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2023 and 2022.

b. US$200.00 million Notes (Due July 2027)
On July 20, 2020, VII (the Issuer) issued US$ 200.00 million notes ("Notes") with a term of seven years from initial drawdown date. The interest rate is 7.25% per annum, payable semi-annually in arrears on January 20 and July 20 of each year beginning on January 20, 2021. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2023 and 2022, outstanding balance of the note amounted to US$198.62 million (₱10,997.85 million) and US$198.30 million (₱11,056.18 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after July 20, 2024 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on July 20 of the years set forth below:

Period	Price
2024	103.6250%
2025	101.8125%
2026 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the Parent Company and its subsidiaries that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2023 and 2022.

c. <u>US$350.00 million Notes (Due November 2024)</u>
On November 28, 2017, VII (the Issuer) issued US$350.00 million notes (“Notes”) with a term of seven years from initial drawdown date. The interest rate is 5.75% per annum, payable semi-annually in arrears on May 28 and November 28 of each year beginning on November 28, 2017. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2023, and 2022, outstanding balance of the note amounted to US$348.54 million (₱19,298.78 million) and US$346.93 million (₱19,343.13 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after November 28, 2021 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on November 28 of the years set forth below:

Period	Price
2021	102.8750%
2022	101.4375%
2023 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the Parent Company and its subsidiaries that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2023 and 2022.

d. US$425.00 million Notes (Due June 2022)
On June 18, 2015, VII (the Issuer) issued US$300.00 million notes ("Notes") with a term of seven years from initial draw down date. The interest rate is 7.375% per annum, payable semi-annually in arrears on June 18 and December 17 of each year beginning on December 17, 2015. The Notes were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022, the amount due was fully paid. The outstanding balance of the note amounted to US$243.94 million (₱12,440.81 million) as of December 31, 2021.

On February 2, 2016, an additional unsecured note, with the same terms and conditions with the above notes, were issued by the Group amounting to US$125.00 million. The notes were issued at 102% representing yield to maturity of 6.979%. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022, the amount due was fully paid. The outstanding balance of the note amounted to US$124.97 million (₱6,373.55 million) as of December 31, 2021.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes, by giving notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of the person in whose name the Notes is registered on the relevant record date to receive interest due on the relevant interest payment date.

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the Parent Company and its subsidiaries that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers and acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

e. US$2,000.00 million Medium Term Note Programme
On December 29, 2023, the Parent Company's BOD approved the establishment of a US$2,000.00 million Medium Term Note Programme pursuant to which the Issuer (VII) may from time to time issue US Dollar-denominated notes in such amount, with interest rate, and under such other terms and conditions as the Management of the Parent Company and/or the Issuer may subsequently approve or ratify. Accordingly, the Issuer has executed a Programme Agreement with DBS Bank Ltd. And HSBC, as Dealers, for the offer, sale and issuance of the Notes, which are guaranteed by the Parent Company and its subsidiaries namely Brittany Corporation, Crown Asia Properties, Inc., Camella Homes, Inc., Communities Philippines, Inc., Vistamalls, Inc., and Vista Residences, Inc., together with other ancillary agreements (see Note 36).

B. Corporate Note Facility

a. ₱10,000 million Corporate Notes (Due April 2026)
On April 4, 2023, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Three-Year Corporate Notes due 2026 amounting to ₱6,000.00 million at a fixed rate of 7.61% per annum, payable on maturity date.

On April 14, 2023, an additional issuance of Corporate Notes was made in the amount of ₱4,000.00 million due 2026, at a fixed interest of 7.63% per annum, payable on maturity date.

The proceeds of the corporate notes were used for refinancing of existing or maturing obligations of the Parent Company, and for other general corporate purposes. The issue cost amounted to ₱105.22 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2023, the outstanding balance of the Corporate Notes is ₱9,918.49 million.

The Corporate Notes do not provide early redemption at the option of the Issuer.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio of at least 1.00, maximum debt to equity at 2.50 and debt service coverage ratio of at least 1.00.

b. ₱6,000.00 million Corporate Notes (Due March 2027)
On March 28, 2022, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Five-Year Corporate Notes due 2027 amounting to ₱4,000.00 million at a fixed rate of 6.64% per annum, payable in equal 18 quarters commencing on the second interest payment date.

On June 1, 2022, an additional issuance of Corporate Notes was made in the amount of ₱2,000.00 million due 2027, at a fixed interest of 7.24% per annum, payable in equal 18 quarters commencing on the second interest payment date.

The proceeds of the corporate notes were used for refinancing of existing or maturing obligations of the Parent Company, and for other general corporate purposes. The issue cost amounted to ₱51.36 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2023 and 2022, the outstanding balance of the Corporate Notes is ₱4,643.22 million and ₱5,961.35 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
3rd anniversary from issue date and interest payment thereafter	102.00%
4th anniversary from issue date and interest payment thereafter	101.00%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio of at least 1.00, maximum debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2023.

c. ₱12,000.00 million Corporate Notes (Due December 2025)
On January 31, 2023, an additional issuance of Corporate Notes was made in the amount of ₱2,900.00 million due 2025, at a fixed interest of 7.26% per annum, payable on maturity date.

On December 28, 2022, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Three-Year Corporate Notes due 2025 amounting to ₱8,600.00 million at a fixed rate of 7.93% per annum, payable on maturity date.

The proceeds of the corporate notes were used for refinancing of existing or maturing obligations of the Parent Company, and for other general corporate purposes. The issue cost amounted to ₱88.84 million and ₱51.77 million for the 2023 and 2022 corporate notes, respectively. These were capitalized as debt issue cost and amortized over the life of the liability and were offset to the carrying value of the liability.

As of December 31, 2023 and 2022, the outstanding balance of the Corporate Notes is ₱11,402.86 million and ₱8,548.23 million, respectively.

The Corporate Notes do not provide early redemption at the option of the Issuer.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio of at least 1.00, maximum debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2023.

d. ₱15,000.00 million Corporate Notes (Due July 2024)
On July 15, 2019, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Five-Year Corporate Notes due 2024 amounting to ₱14,500.00 million at a fixed rate of 6.77% per annum, payable quarterly.

On October 17, 2019, an additional issuance of Corporate Notes was made in the amount of ₱500.00 million due 2024, at a fixed interest of 6.77% per annum, payable quarterly.

The proceeds of the corporate notes were utilized for the 2019 capital expenditures for commercial property projects, and to fund other general corporate expenses of the Group. The issue cost amounted to ₱159.91 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2023, and 2022, the outstanding balance of the Corporate Notes is ₱2,810.51 million and ₱6,543.95 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
3rd anniversary from issue date and interest payment thereafter	101.00%
4th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2023 and 2022.

e. ₱8,200.00 million Corporate Notes (Due July 2025 and 2028)
On July 11, 2018, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long term corporate notes consisting of Seven-Year Corporate Notes due 2025 amounting to ₱1,700.00 million at a fixed rate of 7.4913% per annum, payable quarterly and Ten-Year Corporate Notes due 2028 amounting to ₱6,000.00 million at a fixed rate of 7.7083% per annum, payable quarterly.

On July 25, 2018, an additional issuance of Corporate Notes was made in the amount of ₱500.00 million due 2025, at a fixed interest of 7.4985% per annum.

The proceeds of the corporate notes were utilized for the 2018 capital expenditures for commercial property projects, and to fund other general corporate expenses of the Group. The issue cost amounted to ₱105.30 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2023, and 2022, the outstanding balance of the Corporate Notes is ₱3,788.12 million and ₱4,810.31 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Seven Year Notes:

Early Redemption Date	Early Redemption Amount
5th anniversary from issue date and interest payment thereafter	101.00%
6th anniversary from issue date and interest payment thereafter	100.50%

Ten Year Notes:

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2023 and 2022.

f. <u>₱10,000.00 million Corporate Notes (Due December 2026)</u>
On December 28, 2016, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes with a principal amount of up to ₱8,000.00 million. On April 21, 2017, a consent solicitation was made for amendments to include among others, increasing the Corporate Notes principal amount to up to ₱10,000.00 million in respect to the second drawdown. Such amendments were consented by Note Holders representing at least fifty one percent (51%) of the outstanding Corporate Notes.

On April 27, 2017, the Issuer made such amendments to the Corporate Note Facility dated December 28, 2016. The first drawdown was at ₱5,150.00 million in 2016, at fixed interest of 6.19% per annum, payable quarterly. On May 3, 2017, the Issuer made its second drawdown at ₱4,850.00 million, at fixed interest of 6.23% per annum, payable quarterly.

The proceeds of the Corporate Notes were utilized for the 2017 capital expenditures, refinancing of existing indebtedness and to fund other general corporate expenses. The issue cost amounted to ₱38.72 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2023, and 2022, the outstanding balance of the Corporate Notes is ₱8,572.57 million and ₱8,764.30 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2023 and 2022.

C. Retail Bonds

a. 2023 Fixed-rate Peso Retail Bonds
On December 6, 2023, the Parent Company issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱6,000.0 million. The proceeds of the issuance were used for refinancing maturing loan obligations as well as for general and corporate purposes. The issue costs amounted to ₱94.27 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 3-year Retail Bonds due on December 6, 2026 with interest rate of 7.54% per annum and 5-year Retail Bonds due on December 6, 2028 with interest rates of 7.69% per annum. This is the first tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱35,000.00 million to be offered within a period of three years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 6, 2024 for the first interest payment date and on March 6, June 6, September 6 and December 6 each year for each subsequent payment date.

As of December 31, 2023, the outstanding balance of the Retail Bonds is ₱5,907.27 million.

Redemption at the option of the Issuer
The 3-year Retail Bonds do not provide early redemption at the option of the Issuer.

The 5-year Retail Bonds provide early redemption at the option of the Issuer. The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

i. Three (3) years from issue date at early redemption price of 101.00%
ii. Four (4) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2023.

b. 2019 Fixed-rate Peso Retail Bonds
On December 18, 2019, the Parent Company (the Issuer) issued an unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance were used to fund the construction and completion of the various malls and condominium projects, redevelopment of existing malls, as well as for general corporate purposes. The issue costs amounted ₱91.07 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on June 18, 2025 with interest rate of 5.70% per annum. This is the third and last tranche offered out of the shelf registration of Peso Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million and initial tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱30,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 18, 2020, for the first interest payment date and on June 18, September 18, December 18 each year for each subsequent payment date.

As of December 31, 2023, and 2022, the outstanding balance of the Retail Bonds is ₱9,972.65 million and ₱9,955.86 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

iii. Three (3) years from issue date at early redemption price of 101.00%
iv. Four (4) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2023 and 2022.

c. <u>2018 Fixed-rate Peso Retail Bonds</u>
On December 21, 2018, the Parent Company (the Issuer) issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance were used to fund the construction and completion of the various malls and for general corporate purposes. The issue costs amounted to ₱130.20 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on December 21, 2023 with interest rate of 8.00% per annum and 7-year Retail Bonds due on December 21, 2025 with interest rates 8.25% per annum. This is the second tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 21, 2019 for the first interest payment date and on March 21, June 21, September 21 and December 21 each year for each subsequent payment date.

As of December 31, 2023, and 2022, the outstanding balance of the Retail Bonds is ₱3,484.25 million and ₱9,957.33 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

a) 5-year Bonds:
   i. Three (3) years from issue date at early redemption price of 101.00%
   ii. Four (4) years from issue date at early redemption price of 100.50%
b) 7-year Bonds:
   i. Five (5) years from issue date at early redemption price of 101.00%
   ii. Six (6) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2023, and 2022.

d. <u>2017 Fixed-rate Peso Retail Bonds</u>
On August 8, 2017, the Parent Company (the Issuer) issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱5,000.00 million. The proceeds of the issuance were used to partially finance certain commercial development projects and for general corporate purposes. The issue costs amounted to ₱64.87 million. This was

capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 7-year Retail Bonds due on August 8, 2024 with interest rate of 5.75% per annum and 10-year Retail Bonds due on August 9, 2027 with interest rate of 6.23% per annum. This is the initial tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on November 8, 2017 for the first interest payment date and on February 8, May 8, August 8 and November 8 each year for each subsequent payment date.

As of December 31, 2023, and 2022, the outstanding balance of the Retail Bonds is ₱4,984.80 million and ₱4,975.70 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

a) 7-year Bonds:
   i. Five (5) years and six (6) months from issue date at early redemption price of 101.00%
   ii. Six (6) years from issue date at early redemption price of 100.50%

b) 10-year Bonds:
   i. Seven (7) years from issue date at early redemption price of 102.00%
   ii. Eight (8) years from issue date at early redemption price of 101.00%
   iii. Nine (9) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2023 and 2022.

Movement of notes payable follows:

	2023	2022
Principal		
Balance at beginning of year	**₱102,735,489,800**	₱109,020,005,567
Drawdown	**18,900,000,000**	14,600,000,000
Principal payments	**(12,816,674,933)**	(23,876,278,143)
Translation adjustment	**(296,450,000)**	2,991,762,376
Balance at end of year	**108,522,364,867**	102,735,489,800
Debt issue cost		
Balance at beginning of year	**287,286,359**	1,089,772,044
Addition	**288,335,915**	103,531,880
Debt issue cost amortization	**(202,040,174)**	(894,209,203)
Translation adjustment	**1,128**	(11,808,362)
Balance at end of year	**373,583,228**	287,286,359
Carrying value	**108,148,781,639**	102,448,203,441
Less current portion	**28,005,337,553**	12,745,831,195
Noncurrent portion	**₱80,143,444,086**	₱89,702,372,246

Interest expense on Notes payable amounted to ₱7,714.46 million, ₱7,279.84 million and ₱7,560.99 million in 2023, 2022 and 2021, respectively (see Note 25).

The Group was able to comply with the loan covenants as of December 31, 2023 and 2022.

22. Other Noncurrent Liabilities

This account consists of:

	2023	2022
Liabilities for purchased land - net of current portion (Note 18)	**₱1,064,772,247**	₱1,239,086,896
Retention payable - net of current portion (Note 18)	**515,046,096**	728,337,670
Security deposits - net of current portion (Note 19)	**303,975,183**	432,970,627
Advance rent - net of current portion (Note 19)	**155,498,565**	67,088,536
Deferred output tax - net of current portion (Note 18)	**117,108,064**	711,514,445
	₱2,156,400,155	₱3,178,998,174

23. **Equity**

Capital Stock

The details of the Parent Company's capital stock as at December 31 follow:

	2023	2022	2021
Common			
Authorized shares	**17,900,000,000**	17,900,000,000	17,900,000,000
Par value per share	**₱1.00**	₱1.00	₱1.00
Issued shares	**13,114,136,376**	13,114,136,376	13,114,136,376
Outstanding shares	**11,945,799,461**	11,945,799,461	11,945,799,461
Value of shares issued	**₱13,114,136,376**	₱13,114,136,376	₱13,114,136,376
Preferred Series 1			
Authorized shares	**8,000,000,000**	8,000,000,000	8,000,000,000
Par value per share	**₱0.01**	₱0.01	₱0.01
Issued and outstanding shares	**3,300,000,000**	3,300,000,000	3,300,000,000
Value of shares issued	**₱33,000,000**	₱33,000,000	₱33,000,000
Preferred Series 2			
Authorized shares	**200,000,000**	200,000,000	200,000,000
Par value per share	**₱0.10**	₱0.10	₱0.10
Issued and outstanding shares	**–**	–	–
Value of shares issued	**₱–**	₱–	₱–

Preferred Series 1

Voting, non-cumulative, non-participating, non-convertible and non-redeemable. The BOD may determine the dividend rate which shall in no case be more than 10.00% per annum.

Preferred Series 2

On June 17, 2019, the Stockholders approved the reclassification of the unissued preferred capital stock of the Parent Company to create Two Hundred Million (200,000,000) non-voting, cumulative, non-participating, non-convertible and redeemable Series 2 preferred shares with par value of ₱0.10 each and the corresponding amendment of the Articles of Incorporation of the Parent Company. The Board likewise approved the shelf registration and listing of such redeemable Series 2 preferred shares.

The terms and conditions of any offering of the Series 2 preferred shares, including the dividend rate, redemption prices, and similar matters will be determined by the Board of Directors at a later date. None of these reclassified preferred shares are issued as of December 31, 2023 and 2022.

Registration Track Record

On July 26, 2007, the Parent Company launched its follow-on offer where a total of 8,538,740,614 common shares were offered at an offering price of ₱6.85 per share. The registration statement was approved on June 25, 2007.

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2023:

	Number of Shares Registered	Number of holders of securities as of year end
December 31, 2021	13,114,136,376	944
Add/(Deduct) Movement	–	(10)
December 31, 2022	13,114,136,376	934
Add/(Deduct) Movement	–	(4)
December 31, 2023	**13,114,136,376**	**930**

Treasury Shares
Treasury shares totaling 416,128,700 of the Parent Company amounting to ₱2,361.98 million as of December 31, 2023 and 2022 represents the shares of stock held by the Parent Company, while treasury shares amounting to ₱5,378.28 million as of December 31, 2023 and 2022 is attributable to the 752,208,215 shares issued by the Parent Company to MC during the acquisition of Vistamalls Group (formerly, Starmalls Group) in 2015. MC still holds the Parent Company shares as of December 31, 2023 and 2022. These treasury shares are recorded at cost. Total number of treasury shares as of December 31, 2023, 2022 and 2021 is 1,168,336,915.

On November 5, 2018, the BOD of the Parent Company approved the extension of the Share Buyback Program up to November 5, 2020 subject to the prevailing market price at the time of the buyback over a 24-month period but subject to periodic review by the management. There were no movement in the number and balance of treasury shares since 2021.

Retained Earnings
Retained earnings include the accumulated equity in undistributed earnings of consolidated subsidiaries amounting to ₱66,307.19 million and ₱81,670.79 million as at and December 31, 2023 and 2022, respectively, which are not available for dividend declaration by the Parent Company until these are declared by the subsidiaries. The accumulated equity in undistributed earnings of consolidated subsidiaries pertains to the accumulated earnings of subsidiaries which have positive retained earnings balance only and excludes those that are in deficit position.

The Parent Company's retained earnings that is restricted to payments of dividends to the extent of cost of treasury shares amounted ₱2,361.98 million as at December 31, 2023 and 2022.

The BOD of the Parent Company approved the declaration of regular cash dividend amounting to ₱740.65 million or ₱0.0620 per share, ₱348.36 million or ₱0.0292 per share, and ₱298.64 million or ₱0.03 per share on September 29, 2023, September 30, 2022 and September 30, 2021, respectively. The dividend declarations are in favor of all stockholders of record as of October 16, 2023, October 14, 2022 and October 15, 2021 and paid on October 31, 2023, October 28, 2022 and October 29, 2021, respectively.

Noncontrolling Interest
Sale of VistaREIT, Inc.'s share through a public listing
On June 15, 2022, the Group sold through a public listing its 39.91% effective noncontrolling interest in VistaREIT, Inc. at ₱1.75 per share. As a result of the sale and buy-back transactions, the Group's ownership interest in VistaREIT, Inc. was diluted from 98.94% to 60.09%. In relation to the dilution without loss of control, the impact to the Group's additional paid-in-capital amounted to

₱29.28 million. The Group's noncontrolling interest increased by ₱4,197.40 million, as a result of the public offering of VistaREIT, Inc. The difference between the consideration and carrying value of the noncontrolling interest was credited to additional paid-in-capital as shown below:

	Consideration received, net of expenses	Carrying value of Non-controlling interests deemed disposed	Difference recognized within Equity as Additional paid-in-capital
39.91% in VistaREIT, Inc.	₱4,226,683,974	₱4,197,400,031	₱29,283,943

Dividends declaration
The BOD of VistaREIT, Inc. approved the declaration of regular cash dividend amounting to ₱102.39 million or ₱0.0386 per share, ₱103.99 million or ₱0.0392 per share, ₱105.05 million or ₱0.0396 per share and ₱106.11 million or ₱0.0400 per share on April 19, May 18, August 14 and November 14, 2023, respectively. The dividend declarations are in favor of all stockholders of record as of May 8, June 2, August 31 and December 14, 2023 and paid on May 29, June 26, September 21, 2023 and January 19, 2024, respectively.

The BOD of VistaREIT, Inc. approved the declaration of regular cash dividend amounting to ₱49.33 million or ₱0.0210 per share and ₱95.76 million or ₱0.0361 per share in August and November 2022, respectively. The dividend declarations are in favor of all stockholders of record as of August 30 and November 28, 2022 which were paid on September 20 and December 19, 2022, respectively.

The BOD of Vistamalls, Inc. approved the declaration of cash dividends amounting to ₱30.10 million or ₱0.0306 per share on September 28, 2023. The dividend declarations are in favor of all stockholders of record as of October 13, 2023 and paid on October 27, 2023.

The BOD of Vistamalls, Inc. approved the declaration of regular cash dividend amounting to ₱25.70 million or ₱0.0262 per share and ₱15.86 million or ₱0.02 per share on September 30, 2022 and September 30, 2021, respectively. The dividend declarations are in favor of all stockholders of record as of October 14, 2022 and October 15, 2021 and paid on October 27, 2022 and October 28, 2021, respectively.

The above declarations are reflected as dividend declared to noncontrolling interest in the consolidated statements of changes in stockholder's equity.

As at December 31, 2023 and 2022, the Group's total dividends payable amounted to ₱298.02 million and ₱96.02 million, respectively.

<u>Capital Management</u>
The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. No changes were made in the objectives, policies or processes for managing capital for the years ended December 31, 2023, 2022 and 2021.

The Group considers as capital the equity attributable to equity holders of the Parent Company. The following table shows the component of the Group's equity which it manages as capital as of December 31, 2023, 2022 and 2021:

	2023	2022	2021
Total paid-up capital	**₱43,831,849,668**	₱43,831,849,668	₱43,802,565,725
Retained earnings	**86,226,517,112**	78,311,116,523	72,539,569,939
Treasury shares	**(7,740,264,387)**	(7,740,264,387)	(7,740,264,387)
Other comprehensive income	**905,783,398**	798,914,337	778,073,767
	₱123,223,885,791	₱115,201,616,141	₱109,379,945,044

Financial Risk Assessment

The Group's financial condition and operating results would not be materially affected by the current changes in liquidity, credit, interest, currency and market conditions.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's counterparties remain diverse and outstanding balance of selected related parties are provided with financial support by Fine Properties, Inc., ultimate parent company. Out of the total rental income in 2023, ₱13,878.07 million or 86.62% are transactions with related parties. Out of the total rental income in 2022, ₱11,708.40 million or 85.20% are transactions with related parties (see Notes 7 and 29).

Exposure to changes in interest rates is reduced by regular availment of short-term loans which is collateralized by the installment contracts receivables in order to cushion the impact of potential increase in loan interest rates.

The Parent Company has a formal foreign exchange and interest risk management policy. The Parent Company actively monitors foreign exchange exposure and interest rate changes. And in addition, the Parent Company ensures that all loan covenants and regulatory requirements are complied with.

Exposure to foreign currency holdings are as follows:

	2023	2022
Cash and cash equivalents	**US$82,222,562**	US$26,030,098
Investments in amortized cost	**708,134,680**	744,318,610
Notes payable	**770,526,280**	769,997,069
Bank loans	**18,692,777**	18,000,000

Liquidity risk is addressed with long-term funding already locked in, while funds are placed on a short-term placement.

24. Costs and Expenses

Costs of real estate sales
Cost includes acquisition cost of land, materials, labor, and overhead in construction and development and capitalized borrowing costs. Costs of real estate sales recognized for the years ended December 31, 2023, 2022 and 2021 amounted to ₱6,112.02 million, ₱5,542.97 million and ₱8,533.40 million, respectively (see Note 12).

Operating expenses
This account consists of:

	2023	2022	2021
Depreciation and amortization (Notes 14, 15 and 17)	**₱2,889,023,944**	₱2,638,853,067	₱2,686,583,410
Salaries, wages and employee benefits (Note 26)	**1,594,011,055**	1,352,706,605	1,240,164,577
Repairs and maintenance and loss on asset retirement (Note 14)	**1,296,854,242**	1,275,583,294	891,734,526
Occupancy costs (Note 28)	**1,116,539,037**	765,608,912	629,177,751
Taxes and licenses	**1,076,078,779**	1,086,964,974	956,976,222
Provision for impairment losses on receivables and investments (Notes 10 and 11)	**847,977,636**	21,740,170	443,283,830
Contracted services	**748,110,261**	891,373,658	836,836,233
Commissions (Note 7)	**684,499,564**	606,144,722	829,743,095
Advertising and promotions	**561,135,676**	396,596,297	314,467,795
Transportation and travel	**148,030,852**	116,760,139	68,997,839
Office expenses	**50,417,825**	50,936,419	50,873,791
Representation and entertainment	**40,895,966**	34,489,441	29,379,618
Miscellaneous	**542,586,586**	409,643,180	429,561,405
	₱11,596,161,423	₱9,647,400,878	₱9,407,780,092

Operating expenses represent the cost of administering the business of the Group. These are recognized when the related services and costs have been incurred.

Occupancy cost
Occupancy cost consists of rental expenses relating to short-term lease and utilities expense such as light, power, and telephone charges.

Miscellaneous expenses
Miscellaneous expenses include dues and subscriptions, donations and other expenditures. This includes a net loss of ₱366.93 million from fire incident which hit Star Mall Alabang in Muntinlupa City on January 8, 2022. The net loss of ₱366.93 million is composed of the carrying values of the investment property and other related assets net of proceeds received from the insurance claims in 2022.

In 2023, the Group received proceeds from the insurance companies amounting to ₱1,841.16 million and this was reported as "Proceeds from insurance claims" in the statement of comprehensive income.

25. **Interest and Other Income from Investments, Parking, Hotel, Mall Administrative and Processing Fees, and Other Revenue, and Interest and Other Financing Charges**

Interest and other income from investments consist of:

	2023	2022	2021
Installment contracts receivable (Note 11)	**₱539,020,967**	₱671,515,534	₱726,012,272
Accretion of unamortized discount (Note 11)	**67,277,317**	29,826,779	48,432,788
	₱606,298,284	₱701,342,313	₱774,445,060
Interest income from:			
Cash and cash equivalents, short-term investments and cash restricted for use (Notes 9, 10 and 13)	**₱217,753,867**	₱49,785,418	₱41,946,510
Investments at amortized cost (Note 10)	**984,530,189**	931,410,352	1,507,491,031
	₱1,202,284,056	₱981,195,770	₱1,549,437,541

Parking, hotel, mall administrative and processing fee, and other revenue consist of:

	2023	2022	2021
Forfeitures	**₱959,872,802**	₱716,018,867	₱686,415,538
Mall administrative and processing fee	**482,316,867**	478,225,541	890,906,111
Sale of merchandise and other assets	**168,329,323**	3,778,467	–
Parking	**167,918,273**	137,168,131	121,887,432
Hotel (Note 7)	**133,346,071**	103,138,406	89,266,555
Loan processing fees from banks	**44,830,841**	37,722,319	276,951,662
Share in net earnings	**31,374,260**	9,301,990	7,043,055
Penalty and others	**116,892,302**	121,991,334	74,403,848
	₱2,104,880,739	₱1,607,345,055	₱2,146,874,201

Forfeitures pertain to forfeited reservation fees and payments for cancelled sales less of any amount refundable to buyers.

Parking pertains to payments from mall goers and tenants for use of the parking slots both for commercial and residential buildings.

Loan processing fees from banks pertain to payments from banks for processing of loan requirements in their behalf.

Penalty and others are payments from interest and surcharge for past due accounts. This also includes reversal of liabilities pertain to long-outstanding accounts payable - contractors which will not be settled anymore by the Group as assessed by management and sale of merchandise and other assets.

Interest and other financing charges consist of:

	2023	2022	2021
Interest incurred on:			
Notes payable (Note 21)	**₱7,714,456,144**	₱7,279,838,507	₱7,560,993,895
Bank loans and loans payable (Note 20)	**3,673,313,320**	3,197,461,584	2,883,093,299
Lease liabilities (Note 28)	**376,611,498**	373,231,355	287,930,761
Other bank charges	**25,601,894**	13,884,241	6,872,652
	11,789,982,856	10,864,415,687	10,738,890,607
Amounts capitalized (Notes 12 and 14)	**(6,104,343,199)**	(5,646,528,612)	(6,423,560,753)
	₱5,685,639,657	₱5,217,887,075	₱4,315,329,854

26. Retirement Plan

The Group has noncontributory defined benefit pension plan covering substantially all of its regular employees. The benefits are based on current salaries and years of service and related compensation on the last year of employment. The retirement benefit is the only long-term employee benefit.

The principal actuarial assumptions used to determine the pension benefits with respect to the discount rate, salary increases and return on plan assets were based on historical and projected normal rates.

The components of pension expense follow:

	2023	2022	2021
Current service cost	**₱44,116,935**	₱50,647,447	₱52,137,336
Interest income - net	**(23,468,994)**	(13,030,904)	(7,563,001)
Total pension expense	**₱20,647,941**	₱37,616,543	₱44,574,335

Pension expense is included in "Salaries, wages and employee benefits" under Operating expenses in the consolidated statements of comprehensive income.

Funded status and amounts recognized in the consolidated statements of financial position for the pension plan follow:

	2023	2022	2021
Plan assets	**₱846,824,610**	₱784,930,802	₱772,695,349
Defined benefit obligation	**(556,065,553)**	(464,219,113)	(489,729,931)
Pension assets recognized in the consolidated statements of financial position	**₱290,759,057**	₱320,711,689	₱282,965,418

Changes in the combined present value of the combined defined benefit obligation are as follows:

	2023	2022	2021
Balance at beginning of year	**₱464,219,113**	₱489,729,931	₱517,927,481
Current service cost	**44,116,935**	50,647,447	52,137,336
Interest cost	**33,644,325**	25,331,175	20,369,791
Actuarial losses (gains) due to:			
Changes in financial assumptions	**80,003,772**	(157,805,840)	(91,884,120)
Experience adjustments	**(65,918,592)**	61,294,656	(8,820,557)
Net acquired obligation due to employee transfers	**–**	17,092,500	–
Benefits paid from retirement fund	**–**	(17,092,500)	–
Benefits paid from Company operating funds	**–**	(4,978,256)	–
Balance at end of year	**₱556,065,553**	₱464,219,113	₱489,729,931

Changes in the fair value of the combined plan assets are as follows:

	2023	2022	2021
Balance at beginning of year	**₱784,930,802**	₱772,695,349	₱681,936,788
Interest income included in net interest cost	**57,113,319**	38,362,079	27,932,792
Contributions	**16,020,000**	61,374,100	58,425,850
Actual gains (losses) on return of plan assets excluding amount included in net interest cost	**(11,239,511)**	(70,408,226)	4,399,919
Benefits paid from retirement fund	**–**	(17,092,500)	–
Balance at end of year	**₱846,824,610**	₱784,930,802	₱772,695,349

The movements in the combined net pension assets follow:

	2023	2022	2021
Balance at beginning of year	**(₱320,711,689)**	(₱282,965,418)	(₱164,009,307)
Total amount recognized in OCI	**25,324,691**	(26,102,958)	(105,104,596)
Pension expense	**20,647,941**	37,616,543	44,574,335
Contributions	**(16,020,000)**	(61,374,100)	(58,425,850)
Net acquired obligation due to employee transfers	**–**	17,092,500	–
Benefits paid from Company operating funds	**–**	(4,978,256)	–
Balance at end of year	**(₱290,759,057)**	(₱320,711,689)	(₱282,965,418)

The assumptions used to determine the pension benefits for the Group are as follows:

	2023	2022	2021
Discount rates	**6.16%**	7.36%	5.20%
Salary increase rate	**7.71%**	7.71%	7.75%

The turn-over rate used to compute the retirement liability is ranging from 10% at age 18 to 0% at age 60 in 2023 and 2022.

The distribution of the plan assets at year-end follows:

	2023	2022	2021
Assets			
Cash and cash equivalents	**₱387,498,745**	₱237,191,029	₱164,471,897
Investments in private companies	**20,066,562**	290,603,290	325,688,164
Investments in government securities	**433,277,019**	253,216,893	280,012,287
Receivables	**7,616,835**	5,053,057	3,533,694
	848,459,161	786,064,269	773,706,042
Liabilities			
Trust fee payables	**1,369,687**	991,625	938,628
Other payable	**264,864**	141,842	72,065
	1,634,551	1,133,467	1,010,693
Net plan assets	**₱846,824,610**	₱784,930,802	₱772,695,349

The carrying amounts disclosed above reasonably approximate fair value at reporting date. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The net unrealized gains (losses) on investments in government securities amounted to ₱1.27 million, (₱4.43 million) and (₱2.65 million) in 2023, 2022 and 2021, respectively.

The Group expects to contribute to its retirement fund the amount of ₱23.31 million in 2024.

The composition of the fair value of the Fund includes:

- *Cash* - include savings and time deposit with various banks and special deposit account.
- *Investments in private companies* - include investments in long-term debt notes and corporate bonds.
- *Investments in government securities* - include investment in Philippine RTBs.
- *Receivables* - includes interest and dividends receivable generated from investments included in the plan.
- *Trust fee payable* - pertain mainly to charges of trust or in the management of the plan.

The Group retirement benefit fund is in the form of a trust being maintained by a trustee bank. The fund includes investment in the form of fixed-rate peso retail bonds issued by the Parent Company due in 2024 up to 2027 with interest rates ranging from 5.75% and 7.54% as of December 31, 2023 and due in 2027 with interest rates of 6.23% as of December 31, 2022. As of December 31, 2023 and 2022, the fair value of investment amounted to ₱433.28 million and ₱544.11 million, respectively. Interest income earned from the investments in bonds amounted to ₱20.48 million, ₱11.01 million and ₱4.57 million in 2023, 2022 and 2021, respectively.

The allocation of the fair value of plan assets follows:

	2023	2022
Deposits	**46.57%**	30.82%
Corporate bonds	**51.07%**	36.97%
Government bonds	**2.37%**	32.21%

The funds are administered by a trustee bank under the supervision of the Board of Directors of the plan. The Board of Directors is responsible for investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity.

Shown below is the maturity analysis of the undiscounted benefit payments:

Plan Year	2023	2022
Less than 1 year	**₱19,641,690**	₱16,809,074
More than 1 year to 5 years	**76,083,843**	63,465,859
More than 5 years to 10 years	**267,396,985**	264,165,459
More than 10 years to 15 years	**425,061,897**	443,392,339
More than 15 years to 20 years	**579,781,505**	541,935,627
20 years and beyond	**4,295,622,378**	3,855,400,749
	₱5,663,588,298	₱5,185,169,107

The average duration of the expected benefit payments at the end of the reporting period is 22.48 years and 22.36 years as of December 31, 2023 and 2022, respectively.

Sensitivity analysis on the actuarial assumptions
Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

		Increase (decrease) on Defined Benefit Obligation	
	Rates	2023	2022
Discount rate	+1%	**(₱68,748,206)**	(₱54,528,247)
	-1%	**83,422,482**	65,349,720
Salary increase	+1%	**83,938,460**	66,656,100
	-1%	**(70,464,445)**	(56,529,016)

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles with mandate of management. Union Bank's (UB) current strategic investment strategy consists of 45.76% of cash, 2.37% of investments in government securities, 51.16% of investment in private companies and 0.90% receivables.

27. **Income Tax**

Provision for income tax consists of:

	2023	2022	2021
Current:			
RCIT/MCIT	**₱1,215,597,333**	₱964,402,594	₱866,932,587
Final	**25,771,954**	1,581,268	2,088,378
Deferred	**2,077,276,945**	1,055,130,245	1,088,627,884
	₱3,318,646,232	₱2,021,114,107	₱1,957,648,849

The components of the Group's deferred taxes are as follows:

Net deferred tax assets:

	2021	2022
Deferred tax assets on:		
Excess of tax basis over book basis of deferred gross profit on real estate sales	**₱118,684,072**	₱121,534,973
Accrual of retirement costs, net of contributions	**9,403,409**	25,197,807
NOLCO	**2,621,620**	5,319,841
Allowance for impairment losses	**2,066,978**	–
Unamortized discount on receivables	**172,352**	1,776,215
MCIT	**861,842**	727,405
	133,810,273	154,556,241
Deferred tax liabilities on:		
Capitalized borrowing costs	**17,954,036**	23,394,019
Remeasurement gain on defined benefit obligation	**10,146,564**	19,697,953
	28,100,600	43,091,972
	₱105,709,673	₱111,464,269

Net deferred tax liabilities:

	2023	2022
Deferred tax assets on:		
Lease liabilities	**₱1,360,055,011**	₱1,358,513,251
Allowance for impairment losses	**386,030,383**	157,126,312
NOLCO	**185,999,506**	271,488,294
Accrual of retirement costs	**86,798,230**	86,038,717
MCIT	**18,995,273**	14,311,962
Unamortized discount on receivables	**9,922,888**	12,232,368
Excess of tax basis over book basis of deferred gross profit on real estate sales	**1,796,043**	1,407,778
	2,049,597,334	1,901,118,682

(Forward)

	2023	2022
Deferred tax liabilities on:		
Straight line lease adjustment on rent income	**₱5,456,844,483**	₱3,681,168,833
Excess of book basis over tax basis of deferred gross profit on real estate sales	**2,068,101,111**	1,882,026,945
Capitalized borrowing costs	**1,054,172,802**	1,164,392,579
Right-of-use assets	**1,041,067,749**	1,093,371,964
Difference in tax basis of depreciation expense	**460,289,100**	–
Remeasurement gain on defined benefit obligation	**158,744,839**	171,716,493
Fair value adjustments from business combination	**11,809,607**	13,777,875
Discount on rawland payable	–	2,050,958
	10,251,029,691	8,008,505,647
	(₱8,201,432,357)	(₱6,107,386,965)

Out of the ₱2,099.80 million movement in net deferred tax liabilities, ₱22.52 million was booked as movement in OCI in 2023.

Out of the ₱1,061.66 million movement in net deferred tax liabilities, ₱6.53 million was booked as movement in OCI in 2022.

The Group has deductible temporary differences, NOLCO and MCIT that are available for offset against future taxable income for which no deferred tax assets have been recognized, as follows:

	2023	2022	2021
NOLCO	**₱15,763,953,343**	₱11,250,881,066	₱12,840,423,648
MCIT	**3,263,811**	3,686,409	22,353,211

The related unrecognized deferred tax assets on these deductible temporary differences, NOLCO and MCIT amounted to ₱3,944.25 million, ₱2,816.41 million and ₱3,232.46 million as of December 31, 2023, 2022 and 2021, respectively. These are mostly coming from holding companies namely, VLL, BEC and hotel entities.

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. The subsidiaries recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

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

As of December 31, 2023, the entities within the Group has incurred NOLCO before and after taxable years 2021 and 2022 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

NOLCO

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2023	₱4,559,128,290	₱–	₱4,559,128,290	2026
2022	3,749,376,576	(2,093,888)	3,747,282,688	2025
	₱8,308,504,866	(₱2,093,888)	₱8,306,410,978	

As of December 31, 2023, the entities within the Group has incurred NOLCO in taxable years 2022 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2021	₱3,291,945,263	(₱141,497,842)	₱3,150,447,421	2026
2020	5,316,791,764	(255,212,320)	5,061,579,444	2025
	₱8,608,737,027	(₱396,710,162)	₱8,212,026,865	

MCIT

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2023	₱13,811,344	₱–	₱13,811,344	2026
2022	5,761,382	(1,510,479)	4,250,903	2025
2021	5,854,783	(796,104)	5,058,679	2024
2020	7,109,611	(7,109,611)	–	2023
	₱32,537,120	(₱9,416,194)	₱23,120,926	

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in profit or loss follows:

	2023	2022	2021
Provision for income tax computed at the statutory income tax rate	**25.00%**	25.00%	25.00%
Additions to (reductions in) income tax resulting from:			
Change in unrecognized deferred tax assets	**8.28**	(12.13)	0.52
Nondeductible interest and other expenses	**0.79**	9.97	11.60
Expired MCIT and NOLCO	**0.01**	7.71	10.71
Changes in tax rate arising from CREATE Act	**–**	–	(7.75)
Interest income already subjected to final tax	**(0.07)**	(0.01)	(0.02)
Tax-exempt income on BOI-Projects	**(1.36)**	(1.92)	(9.80)
Tax-exempt interest income	**(1.94)**	(2.58)	(4.28)
Tax-exempt income on REIT	**(3.65)**	(1.86)	–
Others	**(2.68)**	(2.71)	(4.05)
Provision for income tax	**24.38%**	21.47%	21.93%

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

On April 8, 2021, the Secretary of Finance, with recommendation from the Commissioner of the Bureau of Internal Revenue, promulgated the Implementing Rules and Regulations for the effectivity of the approved provisions of CREATE Act and clarified how the taxable income for the period beginning July 1, 2020 will be computed.

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

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

Board of Investments (BOI) Incentives
The BOI issued in favor of certain subsidiaries in the Group a Certificate of Registration as Developer of Mass Housing Projects for its 44 projects in 2023 and 2022 and 78 projects in 2021, in accordance with the Omnibus Investment Code of 1987. Pursuant thereto, the projects have been granted an Income Tax Holiday for a period of either three years for new projects, or four years for expansion projects, commencing from the date of issuance of the Certificate of Registration.

28. **Lease Liabilities**

The Group, as lessee, has lease contracts for parcels of land where its commercial centers are situated with lease terms of 11 - 30 years. Rental due is based on prevailing market conditions. Generally, the Group is not restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The following are the amounts recognized in consolidated statements of comprehensive income:

	2023	2022
Depreciation expense of right-of-use assets included in investment properties (Note 14)	**₱209,216,860**	₱175,989,721
Interest expense on lease liabilities	**376,611,498**	373,231,355
Expenses relating to short-term leases (included in operating expenses)	**61,976,408**	15,141,802
Total amount recognized in statement of comprehensive income	**₱647,804,766**	₱564,362,878

The rollforward analysis of lease liabilities follows:

	2023	2022
Balances at beginning of year	**₱5,434,053,003**	₱5,435,840,440
Interest expense (Note 25)	**376,611,498**	373,231,355
Payments	**(370,444,459)**	(375,018,792)
Balances at end of year	**5,440,220,042**	5,434,053,003
Less current portion	**388,872,997**	368,459,297
Noncurrent portion	**₱5,051,347,045**	₱5,065,593,706

The Group has no lease contract that contains variable payments. The Group's fixed payments amounted to ₱432.42 million and ₱390.16 million in 2023 and 2022, respectively.

The Group's lease contracts include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 5).

Shown below is the maturity analysis of the undiscounted lease payments:

	2023	2022
Within 1 year	**₱388,872,997**	₱368,459,297
More than 1 year to 2 years	**417,661,646**	377,749,481
More than 2 years to 3 years	**444,031,726**	421,788,247
More than 3 years to 4 years	**470,682,075**	442,927,197
More than 4 years to 5 years	**498,240,963**	469,599,629
More than 5 years	**8,350,639,754**	8,857,658,091
	₱10,570,129,161	₱10,938,181,942

29. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence. Entities under common control are those entities outside the Group but are related parties of Fine Properties, Inc. Related parties may be individuals or corporate entities.

All publicly listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirement under Revised SRC Rule 68 and SEC Memorandum Circular 10, series 2019.

The Parent Company has an approval requirement such that material related party transaction (RPT) shall be reviewed by the Risk Management Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the threshold value as approved by the Committee amounting to 10% or higher of the Group's total consolidated assets based on its latest audited financial statements.

The Group in their regular conduct of business has entered into transactions with related parties principally consisting of trade transactions from mall leasing, advances, reimbursement of expenses, provision of construction materials and purchase and sale of real estate properties. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The consolidated statements of financial position include the following amounts resulting from the foregoing transactions which represent amounts receivable from (payable to) related parties as of December 31, 2023 and 2022:

			2023		
Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
***Receivable from tenants and accrued rental receivable** (Note 11)*					
Entities under Common Control	**a) Rental of mall spaces**	**₱13,875,780,592**	**₱30,808,295,526**	**Noninterest-bearing**	**Certain receivables with letter of financial support from Fine Properties Inc., No impairment**
	a) Offset of rental receivable against accounts payable	**1,109,037,213**	**–**	**–**	**–**
Ultimate Parent	**a) Rental of office spaces**	**2,287,033**	**6,967,931**	**Noninterest-bearing**	**Unsecured, No impairment**
			₱30,815,263,457		
***Receivables from related parties** (Note 11)*					
Entities under common control	**a) Advances**	**₱3,218,440,000**	**₱3,218,440,000**	**Noninterest-bearing**	**With letter of financial support from Fine Properties Inc., No impairment**
Advances to a related party					
Ultimate Parent	**b) Joint venture advances**	**₱517,163,906**	**₱7,559,440,240**	**Noninterest-bearing**	**Unsecured, No impairment**
***Advances in project development cost** (Note 16)*					
Ultimate Parent	**b) Joint venture advances**	**₱–**	**₱91,646,033**	**Noninterest-bearing**	**Unsecured, No impairment**
Entities under Common Control	**b) Purchase and return of advances for housing credits**	**123,414,601**	**529,454,328**	**Noninterest-bearing**	**Unsecured, No impairment**
			₱621,100,361		
***Lease liabilities** (Note 28)*					
Ultimate Parent	**c) Rental of parcels of land**	**(₱4,439,189)**	**(₱384,330,178)**	**Interest-bearing**	**Unsecured**
***Interest expense** (Note 28)*					
Ultimate Parent	**c) Rental of parcels of land**	**₱39,914,589**	**₱–**	**Interest-bearing**	**Unsecured**
Dividends Declared/Payable					
Stockholders	**d) Dividends**	**₱740,652,549**	**₱194,444,060**		
***Advances to** (Note 11)*					
Entities under Common Control	**f) Advances**	**₱1,190,183,022**	**₱1,190,183,022**	**Noninterest-bearing**	**Unsecured, No impairment**

Relationship	Nature of Transaction	2022 Net Amount/ Volume	2022 Outstanding Balance	Terms	Conditions
Receivable from tenants and accrued rental receivable (Note 11)					
Entities under Common Control	a) Rental of mall spaces	₱11,708,398,391	₱25,554,113,420	Noninterest-bearing	Certain receivables with letter of financial support from Fine Properties Inc., No impairment
	a) Offsetting of rental receivable against account payable	2,285,635,829	–	–	–
Ultimate Parent	a) Rental of office spaces	69,960	3,577,888	Noninterest-bearing	Unsecured, No impairment
			₱25,557,691,308		
Advances to a related party					
Ultimate Parent	b) Joint venture advances	₱957,087,103	₱7,042,276,334	Noninterest-bearing	Unsecured, No impairment
	e) Assignment of investment properties	1,690,504,480	–		
Advances in project development cost (Note 16)					
Ultimate Parent	b) Joint venture advances	₱–	₱91,646,033	Noninterest-bearing	Unsecured, No impairment
Entities under Common Control	b) Purchase and return of advances for housing credits	7,605,814	406,039,727	Noninterest-bearing	Unsecured, No impairment
		₱7,605,814	₱497,685,760		
Lease liabilities (Note 28)					
Ultimate Parent	c) Rental of parcels of land	(₱23,795,634)	(₱379,890,989)	Interest-bearing	Unsecured
Interest expense (Note 28)					
Ultimate Parent	c) Rental of parcels of land	₱39,379,722	₱–	Interest-bearing	Unsecured
Dividends Declared/Payable					
Stockholders	d) Dividends	₱348,362,314	₱96,024,581		

a) The Group has operating lease agreements with entities under common control for the leases of commercial centers. The lease agreements are renewable and contain escalation clauses. Rental income and receivables including the effect of straight-line calculation from related parties amounted to ₱13,875.78 million and ₱30,808.30 million, respectively, as of December 31, 2023, ₱11,708.40 million and ₱25,554.11 million, respectively, as of December 31, 2022. These receivables from related parties which are recognized as 'Accrued rental receivable' under 'Receivables' are not impaired (see Note 11).

   Included in the related party tenants are AllHome Corp., AllDay Marts, Inc., All Day Retail Concepts, Inc., Family Shoppers Unlimited, Inc., CM Star Management, Inc., and The Village Server, Inc. which are subsidiaries of AllValue Holdings Corp. (collectively referred to as AllValue Group or Anchor Tenant). AllValue Group is engaged in retail businesses covering supermarkets, retail of apparel, construction materials and home/building appliances and furnishings. The lease agreements contain escalation clauses.

   Rental income and receivables from All Value Group including the effect of future lease rate escalation amounted to ₱12,394.34 million and ₱27,699.90 million, respectively, as of December 31, 2023 and ₱10,257.59 million and ₱23,101.10 million, respectively, as of December 31, 2022. These receivables from All Value Group which are recognized as 'Accrued rental receivable' under 'Receivables' are not impaired (see Note 11).

   Rental income and receivables from All Value Group without the effect of future escalation amounted to ₱5,702.43 million and ₱6,780.33 million, respectively, as of December 31, 2023 and ₱5,026.22 million and ₱6,908.74 million, respectively, as of December 31, 2022. These receivables from All Value Group which are recognized as 'Accounts receivable from tenants' under 'Receivables' are noninterest-bearing and are not impaired (see Note 11).

As of December 31, 2023, the related parties with outstanding rent receivables including the effect of future escalation amounting to ₱34,026.74 million were provided with financial support letter by Fine Properties, Inc. and these rent receivables including the effect of future escalation are include in “Accounts receivable from tenants”, “Accrued rental receivable” and “Receivables from related parties” account under “Receivables” line item in the statements of financial position (see Note 11).

As discussed in Note 7, due to the fire that hit Star Mall Alabang, certain related party tenants which are entities under common control pre-terminated its lease contracts resulting to the reversal of accrued rental receivable from straight-lining of rental income amounting to ₱377.77 million which was charged against rental income for the year ended December 31, 2022.

In January 2022, the Group amended certain lease contracts with Family Shoppers Unlimited, Inc. and Parallax, Inc. resulting to increase in rental income and rental receivables by ₱5,435.40 million. The amendments of the lease contracts are as follows:

a. Extension of lease term commencing from the lease modification date; and
b. From variable rent to annual fixed rent based on rate with annual escalation.

The Ultimate Parent Company also has lease agreements with the Group for the lease of its office spaces. The rental due is based on prevailing market conditions.

Various related party tenants under AllValue Holdings Corp. (AVHC) (Assignors) assigned their rental payables to AVHC (Assignee), being its parent company. On various dates in 2023, Deeds of Assignment were entered among (1) the Group as lessor; (2) various related party tenants under AllValue Holdings Corp. (AVHC) (Assignors) and (3) AVHC (Assignee), for the Assignors to assign, transfer and convey to AVHC as the Assignee, all the Assignors’ rental payables to the Group aggregating to ₱5,105.08 million.

Consequently within 2023, parcels of land valued at ₱1,886.64 million were transferred by AVHC to the Group as a form of settlement of the assigned receivable and these were recorded under “Investment properties” in the consolidated statements of financial position (see Note 12). The remaining ₱3,218.44 million are expected to be settled through cash, land properties or combination of both (see Notes 11, 14 and 36).

In 2023 and 2022, the Group entered into a land development agreement with a third-party contractor valued at ₱1,109.04 million and ₱2,285.64 million, respectively, to which the Group incurred a liability of the same amount. On the same date, the Group as lessor, the third-party contractor and certain related party tenants entered into an arrangement wherein the Group’s payable to the third-party contractor was offset against certain rental receivables from All Value Group for the same amount.

b) On December 23, 2017, the Group entered into a Memorandum of Agreement (MOA) with Bria Homes, Inc. (Bria), an entity under common control, a developer of socialized housing projects located in various areas in the Philippines, to assign portions of the socialized housing projects to various entities in the Group in compliance with the requirements of Republic Act No. 7279 (Urban Development and Housing Act of 1992). On November 23, 2018, the Group entered into another MOA with Bria to include vertical residential projects in the assignment of socialized housing projects. As such, the Group makes cash advances to Bria Homes, Inc. for the construction of socialized housing units which are recorded under project development costs (see Note 16). On December 23, 2019, another MOA was executed with Bria to specify the details of the housing credits to be delivered by Bria equivalent to the advances provided by VLL.

On December 21, 2020, the Group executed an amendment updating the number of housing credit that Bria will deliver to the Group to settle its outstanding balance. As of December 31, 2023 and 2022, the related project development costs amounted to ₱529.45 million and ₱406.04 million, respectively.

In 2021, CAPI, VMI and various other VLLI subsidiaries executed a Deed of Assignment of Advances (DOA) to Fine Properties, Inc., ultimate parent, totaling ₱5.75 billion after deducting the partial delivery of social housing credits and cash payments in 2020 which was consolidated to Brittany Corporation (BC). The DOA effectively consolidates all receivables from Fine Properties, Inc. to BC while BC recognizes payable to the respective entities within VLLI group. These intercompany transactions between VLLI subsidiaries were eliminated at consolidated level. Furthermore, BC and Fine Properties, Inc. entered into a Land Development Agreement (LDA) to develop 159, 208 square meters in Molino, Bacoor, Cavite to be developed into mixed-use residential and commercial subdivisions over a 15-year period. Fine Properties, Inc. will contribute land while the contribution of BC will be the planning, conceptualization, design, construction and financing of the Project. Both parties agreed to share the saleable lots into sharing of 60% for Fine Properties, Inc. and 40% for BC. The intention of the parties is for Fine Properties, Inc. to settle the resulting advances by BC of ₱5.75 billion in addition to the existing advances to Fine Properties, Inc. of ₱340.00 million totaling to ₱6.09 billion, from its share of the saleable lots in the LDA. The expected settlement will start upon completion of land development but shall in no case be earlier than 36 months from execution of the agreement dated December 17, 2021. In December 2023, the start of completion of land development was extended to December 17, 2026. As of December 31, 2023 and 2022, the Group's advances to a related party amounted to ₱7,559.44 million and ₱7,042.28 million, respectively.

HDC also entered into a joint venture agreement with Fine Properties, Inc. for the development of real estate projects and the related project development costs amounted to ₱91.65 million as of December 31, 2023 and 2022.

c) The Group entered into lease agreements with Fine Properties, Inc. pertaining to parcels of land wherein the Group's commercial centers are situated. These leases have terms of 25 years, with rental escalation clauses and renewal options.

d) Details of dividends declared to stockholders of the Parent Company are discussed in Note 23.

e) In 2022, BC assigned, transferred and conveyed all of its rights and interest on the land located in Dasmarinas, Cavite valued at ₱1,690.50 million to Fine Properties, Inc. Thereafter, Fine Properties, Inc. shall assume BC's remaining obligation to the landowner.

f) The Group in its regular conduct of business has entered into noninterest-bearing transactions with a related party principally consisting of noninterest-bearing advances for working capital requirements. As of December 31, 2023, the advances to an entity under common control amounted to ₱1,190.18 million and this was included under "Advances to private companies" account under "Receivables" in the consolidated statements of financial position (see Note 11).

As of December 31, 2023 and 2022, the retirement plan asset includes investment in fixed-rate peso retail bonds of the Parent Company with fair value amounting to ₱433.28 million and ₱544.11 million, respectively (see Note 26).

The compensation of key management personnel by benefit type follows:

	2023	2022	2021
Short-term employee benefits	**₱148,364,826**	₱114,661,755	₱110,070,514
Post-employment benefits	**27,464,871**	24,928,030	24,036,406
	₱175,829,697	₱139,589,785	₱134,106,920

30. **Earnings Per Share and Noncontrolling Interest**

The following table presents information necessary to compute the EPS:

	2023	2022	2021
Net income attributable to equity holders of Parent	**₱8,656,053,138**	₱6,119,908,898	₱6,426,541,859
Weighted average common shares*	**11,945,799,461**	11,945,799,461	11,945,799,461
Basic/Diluted Earnings per share	**₱0.725**	₱0.512	₱0.538

**Weighted average common shares consider the effect of treasury shares*

The basic and dilutive earnings per share are the same due to the absence of potentially dilutive common shares for the years ended December 31, 2023, 2022 and 2021.

The summarized financial information for which there are noncontrolling interests, are provided below. The information is based on amounts before inter-company eliminations.

VistaREIT, Inc. (VistaREIT)

	2023	2022	2021
		(Amounts in millions)	
Assets	**₱29,003**	₱27,519	₱510
Liabilities	**1,493**	1,355	10
Equity	**27,510**	26,164	500
Total comprehensive income (loss)*	**2,526**	(9,618)	**
Attributable to:			
Equity holders of VistaREIT	**1284**	1,033	**
Noncontrolling-interest	**703**	546	–

**This includes the increase (decrease) in fair value of investment properties carried at fair value in the financial statements of VistaREIT amounting to ₱539.54 million and (₱11,187.19 million) in 2023 and 2022, respectively. The net income from VistaREIT amounted to ₱1,986.95 million and ₱1,578.90 million, excluding the change in fair value of its investment properties, for the years ended December 31, 2023 and 2022, respectively.*
***Total comprehensive income attributable to equity holders of VistaREIT amounted to ₱120,914 for the year ended December 31, 2021.*

Vistamalls, Inc. and Subsidiaries (VMI&S)

	2023	2022	2021
	(Amounts in millions)		
Assets	**₱99,274**	₱91,519	₱80,672
Liabilities	**54,399**	54,917	50,821
Equity	**44,875**	36,602	29,851
Total comprehensive income	**8,531**	6,972	3,556
Attributable to:			
Equity holders of VMI&S	**7,598**	6,243	3,013
Noncontrolling-interest	**933**	729	543

As of December 31, 2023, 2022 and 2021, the accumulated balances of and net income attributable to noncontrolling interests follows:

	2023	2022	2021
Accumulated balances:			
Noncontrolling interest share in equity	**₱9,637,475,937**	₱8,448,577,034	₱3,146,983,827
Share in dividend (Note 23)	**447,642,154**	170,796,898	15,856,454
Net income attributable to noncontrolling interests	**1,636,012,004**	1,272,741,442	540,704,437
Other comprehensive income	**529,053**	2,248,632	2,067,479

31. **Fair Value Determination**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Other valuation techniques involving inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents, short-term cash investments, accrued interest receivable, receivable from tenants, buyers and HDMF, accounts and other payables (except for deferred output VAT and other statutory payables) and dividends payable: Due to the short-term nature of the accounts, the fair value approximate the carrying amounts in the consolidated statements of financial position.

Installment contracts receivable: The fair value of installment contracts receivable due within one year approximates its carrying amount. Noncurrent portion of installment contracts receivable are discounted using the applicable discount rates for similar types of instruments. The discount rates used range from 5.56% to 16.00% and 2.43% to 19.00% as of December 31, 2023 and 2022, respectively.

Investments at FVOCI: Fair values of equity securities are based on quoted market prices.

Investments at amortized cost: The fair value of these listed bonds is determined by reference to quoted market bid prices, at the close of business on the reporting date.

Bank loans, loans payable, notes payable, liabilities for purchased land and retention payable: Estimated fair values are based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest rates used in discounting cash flows ranged from 6.35% to 7.96% in 2023 and 5.35% to 8.63% in 2022 using the remaining terms to maturity.

The following table provides the fair value measurement and the hierarchy of the Group's financial assets and liabilities recognized as of December 31, 2023 and 2022:

		December 31, 2023			
		Fair Value			
	Carrying values	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant offer observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	**₱132,158,380**	**₱132,158,380**	**₱120,000,000**	**–**	**₱12,158,380**
Financial assets for which fair values are disclosed:					
Installment contracts receivable	**34,014,787,097**	**33,283,057,677**	**–**	**–**	**33,283,057,677**
Investments at amortized cost	**39,209,417,229**	**39,220,370,657**	**39,220,370,657**	**–**	**–**
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	**53,182,968,195**	**54,711,204,168**	**–**	**–**	**54,711,204,168**
Notes payable	**108,148,781,639**	**111,365,653,050**	**–**	**–**	**111,365,653,050**
Loans payable	**7,443,723,350**	**7,304,007,811**	**–**	**–**	**7,304,007,811**
Liabilities for purchased land	**2,810,279,346**	**2,583,086,026**	**–**	**–**	**2,583,086,026**
Retention payable	**1,667,347,732**	**1,567,479,722**	**–**	**–**	**1,567,479,722**

		December 31, 2022			
		Fair Value			
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	₱117,158,380	₱117,158,380	₱105,000,000	₱–	₱12,158,380
Financial assets for which fair values are disclosed:					
Installment contracts receivable	35,296,250,329	34,692,905,483	–	–	34,692,905,483
Investments at amortized cost	41,499,484,082	41,611,556,371	41,611,556,371	–	–
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	55,946,823,117	55,115,377,456	–	–	55,115,377,456
Notes payable	102,448,203,441	99,903,741,873	–	–	99,903,741,873
Loans payable	5,334,619,152	5,071,583,187	–	–	5,071,583,187
Liabilities for purchased land	2,918,645,181	2,718,691,406	–	–	2,718,691,406
Retention payable	1,647,670,283	1,494,394,633	–	–	1,494,394,633

In 2023 and 2022, there were no transfers between Levels of fair value measurements.

Significant increases (decreases) in discount rate would result in significantly higher (lower) fair value of the installment contracts receivable, notes payable, loans payable, bank loans, retention payable and liabilities for purchased land.

Description of significant unobservable inputs to valuation follows:

Account	Valuation Technique	Significant Unobservable Inputs
Installment contracts receivable	Discounted cash flow analysis	Discount rate
Bank loans	Discounted cash flow analysis	Discount rate
Notes payable	Discounted cash flow analysis	Discount rate
Loans payable	Discounted cash flow analysis	Discount rate
Retention payable	Discounted cash flow analysis	Discount rate
Liabilities for purchased land	Discounted cash flow analysis	Discount rate

32. **Financial Assets and Liabilities**

Financial Risk Management Objectives and Policies

Financial risk

The Group's principal financial liabilities comprise of bank loans, loans payable, notes payable, accounts and other payables (except for deferred output VAT and other statutory payables), liabilities for purchased land and retention payable. The main purpose of the Group's financial liabilities is to raise financing for the Group's operations. The Group has various financial assets such as installment contracts receivable, cash and cash equivalents, short-term and long-term cash investments, investments at fair value through other comprehensive income and investments at amortized cost which arise directly from its operations. The main risks arising from the use of financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The BOD reviews and approves with policies for managing each of these risks. The Group monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD.

The Group's risk management policies are summarized below. The exposure to risk and how they arises, as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior years.

Cash flow interest rate risk

The Group's exposure to market risk for changes in interest rates, relates primarily to its financial assets and liabilities that are interest-bearing.

The Group's policy is to manage its interest cost by entering into fixed rate debts. The Group also regularly enters into short-term loans with its installment contracts receivables as collateral to cushion the impact of potential increase in loan interest rates.

The table below shows the financial assets and liabilities that are interest-bearing:

	December 31, 2023	
	Effective Interest Rate	**Amount**
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	**0.01% to 4.25%**	**₱6,124,826,508**
Cash and cash equivalents in US Dollar	**0.06% to 1.50%**	**4,552,663,258**
Short-term cash investments	**1.26%**	**7,322,177**
Investments at amortized cost	**0.12% to 10.74%**	**39,209,417,229**
Installment contracts receivable	**5.56% to 16.00%**	**34,274,453,178**
		₱84,168,682,350
Financial liabilities		
Fixed rate		
Notes payable	**6.42% to 7.50%**	**₱108,148,781,639**
Bank loans	**6.42% to 7.50%**	**53,182,968,195**
Loans payable	**6.35% to 7.96%**	**7,443,723,350**
Lease liabilities	**7.21% to 8.89%**	**5,440,220,042**
		₱174,215,693,226

	December 31, 2022	
	Effective Interest Rate	Amount
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	0.01% to 1.25%	₱13,605,686,137
Cash and cash equivalents in US Dollar	0.06% to 0.13%	1,451,308,141
Short-term cash investments	0.10% to 3.13%	47,278,102
Investments at amortized cost	1.05% to 7.19%	41,499,484,082
Installment contracts receivable	1.66% to 19.00%	35,296,250,329
		₱91,900,006,791
Financial liabilities		
Fixed rate		
Notes payable	5.70% to 8.25%	₱102,448,203,441
Bank loans	3.25% to 8.17%	55,946,823,117
Loans payable	6.03% to 8.63%	5,334,619,152
Lease liabilities	6.79% to 8.80%	5,434,053,003
		₱169,163,698,713

As of December 31, 2023, and 2022, the Group's leasing income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk
The Group's foreign exchange risk is limited to certain USD denominated cash and cash equivalents, resulting primarily from movements of the Philippine Peso against the United States Dollar (USD). Below is the carrying amount of USD-denominated cash and cash and sensitivity analysis on exchange rate for effect on income before income tax.

	December 31, 2023		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on income before tax**
Cash and cash equivalents	**US$600,068**	**+3.39%**	**₱1,126,353**
	US$600,068	**-3.39%**	**(1,126,353)**

	December 31, 2022		
	Amount	Increase/Decrease in US Dollar rate	Effect on income before tax
Cash and cash equivalents	US$473,598	+4.22%	₱1,114,179
	US$473,598	-4.22%	(1,114,179)

The functional currency of VII, a wholly owned subsidiary, is USD. VII has cash and cash equivalents, investments at amortized costs, notes payable and bank loans in USD. VII's financial assets and liabilities are translated into Philippine peso, the presentation currency of the Group, using closing exchange rate prevailing at the reporting date, and the respective income and expenses at the weighted average rates for the period. The exchange differences arising on the translation are recognized in OCI under "Cumulative Translation Adjustments" (CTA).

See below for the carrying amounts and sensitivity analysis on other comprehensive income:

	December 31, 2023		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on Other Comprehensive Income**
Assets			
Cash and cash equivalents	**US$81,622,494**	**+3.39%**	**₱153,208,931**
	US$81,622,494	**-3.39%**	**(153,208,931)**
Investments at amortized costs	**US$708,134,680**	**+3.39%**	**1,329,199,244**
	US$708,134,680	**-3.39%**	**(1,329,199,244)**
Liabilities			
Notes payable	**US$770,526,280**	**+3.39%**	**(1,446,310,960)**
	US$770,526,280	**-3.39%**	**1,446,310,960**
Bank loans	**US$18,692,777**	**+3.39%**	**(35,087,146)**
	US$18,692,777	**-3.39%**	**35,087,146**

	December 31, 2022		
	Amount	Increase/Decrease in US Dollar rate	Effect on Other Comprehensive Income
Assets			
Cash and cash equivalents	US$25,556,500	+4.22%	₱60,123,749
	US$25,556,500	-4.22%	(60,123,749)
Investments at amortized costs	US$744,318,610	+4.22%	1,751,070,179
	US$744,318,610	-4.22%	(1,751,070,179)
Liabilities			
Notes payable	US$769,997,069	+4.22%	(1,853,827,314)
	US$769,997,069	-4.22%	1,853,827,314
Bank loans	US$18,000,000	4.22%	(42,346,467)
	US$18,000,000	-4.22%	42,346,467

In translating the foreign currency- denominated monetary assets and liabilities in peso amounts, the Philippine Peso - US dollar exchange rates as at December 31, 2023 and 2022 used were ₱55.37 to US$1.00 and ₱55.76 to US$1.00, respectively.

The assumed movement in basis points for foreign exchange sensitivity analysis is based on the management's forecast of the currently observable market environment, showing no material movements as in prior years.

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily installment contracts receivables and receivables from tenants) and from its investing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Receivables are regularly monitored.

In respect of installment contracts receivable from the sale of real estate inventories, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed.

The Group evaluates the concentration of risk with respect to non-related party trade receivables as low, as its customers are located in several jurisdictions and various income brackets, and operate in largely independent markets.

The Group evaluates the concentration of risk with respect to receivable from related parties (see Note 29). This is discussed in Note 6. The related parties have a strong capacity to meet their contractual cash flows and Fine Properties, Inc. has provided financial letter of support to the related party receivables.

Credit risk arising from receivable from tenants - third parties is primarily managed through a screening of tenants based on credit history and financial information submitted. Tenants are required to pay security deposits equivalent to 2 to 4-month lease payment to cover any defaulting amounts and advance rentals also equivalent to 2 to 4-month rent.

Credit risk arising from receivables from related parties is minimal as they have a low risk of default and have a strong capacity to meet their contractual cash flows in the near term.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk as of December 31, 2023 and 2022 is equal to the carrying values of its financial assets.

As of December 31, 2023 and 2022, the credit quality per class of financial assets is as follows:

	2023					
	Neither Past Due nor Impaired					
	High Grade	**Standard**	**Substandard Grade**	**Past due but not Impaired**	**Impaired**	**Total**
Cash and cash equivalents	**₱10,677,489,766**	**₱–**	**₱–**	**₱–**	**₱–**	**₱10,677,489,766**
Short-term cash investments	**7,322,177**	–	–	–	–	**7,322,177**
Investments at amortized cost	**39,209,417,229**	–	–	–	**10,953,428**	**39,220,370,657**
Investments at FVOCI	**132,158,380**	–	–	–	–	**132,158,380**
Installment contract receivable	**32,559,500,092**	–	–	**1,455,287,005**	**259,666,081**	**34,274,453,178**
Receivable from tenants and accrued rent receivable	**23,105,336,430**	–	–	**8,453,941,890**	**1,018,650,310**	**32,577,928,630**
Receivables from related parties	**3,218,440,000**	–	–	–	–	**3,218,440,000**
Receivable from HDMF	**362,103,100**	–	–	–	–	**362,103,100**
Receivable from buyers	–	–	–	**49,039,411**	**135,929,659**	**184,969,070**
Accrued interest receivable	**390,958,484**	–	–	–	–	**390,958,484**
Restricted cash	**334,764,859**	–	–	–	–	**334,764,859**
	₱109,997,490,517	**₱–**	**₱–**	**₱9,958,268,306**	**₱1,425,199,478**	**₱121,380,958,301**

	2022					
	Neither Past Due nor Impaired					
	High Grade	Standard	Substandard Grade	Past due but not Impaired	Impaired	Total
Cash and cash equivalents	₱15,056,994,278	₱–	₱–	₱–	₱–	₱15,056,994,278
Short-term cash investments	47,278,102	–	–	–	–	47,278,102
Investments at amortized cost	41,499,484,082	–	–	–	104,455,985	41,603,940,067
Investments at FVOCI	117,158,380	–	–	–	–	117,158,380
Installment contract receivable	21,230,928,394	779,312,682	35,924,974	13,250,084,279	–	35,296,250,329
Receivable from tenants and accrued rent receivable	18,117,338,108	–	–	8,916,400,937	495,636,493	27,529,375,538
Receivable from HDMF	185,386,869	–	–	–	–	185,386,869
Receivables from buyers	–	–	–	171,303,255	–	171,303,255
Accrued interest receivable	444,938,814	–	–	–	–	444,938,814
Restricted cash	299,617,013	–	–	–	–	299,617,013
	₱96,999,124,040	₱779,312,682	₱35,924,974	₱22,337,788,471	₱600,092,478	₱120,752,242,645

The Company's basis in grading its receivables are as follow:

High-grade - pertain to receivables from related parties which based on experience are highly collectible or collectible on demand, and of which exposure to bad debt is not significant. Installment contract receivables under bank-financing, receivable from buyers and receivable from HDMF awaiting for bank and HDMF remittance but has been processed are assessed to be high grade since the accounts have undergone credit evaluation performed by two parties, the Group and the respective bank, thus credit evaluation underwent a more stringent criteria resulting to higher probability of having good quality receivables. High-grade receivable from tenants and accrued rental receivable and accrued interest receivable are receivables which have a high probability of collection (i.e., the counterparty has the apparent ability to satisfy its obligation and the security on receivables are readily enforceable).

Standard - pertain to active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard - pertain to receivables that can be collected provided the Group makes persistent effort to collect them.

The Group's investments in unquoted equity securities presented as investments at fair value through other comprehensive income are incidental to its housing projects and are considered by the Group to be of high quality.

Cash in banks and cash equivalents and short-term cash investments are deposited/placed in banks that are stable as they qualify either as universal or commercial banks. Universal and commercial banks represent the largest single group, resource-wide, of financial institutions in the country the Group is operating. They offer the widest variety of banking services among financial institutions. These financial assets are classified as high grade due to the counterparties' low probability of insolvency.

As of December 31, 2023 and 2022, the aging analyses of the Company's receivables are as follow:

	2023						
		Past due but not impaired					
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Impaired**	**Total**
Installment contracts receivable	**₱32,559,500,093**	**₱87,930,497**	**₱70,157,431**	**₱49,607,785**	**₱1,247,591,291**	**₱259,666,081**	**₱34,274,453,178**
Accrued rental receivable	**22,905,714,492**	–	–	–	–	–	**22,905,714,492**
Receivable from tenants	**199,621,938**	**234,158,477**	**3,753,114**	**839,167,905**	**7,376,862,394**	**1,018,650,310**	**9,672,214,138**
Receivables from related parties	**3,218,440,000**	–	–	–	–	–	**3,218,440,000**
Accrued interest receivable	**390,958,484**	–	–	–	–	–	**390,958,484**
Receivable from HDMF	**362,103,100**	–	–	–	–	–	**362,103,100**
Receivable from buyers	–	**20,638,399**	**1,267,963**	**2,517,239**	**24,615,810**	**135,929,659**	**184,969,070**

	2022						
		Past due but not impaired					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Impaired	Total
Installment contracts receivable	₱22,046,166,050	₱59,451,694	₱60,896,611	₱36,987,400	₱13,092,748,574	₱–	₱35,296,250,329
Accrued rental receivable	17,387,952,584	–	–	–	–	–	17,387,952,584
Receivable from tenants	729,385,524	110,645,354	2,799,210	145,019,808	8,657,936,565	495,636,493	10,141,422,954
Accrued interest receivable	444,938,814	–	–	–	–	–	444,938,814
Receivable from HDMF	185,386,869	–	–	–	–	–	185,386,869
Receivable from buyers	–	1,678,499	2,536,797	6,204,112	160,883,847	–	171,303,255

Current receivables include billed lease receivables and accrued rent receivables which are not yet contractually collectible. Past due but not impaired include lease receivables which are aged 31 to over 90 days but collection is still probable. Impaired receivables are lease receivables from terminated tenants which are less likely to be collected.

The Group has collaterals in the form of security deposits and advance rent with respect to billed lease receivables that have been identified as past due but not impaired.

Applying the expected credit risk model resulted to recognition of impairment loss of nil from receivables in 2023 and 2022.

Liquidity Risk
The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Group's loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.

The extent and nature of exposures to liquidity risk and how they arise as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk are the same in 2023 and 2022.

Maturity Profile Financial Liabilities
The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2023 and 2022 based on undiscounted contractual payments, including interest payable.

December 31, 2023

	On Demand	**1 to 3 Months**	**3 to 12 Months**	**More than 1 year**	**Total**
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	**₱–**	**₱2,882,091,610**	**₱26,204,695,176**	**₱29,416,356,779**	**₱58,503,143,565**
Loans payable	**168,290,959**	**1,618,333,271**	**1,749,927,163**	**4,424,761,913**	**7,961,313,306**
Liabilities for purchased land	**413,948,626**	**113,909,476**	**1,217,648,997**	**1,064,772,247**	**2,810,279,346**
Accounts payable and other payables*	**7,554,387,718**	**3,140,161,802**	**5,787,121,268**	**515,046,096**	**16,996,716,884**
Dividends payable	**298,016,044**	**–**	**–**	**–**	**298,016,044**
Notes payable	**410,818,667**	**3,567,425,657**	**31,434,004,106**	**91,511,628,317**	**126,923,876,747**
Lease liabilities	**–**	**94,773,692**	**294,099,305**	**10,181,256,163**	**10,570,129,160**
Total undiscounted financial liabilities	**₱8,845,462,014**	**₱11,416,695,508**	**₱66,687,496,015**	**₱137,113,821,515**	**₱224,063,475,052**

**excluding statutory payables and including noncurrent portion of retention payable*

December 31, 2022

	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	Total
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	₱–	₱6,344,209,970	₱8,591,384,423	₱44,947,752,818	₱59,883,347,211
Loans payable	29,009,389	1,506,524,553	2,464,768,469	1,671,273,971	5,671,576,382
Liabilities for purchased land	107,765,896	295,667,806	1,276,124,583	1,239,086,896	2,918,645,181
Accounts payable and other payables*	11,780,683,458	3,421,921,455	7,444,583,291	728,337,670	23,375,525,874
Dividends payable	96,024,581	–	–	–	96,024,581
Notes payable	–	3,466,275,635	17,634,115,466	103,862,477,117	124,962,868,218
Lease liabilities	–	88,685,893	279,773,404	10,569,722,645	10,938,181,942
Total undiscounted financial liabilities	₱12,013,483,324	₱15,123,285,312	₱37,690,749,636	₱163,018,651,117	₱227,846,169,389

**excluding statutory payables and including noncurrent portion of retention payable*

33. Notes to Consolidated Statements of Cash Flows

Details of the movement in cash flows from financing activities follow:

			Non-cash Change				
	January 1, 2023	**Cash flows**	**Debt issue cost**	**Interest and other financing charges (including capitalized borrowing cost)**	**Foreign exchange movement**	**Dividends declared**	**December 31, 2023**
Notes payable	**₱102,448,203,441**	**₱6,083,325,067**	**(₱288,335,915)**	**₱202,040,174**	**(₱296,451,128)**	**₱–**	**₱108,148,781,639**
Bank loans	**55,946,823,117**	**(2,772,557,227)**	**(34,946,237)**	**43,648,542**	**–**	**–**	**53,182,968,195**
Loans payable	**5,334,619,152**	**2,109,104,198**	**–**	**–**	**–**	**–**	**7,443,723,350**
Lease liabilities	**5,434,053,003**	**(370,444,459)**	**–**	**376,611,498**	**–**	**–**	**5,440,220,042**
Dividends payable	**96,024,581**	**(986,303,240)**	**–**	**–**	**–**	**1,188,294,703**	**298,016,044**
Accrued interest expense	**1,442,359,902**	**(11,343,917,313)**	**323,282,152**	**11,167,682,642**	**–**	**–**	**1,589,407,383**
Total liabilities from financing activities	**₱170,702,083,196**	**(₱7,280,792,974)**	**₱–**	**₱11,789,982,856**	**(₱296,451,128)**	**₱1,188,294,703**	**₱176,103,116,653**

			Non-cash Change				
	January 1, 2022	Cash flows	Debt issue cost	Interest and other financing charges (including capitalized borrowing cost)	Foreign exchange movement	Dividends declared	December 31, 2022
Notes payable	₱107,930,233,523	(₱9,276,278,143)	(₱103,531,880)	₱894,209,203	₱3,003,570,738	₱–	₱102,448,203,441
Bank loans	56,992,341,863	(1,052,210,176)	(50,533,616)	57,225,046	–	–	55,946,823,117
Loans payable	3,779,511,014	1,555,108,138	–	–	–	–	5,334,619,152
Lease liabilities	5,435,840,440	(375,018,792)	–	373,231,355	–	–	5,434,053,003
Dividends payable	15,856,454	(438,991,085)	–	–	–	519,159,212	96,024,581
Accrued interest expense	1,464,726,858	(9,716,182,535)	154,065,496	9,539,750,083	–	–	1,442,359,902
Total liabilities from financing activities	₱175,618,510,152	(₱19,303,572,593)	₱–	₱10,864,415,687	₱3,003,570,738	₱519,159,212	₱170,702,083,196

The Group's noncash investing and financing activities pertain to the following:

a) The Parent Company presented in the consolidated statements of cash flow the availments and payments, net of bank loans that were rolled over during the period (loans against deposit hold-outs) amounting to ₱28,096.54 million and ₱22,560.33 million in 2023 and 2022;
b) Unpaid additions to investment properties amounted to ₱758.26 million and ₱786.73 million as of December 31, 2023 and 2022, respectively;
c) Unpaid additions to property and equipment amounted to ₱13.26 million and ₱5.46 million as of December 31, 2023 and 2022, respectively; and
d) The Group received land with monetary value of ₱1,886.64 million as payment of receivables for the year ended December 31, 2023 and this was recorded as part of investment properties.
e) The Group retired and written off its investment properties with carrying value of ₱164.65 million and ₱983.37 million for the years ended December 31, 2023 and 2022, respectively.
f) The Group written off its property and equipment with carrying value of ₱88.92 million and ₱3.60 million for the years ended December 31, 2023 and 2022, respectively.
g) The Group as lessor, the third-party contractor and certain related party tenants entered into an arrangement wherein the Group's payable to the third-party contractor was offset against certain rental receivables from All Value Group amounting to ₱1,109.04 million and ₱2,285.64 million in 2023 and 2022, respectively.
h) Liabilities for purchased land is comprised of unpaid additions to land improvements classified as:

	2023	2022
Real estate inventories	**₱2,185,650,193**	₱2,158,142,798
Investment properties	**624,629,153**	760,502,383
	₱2,810,279,346	₱2,918,645,181

34. **Lease Commitments**

The Group as Lessor

The Group has entered into non-cancellable property leases on its investment property portfolio, consisting of retail mall spaces and BPO commercial centers which generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as of December 31, 2023 and 2022 follow:

	2023	2022
Within 1 year	**₱7,326,932,909**	₱6,528,384,732
More than 1 year to 2 years	**7,933,609,476**	7,106,464,125
More than 2 years to 3 years	**8,044,295,751**	7,710,792,035
More than 3 years to 4 years	**7,888,662,595**	7,968,449,686
More than 4 years to 5 years	**8,246,581,817**	7,970,813,704
More than 5 years	**226,563,876,864**	235,924,971,281
	₱266,003,959,412	₱273,209,875,563

Rental income included in the consolidated statements of comprehensive income for the years ended December 31, 2023, 2022 and 2021 amounted to ₱16,021.43 million, ₱13,742.26 million and ₱9,312.72 million, respectively.

Contingent rent included in rental income for the years ended December 31, 2023, 2022 and 2021 amounted to ₱2,440.93 million, ₱1,824.31 million and ₱1,663.43 million, respectively.

35. **Commitments and Contingencies**

The Group has entered into several contracts with contractors for the development of its real estate properties. As at December 31, 2023 and 2022, these contracts have an estimated aggregate cost of ₱5,382.71 million and ₱7,693.05 million, respectively. These contracts are due to be completed on various dates up to December 2026.

The progress billings are settled within one year from date of billing. These are unsecured obligations and carried at cost.

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by the courts or are currently being contested by the Group, the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect in the Group's financial position and results of operations.

For the years ended December 31, 2023 and 2022, the Group received a total insurance proceeds of ₱1,841.16 million and ₱620.00 million, respectively.

36. **Subsequent Events**

New loan availment
In March 2024, the Parent Company has signed a ₱2-billion loan deal with the Manila branch of Sumitomo Mitsui Banking Corp. to finance the property developer's capital expenditures. The loan will also be used for the Group's capital expenditures for property development, refinancing and to fund other general corporate purposes. This loan is guaranteed by the Parent Company's subsidiaries consisting of BC, CAPI, CHI, CPI, Vistamalls, Inc., and VRI.

Assignment of Receivables of Related Party Tenants and Subsequent Transfer of Land Properties
In relation to the assignment to AVHC, as the Assignee of the Assignors' rental payables to the Group as discussed in Note 29, AVHC transferred additional parcels of land to the Group valued at ₱874.48 million as a form of settlement of the assigned receivables. These were recorded under "Investment properties" in the consolidated statement of financial position. The remaining assigned receivables are expected to be settled by AVHC through land properties.

37. **Approval of the Financial Statements**

The consolidated financial statements of the Group as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were authorized for issue by the BOD on April 11, 2024.

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

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 11, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material aspects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-074-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10082027, January 6, 2024, Makati City

April 11, 2024

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

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 11, 2024. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS), as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023, and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
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April 11, 2024

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

CONSOLIDATED FINANCIAL STATEMENTS

SUPPLEMENTARY SCHEDULES

VISTA LAND & LIFESCAPES, INC.

RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS OF DECEMBER 31, 2023

Unappropriated Retained Earnings, beginning of reporting period		₱5,383,068,055
Add: <u>Category A</u>: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Others	–	–
Less: <u>Category B</u>: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	740,652,549	
Retained Earnings appropriated during the reporting period	–	
Effect of restatements or prior-period adjustments	–	
Others	–	740,652,549
Unappropriated Retained Earnings, as adjusted		4,642,415,506
Add/Less: Net Income (loss) for the current year		7,342,371,299
Less: <u>Category C.l</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends Declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of Investment Property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–
Add: <u>Category C.2</u>: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Realized fair value gain of Investment Property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value gain of Investment Property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	–	
Sub-total		–
Adjusted Net Income/Loss		7,342,371,299
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others	–	
Sub-total		–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	404,817	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Others	–	
Sub-total		404,817
Total Retained Earnings, end of the reporting period available for dividend declaration		₱11,985,191,622

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

DECEMBER 31, 2023

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Cash and cash equivalents	N/A	₱10,692,152,140	₱10,692,152,140	₱210,096,910
Short-term cash investments	N/A	7,322,177	7,322,177	92,121
Restricted cash	N/A	334,764,859	334,764,859	7,564,836
Installment contracts receivables	N/A	34,274,453,178	34,274,453,178	606,298,284
Quoted equity securities	100	120,000,000	120,000,000	–
Unquoted equity securities	₱1,215,838	12,158,380	12,158,380	–
UBS Portfolio I	1,771,286,300	1,807,117,017	1,807,271,879	
UBS Portfolio II	9,411,238,900	9,592,436,870	9,593,628,608	
UBS Portfolio III	2,355,993,500	2,351,252,896	2,352,210,570	
UBS Portfolio IV	2,924,920,250	2,914,548,218	2,914,664,141	
UBS Portfolio V	2,281,244,000	2,291,945,407	2,292,061,355	
UBS Portfolio VI	1,716,470,000	1,714,759,832	1,714,759,832	
UBS Portfolio VII	1,854,895,000	1,789,548,869	1,789,548,869	984,530,189
UBS Portfolio VII	4,661,157,340	4,685,223,388	4,692,616,627	
UBS Portfolio IX	127,387,233	127,387,233	127,387,233	
HSBC Portfolio I	3,701,927,460	3,782,181,755	3,782,181,755	
HSBC Portfolio II	941,290,000	965,286,556	965,286,556	
CREDIT SUISSE	5,442,372,670	5,512,080,141	5,512,726,309	
J.SAFFRRA SARASSIN	1,674,942,500	1,675,649,047	1,676,026,923	
Receivable from tenants and accrued rent receivable	N/A	32,577,928,630	32,577,928,630	–
Receivables from related parties	N/A	3,218,440,000	3,218,440,000	–
Other receivables	N/A	938,030,654	938,030,654	–
Total Financial Assets		₱121,384,667,247	₱121,395,620,675	₱1,808,582,340

See Notes 9, 10, 11 and 25 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDER (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2023

Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of period
Officers	₱4,684,410	₱6,507,506	(₱3,572,101)	₱–	₱4,634,051	₱2,985,764	₱7,619,815
Employees	40,177,675	90,514,116	(79,229,658)	–	51,382,133	80,000	51,462,133
Advances to officers and employees	₱44,862,085	₱97,021,622	(₱82,801,759)	₱–	₱56,016,184	₱3,065,764	₱59,081,948

See Note 11 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLES/PAYABLES FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Converted to APIC/Capital Stock	Current	Noncurrent	Balance at end of period
Vista Land and Lifescapes, Inc.	₱110,316,823,980	(₱27,344,088,515)	₱42,325,579,605	–	₱125,298,315,070	₱–	₱125,298,315,070
Prima Casa Land & Houses, Inc.	699,810,378	1,610,125,448	(252,090,202)	–	2,057,845,624	–	2,057,845,624
VLL International, Inc.	(14,072,163,534)	–	(3,015,239,158)	–	(17,087,402,692)	–	(17,087,402,692)
Crown Asia Properties, Inc.	(9,107,530,205)	466,088,751	(1,284,796,469)	–	(9,926,237,923)	–	(9,926,237,923)
Vista Residences, Inc.	(5,949,840,484)	4,565,184,602	(7,700,900,737)	–	(9,085,556,619)	–	(9,085,556,619)
Camella Homes, Inc.	(20,181,858,839)	5,846,249,231	(10,559,550,170)	–	(24,895,159,778)	–	(24,895,159,778)
Brittany Corporation	(15,026,091,562)	785,539,265	(2,132,195,457)	–	(16,372,747,754)	–	(16,372,747,754)
Communities Philippines, Inc.	(11,209,741,776)	6,826,540,114	(12,474,246,738)	–	(16,857,448,400)	–	(16,857,448,400)
Vistamalls, Inc.	(35,469,407,958)	7,244,361,104	(4,906,560,674)	–	(33,131,607,528)	–	(33,131,607,528)

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE D: LONG TERM DEBT

DECEMBER 31, 2023

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest rates	Amount	Number of periodic installments	Maturity date
Notes payable 1	₱5,150,000,000	₱103,000,000	₱4,312,458,581	6.19%	₱4,415,458,581	Quarterly interest payments; 0.5% principal payment for 36 quarter and 82% principal on maturity date	December 2026
Notes payable 2	4,850,000,000	97,000,000	4,060,106,973	6.23%	4,157,106,973	Quarterly interest payments; 1% principal payment for the 1st quarter following the issuance, .5% and 82% principal on maturity date	December 2026
Notes payable 3	6,000,000,000	666,661,895	2,481,456,254	7.71%	3,148,118,149	Quarterly interest payments; 4.1667% principal payment 1 year after issuance for 24 quarters	July 2028
Notes payable 4	1,700,000,000	283,327,829	211,223,590	7.49%	494,551,419	Quarterly interest payments; 4.1667% principal payment 1 year after issuance for 24 quarters	July 2025
Notes payable 5	500,000,000	83,331,714	62,121,440	7.50%	145,453,154	Quarterly interest payments; 4.1667% principal payment 1 year after issuance for 24 quarters	July 2025
Notes payable 6	15,000,000,000	2,810,510,039	–	7.13%	2,810,510,039	Quarterly interest payments; 5% principal payment 1 year after issuance for 20 quarters	July 2024
Notes payable 7	4,000,000,000	1,111,111,111	1,984,371,129	6.64%	3,095,482,240	Quarterly interest payments; 5.56% principal payment 3 quarter after issuance for 18 quarters	March 2027
Notes payable 8	2,000,000,000	555,555,556	992,185,565	7.24%	1,547,741,121	Quarterly interest payments; 5.56% principal payment 2 quarter after issuance for 18 quarters	March 2027
Notes payable 9	8,600,000,000	–	8,527,358,144	7.93%	8,527,358,144	Quarterly interest payments; principal payable upon maturity	December 2025
Notes payable 10	2,900,000,000	–	2,875,504,490	7.26%	2,875,504,490	Quarterly interest payments; principal payable upon maturity	December 2025
Notes payable 11	6,000,000,000	–	5,951,093,218	7.61%	5,951,093,218	Quarterly interest payments; principal payable upon maturity	April 2026

(Forward)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest rates	Amount	Number of periodic installments	Maturity date
Notes payable 12	₱4,000,000,000	₱–	₱3,967,394,112	7.63%	₱3,967,394,112	Quarterly interest payments; principal payable upon maturity	April 2026
Notes Payable 13	5,000,000,000	2,996,058,299	–	5.75%	2,996,058,299	Quarterly interest payments; principal payable upon maturity	August 2024
		–	1,988,746,248	6.23%	1,988,746,248	Quarterly interest payments; principal payable upon maturity	August 2027
Notes Payable 14	10,000,000,000	–	3,484,253,917	8.25%	3,484,253,917	Quarterly interest payments; principal payable upon maturity	December 2025
Notes Payable 15	10,000,000,000	–	9,972,645,498	5.70%	9,972,645,498	Quarterly interest payments; principal payable upon maturity	June 2025
Notes Payable 16	6,000,000,000	–	3,120,543,877	7.54%	3,120,543,877	Quarterly interest payments; principal payable upon maturity	December 2026
		–	2,786,722,024	7.69%	2,786,722,024	Quarterly interest payments; principal payable upon maturity	December 2028
Notes Payable 17	$220,000,000	$–	$220,000,000	7.25%	$220,000,000	Semi-annual interest payments; bullet on principal	July 2027
Notes Payable 18	$200,000,000	$–	$200,000,000	7.25%	$200,000,000	Semi-annual interest payments; bullet on principal	July 2027
Notes Payable 19	$350,000,000	$350,000,000	$–	5.75%	$350,000,000	Semi-annual interest payments; bullet on principal	November 2024
Bank Loans	Not Applicable	25,874,160,220	27,308,807,975	4.75% to 8.25%	53,182,968,195	Various payment terms (i.e., monthly and quarterly) of interest and principal	Various dates
Loans Payable	Not Applicable	3,176,026,696	4,267,696,654	6.25% to 8.25%	7,443,723,350	Interest and principal payable monthly	Various dates

See Notes 20 and 21 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2023

Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2023

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee

Not Applicable

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE G: CAPITAL STOCK

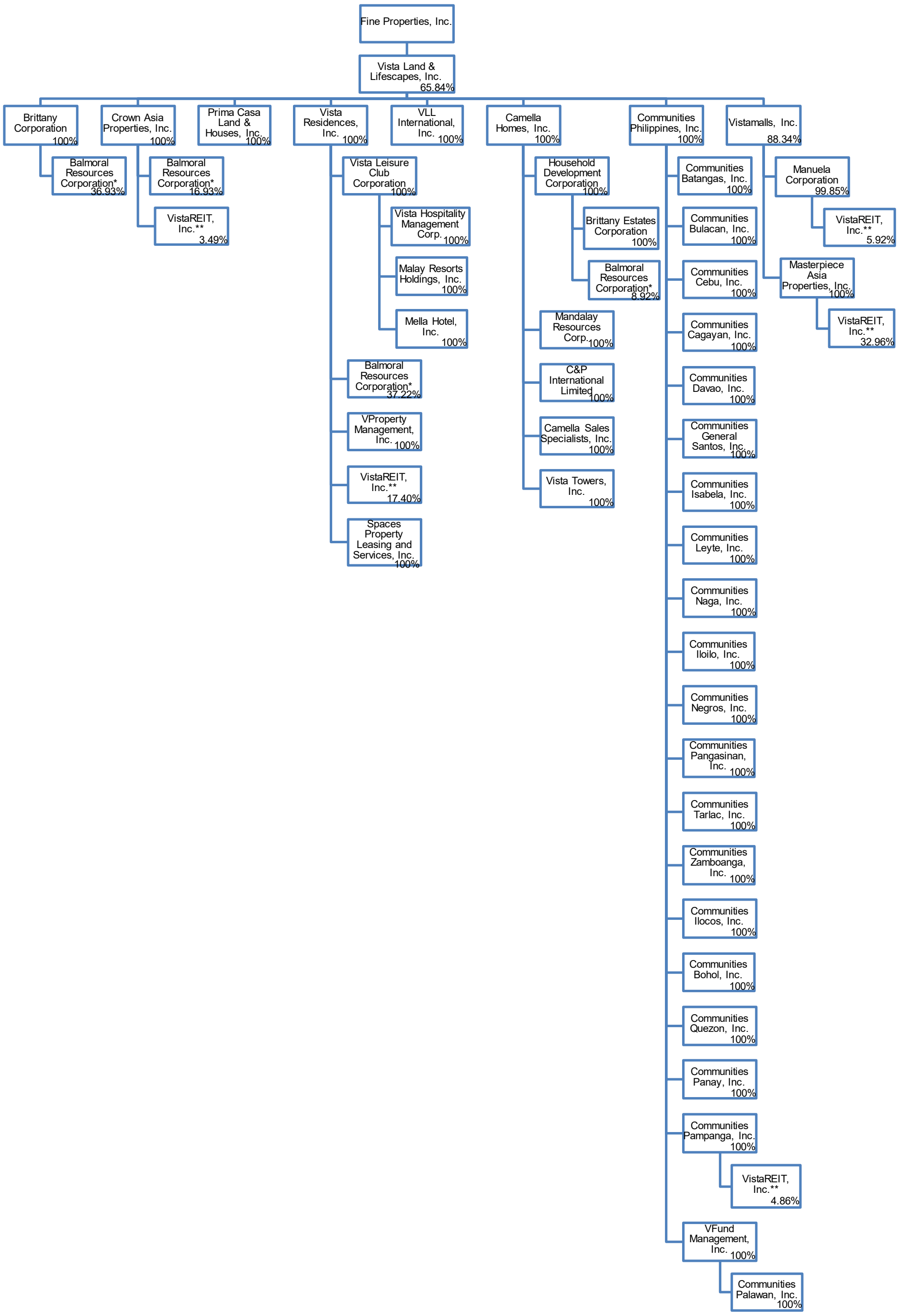
DECEMBER 31, 2023

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common Stock, ₱1 par value	17,900,000,000	13,114,136,376 shares issued; 11,945,799,461 shares outstanding	–	9,113,046,142	516,778,325	3,068,183,209
Preferred Stock Series 1, ₱0.01 par value	8,000,000,000	3,300,000,000 shares issued and outstanding	–	3,300,000,000	–	–
Preferred Stock Series 2, ₱0.10 par value	200,000,000	–	–	–	–	–

See Note 23 of the Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
GROUP STRUCTURE

Below is the map showing the relationship between and among group and its Ultimate parent company, and its subsidiaries as of December 31, 2023.



*The Group effectively owns 100% of Balmoral Resources Corporation through Brittany, CAPI, VRI and HDC.
**The Group effectively owns 60.09% and 98.94% of VistaREIT, Inc. (formerly Vista One, Inc.) through MC, MAPI, Communities Pampanga, Inc., CAPI and VRI and the rest are owned by individual shareholders, as of December 31, 2023 and 2022, respectively.

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
AS OF DECEMBER 31, 2023, 2022 and 2021

Below are the financial ratios that are relevant to the Group for the years ended December 31, 2023, 2022 and 2021:

Ratios	Formula	2023	2022	2021
Current ratio	Current assets / Current liabilities	**1.85**	2.89	2.48
Acid test ratio	Quick asset[1] / Current liabilities	**0.99**	1.64	1.45
Solvency ratio	Net income + Depreciation / Total liabilities	**0.06**	0.05	0.05
Debt ratio	Interest bearing debt[2] / Total assets	**0.49**	0.51	0.54
Asset to equity ratio	Total assets / Total equity	**2.58**	2.61	2.79
Interest service coverage ratio	EBITDA[3] / Total interest paid[4]	**2.03**	1.95	1.91
Return on equity	Net income / Total equity	**0.08**	0.06	0.06
Return on assets	Net income / Average total assets	**0.03**	0.02	0.02
Net profit margin	Net income / Net revenue	**0.30**	0.26	0.24

[1]Includes Cash and Cash Equivalents, Short-term Investments, Investment at FVTPL and Current Receivables
[2]Includes Bank loans, Notes Payable and Loans Payable
[3]EBITDA less Interest Income from Investments
[4]Total interest paid less Interest Income from Investments

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

SEC Registration Number

CS200703145

COMPANY NAME

VISTA LAND & LIFESCAPES, INC.
AND SUBSIDIARIES

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

LOWER GROUND FLOOR, BUILDING B, EVIA LIFESTYLE CENTER, VISTA CITY, DAANGHARI, ALMANZA II, LAS PIÑAS CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	SEC	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
irg@vistaland.com.ph	3226 3552	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
944	6/15	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Brian N. Edang	brian_edang@ vistaland.com.ph	3226-3552/ 8874-5758	0917-857-6513

CONTACT PERSON's ADDRESS

Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City,
Daanghari, Almanza II, Las Piñas City

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

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

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

Opinion

We have audited the consolidated financial statements of Vista Land and Lifescapes, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; (3) application of the input method as the measure of progress (percentage of completion or POC) in determining real estate revenue; and (4) estimation of total project costs.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as payment history of the buyer, age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of COVID-19 pandemic, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

In determining the transaction price, the Group considers the selling price of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties.

In measuring the progress of its performance obligation over time, the Group uses input method. Under this method, progress is measured based on actual costs incurred as determined by the accounting department relative to the estimated total project cost. In the estimation of total project costs, the Group requires technical determination by the Group's specialists (project engineers) to estimate all the inputs involved in the construction and development of the projects to include materials, labor and other costs directly related in the construction of the projects.

The disclosures related to the real estate revenue are included in Note 7 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the COVID-19 pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as official receipts and buyer's subsidiary ledger.

For the determination of the transaction price, we obtained an understanding of the nature of other fees charged to the buyers. For selected contracts, we agreed the amounts excluded from the transaction price against the expected amounts required to be remitted to the government based on existing tax rules and regulations (e.g., documentary stamp taxes, transfer taxes and real property taxes).

For the application of the input method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, including the cost accumulation process, and for determining and updating of total estimated costs, and performed tests of the relevant controls on these processes. We assessed the competence and objectivity of the project engineers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to the supporting documents such as construction contracts, subsequent billings, and other documents evidencing receipt of materials and services from contractors. For the estimation of total project costs, we obtained an understanding of the Group's budgeting and project close-out process. For the estimated project cost, we performed test of details (price and quantity) on a sampling basis, for the inputs for each of the major project development workstream. We also performed test of subsequent changes to the budget by vouching to certain documents such as approved memorandum on budget revision. For both ongoing and completed projects during the year, we compared the actual cost against the revised budget, performed inquiries with the project engineers for the basis of budget revisions and obtained related supporting documents. We visited selected project sites and made relevant inquiries with project engineers affecting the POC during the period, including inquiries on the impact of the COVID-19 pandemic. We performed test computation of the percentage of completion calculation of management.

Provision for Expected Credit Losses

The Group applies simplified approach in calculating expected credit loss (ECL) of its installment contracts receivable and receivable from tenants. Allowance for credit losses and the provision for credit losses as of and for the year ended December 31, 2022 amounted to ₱622.40 million and nil, respectively. Key areas of judgment include segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts; and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays) in calculating ECL.

The disclosures related to the allowance for credit loss using ECL model are included in Note 5 to the consolidated financial statements.

Audit Response

We obtained an understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) assessed the methodology used in applying the ECL model by evaluating the key inputs, assumption and formula used; (c) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (d) tested historical loss rates by inspecting historical recoveries including the timing, related direct costs and write-offs, and the effects of any financial support and credit enhancements provided by any party; (e) compared the classification of outstanding exposures to their corresponding aging buckets; (f) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and the related industry of tenants, including the impact of the COVID-19 pandemic and; (g) tested the effective interest rate, or an approximation thereof, used in discounting the expected loss.

Further, we compared the data used in the ECL models, such as the historical aging analysis and default and recovery data, to the financial reporting systems.

We recalculated impairment provisions on a sample basis and evaluated the adequacy of disclosures made in the consolidated financial statements on allowance for credit losses using the ECL model.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by SEC, as described in Note 2 to the consolidated financial statements.

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

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

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

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

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The engagement partner on the audit resulting in this independent auditor's report is Cyril Jasmin B. Valencia.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 90787-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9566009, January 3, 2023, Makati City

April 13, 2023

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 9, 31 and 32)	**₱15,070,204,626**	₱11,856,655,898
Short-term cash investments (Notes 10, 31 and 32)	**47,278,102**	336,019,645
Current portion of:		
Receivables (Notes 11, 29, 31 and 32)	**53,234,543,776**	50,916,730,101
Cost to obtain contract (Note 7)	**385,648,418**	448,192,229
Current portion of investments at amortized cost (Notes 10, 31, 32)	**9,440,433,583**	15,751,510,319
Real estate inventories (Note 12)	**53,533,899,417**	49,596,883,277
Other current assets (Note 13)	**5,724,758,578**	5,587,209,460
Total current assets	**137,436,766,500**	134,493,200,929
Noncurrent Assets		
Investments at amortized cost - net of current portion (Notes 10, 31 and 32)	**32,059,050,499**	34,065,939,520
Investments at fair value through other comprehensive income (Notes 10, 31 and 32)	**117,158,380**	124,499,183
Receivables - net of current portion (Notes 11, 29, 31 and 32)	**21,166,092,635**	20,316,701,320
Cost to obtain contract - net of current portion (Note 7)	**354,528,291**	450,471,485
Project development costs (Notes 16 and 29)	**1,269,160,947**	1,274,052,864
Advances to a related party (Note 29)	**7,042,276,334**	6,085,189,231
Investment in joint venture (Note 17)	**468,073,789**	458,771,799
Property and equipment (Note 15)	**2,301,086,488**	2,316,890,411
Investment properties (Note 14)	**118,343,597,899**	112,991,827,020
Goodwill (Note 8)	**147,272,020**	147,272,020
Pension assets - net (Note 26)	**320,711,689**	282,965,418
Deferred tax assets - net (Notes 6 and 27)	**111,464,269**	48,383,927
Other noncurrent assets (Note 17)	**1,076,827,824**	930,462,470
Total Noncurrent Assets	**184,777,301,064**	179,493,426,668
	₱322,214,067,564	₱313,986,627,597

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 18, 31 and 32)	**₱15,890,543,266**	₱15,221,445,720
Security deposits and advance rent (Note 19)	**1,856,523,789**	1,729,265,825
Income tax payable	**127,097,100**	49,677,202
Dividends payable (Notes 23, 29, 31 and 32)	**96,024,581**	15,856,454
Current portion of:		
Contract liabilities (Note 7)	**1,085,106,497**	1,234,626,386
Notes payable (Notes 21, 31 and 32)	**12,745,831,195**	24,170,708,067
Bank loans (Notes 20, 31 and 32)	**11,561,568,479**	8,067,321,815
Loans payable (Notes 20, 31 and 32)	**3,767,253,212**	3,460,145,095
Lease liabilities (Notes 28, 29 and 32)	**368,459,297**	348,214,986
Total Current Liabilities	**47,498,407,416**	54,297,261,550

(Forward)

	December 31	
	2022	2021
Noncurrent Liabilities		
Contract liabilities - net of current portion (Note 7)	**₱1,058,495,304**	₱566,844,304
Notes payable - net of current portion (Notes 21, 31 and 32)	**89,702,372,246**	83,759,525,456
Bank loans - net of current portion (Notes 20, 31 and 32)	**44,385,254,638**	48,925,020,048
Loans payable - net of current portion (Notes 20, 31 and 32)	**1,567,365,940**	319,365,919
Lease liabilities - net of current portion (Notes 28, 29 and 32)	**5,065,593,706**	5,087,625,454
Deferred tax liabilities - net (Notes 6 and 27)	**6,107,386,965**	4,982,650,639
Other noncurrent liabilities (Notes 22, 31 and 32)	**3,178,998,174**	3,521,405,356
Total Noncurrent Liabilities	**151,065,466,973**	147,162,437,176
Total Liabilities	**198,563,874,389**	201,459,698,726
Equity (Note 23)		
Attributable to equity holders of the Parent Company		
Preferred stock	**33,000,000**	33,000,000
Common stock	**13,114,136,376**	13,114,136,376
Additional paid-in capital	**30,684,713,292**	30,655,429,349
Retained earnings	**78,311,116,523**	72,539,569,939
Other comprehensive income (Notes 10 and 26)	**798,914,337**	778,073,767
Treasury shares (Note 8)	**(7,740,264,387)**	(7,740,264,387)
	115,201,616,141	109,379,945,044
Noncontrolling interest (Note 30)	**8,448,577,034**	3,146,983,827
Total Equity	**123,650,193,175**	112,526,928,871
	₱322,214,067,564	₱313,986,627,597

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2021	2020
REVENUE			
Real estate (Notes 6 and 7)	**₱12,789,877,721**	₱17,397,931,318	₱21,800,563,600
Rental income (Notes 6, 14 and 34)	**13,742,258,197**	9,312,720,292	7,196,729,847
Interest income from installment contracts receivable (Notes 6, 11 and 25)	**701,342,313**	774,445,060	628,241,376
Parking, hotel, mall administrative and processing fees, and others (Notes 6 and 25)	**1,607,345,055**	2,146,874,201	1,630,546,121
	28,840,823,286	29,631,970,871	31,256,080,944
COSTS AND EXPENSES			
Costs of real estate sales (Notes 6, 12, and 24)	**5,542,966,656**	8,533,403,321	12,020,714,120
Operating expenses (Notes 6 and 24)	**9,647,400,878**	9,407,780,092	9,084,928,241
	15,190,367,534	17,941,183,413	21,105,642,361
OTHER INCOME (EXPENSES)			
Interest income from investments and other income (Notes 6, 9, 10, 13 and 25)	**981,195,770**	1,549,437,541	1,437,271,393
Interest and other financing charges (Notes 6, 20, 21, 25 and 28)	**(5,217,887,075)**	(4,315,329,854)	(3,971,907,603)
	(4,236,691,305)	(2,765,892,313)	(2,534,636,210)
INCOME BEFORE INCOME TAX	**9,413,764,447**	8,924,895,145	7,615,802,373
PROVISION FOR INCOME TAX (Note 27)	**2,021,114,107**	1,957,648,849	1,229,190,504
NET INCOME	**₱7,392,650,340**	₱6,967,246,296	₱6,386,611,869
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱6,119,908,898**	₱6,426,541,859	₱6,056,015,749
Noncontrolling interest	**1,272,741,442**	540,704,437	330,596,120
NET INCOME	**₱7,392,650,340**	₱6,967,246,296	₱6,386,611,869
BASIC/DILUTED EARNINGS PER SHARE (Note 30)	**₱0.512**	₱0.538	₱0.507

(Forward)

	Years Ended December 31		
	2022	2021	2020
NET INCOME	**₱7,392,650,340**	₱6,967,246,296	₱6,386,611,869
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive gain (loss) to be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustments (Note 32)	**(18,488,017)**	73,378,653	3,850,321
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit obligation - net of tax (Notes 26 and 27)	**19,577,219**	113,161,254	(49,875,271)
Changes in fair value on equity investments at fair value through other comprehensive income (Note 10)	**22,000,000**	8,000,000	(1,000,000)
	23,089,202	194,539,907	(47,024,950)
TOTAL COMPREHENSIVE INCOME	**₱7,415,739,542**	₱7,161,786,203	₱6,339,586,919
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱6,140,749,468**	₱6,619,014,287	₱6,008,131,757
Noncontrolling interest	**1,274,990,074**	542,771,916	331,455,162
	₱7,415,739,542	₱7,161,786,203	₱6,339,586,919

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 23)		Additional Paid-in Capital (Note 23)	Retained Earnings (Note 23)	Other Comprehensive Income			Treasury Shares (Notes 8 and 23)	Noncontrolling Interest (Notes 23 and 30)	Total
	Preferred Stock	Common Stock			Remeasurement Gains on Retirement Obligation (Notes 26 and 27)	Cumulative Translation Adjustments (Note 32)	Other Comprehensive Income (Notes 10 and 23)			
Balances as at January 1, 2022	**₱33,000,000**	**₱13,114,136,376**	**₱30,655,429,349**	**₱72,539,569,939**	**₱591,753,078**	**(₱225,416,876)**	**₱411,737,565**	**(₱7,740,264,387)**	**₱3,146,983,827**	**₱112,526,928,871**
Net income	–	–	–	**6,119,908,898**	–	–	–	–	**1,272,741,442**	**7,392,650,340**
Other comprehensive income	–	–	–	–	**17,328,587**	**(18,488,017)**	**22,000,000**	–	**2,248,632**	**23,089,202**
Total comprehensive income (loss) for the year	–	–	–	**6,119,908,898**	**17,328,587**	**(18,488,017)**	**22,000,000**	–	**1,274,990,074**	**7,415,739,542**
Increase in noncontrolling interest (Note 23)	–	–	**29,283,943**	–	–	–	–	–	**4,197,400,031**	**4,226,683,974**
Cash dividend declared	–	–	–	**(348,362,314)**	–	–	–	–	**(170,796,898)**	**(519,159,212)**
Balances as at December 31, 2022	**₱33,000,000**	**₱13,114,136,376**	**₱30,684,713,292**	**₱78,311,116,523**	**₱609,081,665**	**(₱243,904,893)**	**₱433,737,565**	**(₱7,740,264,387)**	**₱8,448,577,034**	**₱123,650,193,175**
Balances as at January 1, 2021	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱66,411,673,066	₱480,659,303	(₱298,795,529)	₱403,737,565	(₱7,740,264,387)	₱2,620,068,365	₱105,679,644,108
Net income	–	–	–	6,426,541,859	–	–	–	–	540,704,437	6,967,246,296
Other comprehensive income	–	–	–	–	111,093,775	73,378,653	8,000,000	–	2,067,479	194,539,907
Total comprehensive income for the year	–	–	–	6,426,541,859	111,093,775	73,378,653	8,000,000	–	542,771,916	7,161,786,203
Cash dividend declared	–	–	–	(298,644,986)	–	–	–	–	(15,856,454)	(314,501,440)
Balances as at December 31, 2021	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱72,539,569,939	₱591,753,078	(₱225,416,876)	₱411,737,565	(₱7,740,264,387)	₱3,146,983,827	₱112,526,928,871
Balances as at January 1, 2020	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱60,952,947,290	₱531,393,616	(₱302,645,850)	₱404,737,565	(₱7,740,264,387)	₱2,303,939,726	₱99,952,673,685
Net income	–	–	–	6,056,015,749	–	–	–	–	330,596,120	6,386,611,869
Other comprehensive income (loss)	–	–	–	–	(50,734,313)	3,850,321	(1,000,000)	–	859,042	(47,024,950)
Total comprehensive income (loss) for the year	–	–	–	6,056,015,749	(50,734,313)	3,850,321	(1,000,000)	–	331,455,162	6,339,586,919
Cash dividend declared	–	–	–	(597,289,973)	–	–	–	–	(15,326,523)	(612,616,496)
Balances as at December 31, 2020	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱66,411,673,066	₱480,659,303	(₱298,795,529)	₱403,737,565	(₱7,740,264,387)	₱2,620,068,365	₱105,679,644,108

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱9,413,764,447**	₱8,924,895,145	₱7,615,802,373
Adjustments for:			
Interest and other financing charges (Note 25)	**5,217,887,075**	4,315,329,854	3,971,907,603
Depreciation and amortization (Notes 14, 15, 17 and 24)	**2,638,853,067**	2,686,583,410	2,247,713,931
Loss from fire, net of proceeds received (Notes 14, 15 and 24)	**366,965,591**	–	–
Retirement expense, net of payments (Note 26)	**49,730,787**	44,574,335	34,390,695
Unrealized foreign exchange loss (gain)	**4,492,975**	(9,708,504)	3,068,988
Share in equity earnings from investment in joint venture (Note 17)	**(9,301,990)**	(7,043,055)	–
Interest income from investments and other income (Note 25)	**(981,195,770)**	(1,549,437,541)	(1,437,271,393)
Operating income before working capital changes	**16,701,196,182**	14,405,193,644	12,435,612,197
Decrease (increase) in:			
Receivables	**(3,266,159,674)**	(6,559,097,831)	(6,735,973,798)
Real estate inventories (excluding capitalized borrowing costs)	**(2,087,951,696)**	(2,820,564,171)	2,965,977,897
Other current assets and cost to obtain contract	**(1,535,795)**	827,822,686	(50,013,646)
Increase (decrease) in:			
Accounts and other payables	**(119,888,697)**	(752,702,714)	3,612,848,381
Contract liabilities	**342,131,111**	(864,515,875)	188,506,561
Security deposits and advance rent (including noncurrent portion)	**45,769,229**	60,231,281	96,835,288
Other noncurrent liabilities	**(45,803,311)**	(724,789,167)	109,647,135
Plan assets contributions (Note 26)	**(61,374,100)**	(58,425,850)	(3,000,000)
Net cash flows generated from operations	**11,506,383,249**	3,513,152,003	12,620,440,015
Income tax paid	**(886,982,696)**	(926,526,124)	(880,393,483)
Net cash flows provided by operating activities	**10,619,400,553**	2,586,625,879	11,740,046,532
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Maturity of investments at amortized cost (Note 10)	**24,898,766,326**	12,958,036,143	4,414,591,251
Short-term cash investments (Note 10)	**288,741,543**	–	93,887,444
Interest received	**1,080,150,454**	1,256,861,006	1,379,064,131
Proceeds from insurance company (Note 24)	**620,000,000**	–	–
Additions to:			
Investments at amortized cost (Note 10)	**(12,921,556,055)**	(17,452,430,148)	(14,358,230,661)
Investment properties (excluding capitalized borrowing costs) (Notes 14 and 33)	**(5,002,075,927)**	(4,876,747,527)	(3,858,965,384)
Property and equipment (Notes 15 and 33)	**(154,666,117)**	(231,410,097)	(123,425,578)
Short-term cash investments (Note 10)	**–**	(219,091,344)	–
Deductions from (additions to):			
Project development costs	**4,891,917**	1,073,057,252	1,469,215,374
Receivables from related parties	**(957,087,103)**	(14,709,230)	(532,159,473)
Restricted cash	**(105,669,636)**	388,437,931	165,667,619
Other noncurrent assets	**(75,965,633)**	(359,866,212)	102,145,546
Net cash flows provided by (used in) investing activities	**7,675,529,769**	(7,477,862,226)	(11,248,209,731)

(Forward)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Bank loans (Notes 20 and 33)	**₱22,272,518,258**	₱23,377,375,534	₱4,002,692,725
Notes payable (Notes 21 and 33)	**14,600,000,000**	10,909,807,626	9,883,000,000
Loans payable (Notes 20 and 33)	**4,715,767,761**	2,859,085,791	2,066,281,574
Increase in noncontrolling interest (Notes 23 and 33)	**4,226,683,974**	–	–
Payments of:			
Lease liabilities (Notes 28 and 33)	**(375,018,792)**	(283,190,395)	(246,360,955)
Dividends (Notes 23 and 33)	**(438,991,085)**	(326,748,924)	(653,384,724)
Loans payable (Notes 20 and 33)	**(3,160,659,623)**	(3,401,469,422)	(1,149,367,749)
Interest and other financing charges (including capitalized borrowing cost) (Notes 12, 14 and 33)	**(9,716,182,535)**	(9,738,424,964)	(9,514,967,781)
Notes payable (Notes 21 and 33)	**(23,876,278,143)**	(5,657,071,600)	(2,170,841,600)
Bank loans (Notes 20 and 33)	**(23,324,728,434)**	(8,786,974,577)	(8,865,203,848)
Net cash flows provided by (used in) financing activities	**(15,076,888,619)**	8,952,389,069	(6,648,152,358)
EFFECT OF CHANGE IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**(4,492,975)**	9,708,504	(3,068,988)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**3,213,548,728**	4,070,861,226	(6,159,384,545)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**11,856,655,898**	7,785,794,672	13,945,179,217
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 9)	**₱15,070,204,626**	₱11,856,655,898	₱7,785,794,672

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

Vista Land & Lifescapes, Inc. (the Parent Company or VLLI) was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 28, 2007. The Parent Company's registered office address is at Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City. The Parent Company is a publicly-listed investment holding company which is 65.84% and 65.17% owned by Fine Properties, Inc., (Ultimate Parent Company), as of December 31, 2022 and 2021, respectively, and the rest by the public.

The Parent Company is the holding company of the Vista Group (the Group) which is engaged in real estate activities. The Group has six (6) wholly-owned subsidiaries, namely: Brittany Corporation (Brittany), Crown Asia Properties, Inc. (CAPI), Vista Residences, Inc. (VRI), Camella Homes, Inc. (CHI), Communities Philippines, Inc. (CPI) and VLL International Inc. (VII), and an 88.34% owned subsidiary, Vistamalls, Inc. (formerly Starmalls, Inc.) The Group is divided into horizontal, vertical and commercial and others segment. The Group caters to the development and sale of residential house and lot and residential condominium through its horizontal and vertical projects, respectively. Its commercial and others segment focuses on the development, leasing and management of shopping malls and commercial centers all over the Philippines and hotel operations.

Vista REIT Transaction

On August 7, 2020, the Board of Directors (BOD) of VLLI approved the incorporation of Vista One, Inc. (VOI), to be the vehicle for the Group's Real Estate Investment Trust (REIT) registration under Republic Act 9856 (The REIT Act of 2009). VOI was incorporated in the Republic of the Philippines and was registered with the SEC on August 24, 2020, primarily to own, manage, operate and engage in the leasing of income-generating real properties such as office buildings, shopping centers, hotels, resorts, residential buildings, condominium buildings, among others and to hold for investment or otherwise, real estate of all kind.

In compliance with applicable regulatory requirements of the SEC for companies seeking registration of their securities, VOI entered into and implemented the REIT Formation Transactions as follows:

Amendment of the Articles of Incorporation and By-Laws of VOI

On February 7, 2022, at least a majority of the BOD and the stockholders owning at least two- thirds (2/3) of the outstanding capital stock of VOI approved to increase its authorized capital stock to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share.

The increase in VOI's authorized capital stock from ₱2,000,000,000 divided into 2,000,000,000 shares with par value of ₱1.00 per share to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share was approved by the SEC on March 14, 2022.

On March 16, 2022, the BOD approved various amendments to the Articles of Incorporation and By-Laws of VOI including, among others, the following: (a) change in the corporate name to "VISTAREIT, INC."; (b) change in primary purpose to engage in the business of a real estate investment trust under Republic Act No. 9856 (the REIT Law), including the Revised Implementing Rules and Regulations of the REIT Law); (c) requirement to have independent directors in the Board; and (d) other amendments in connection with the initial public offering of VOI as a REIT entity. Such amendments were approved by the SEC on April 18, 2022.

Execution of Property-for-Share Swap Agreement and Deed of Assignment of Leases between the Sponsors and VOI
On February 7, 2022, VOI entered into various Deeds of Assignment and Subscription Agreements with each of Manuela Corporation (MC), Masterpiece Asia Properties, Inc. (MAPI), Vista Residences, Inc. (VRI), Crown Asia Properties, Inc. (CAPI) and Communities Pampanga, Inc. (CPAM) collectively referred to as the Sponsors, for the assignment, transfer, and conveyance by the Sponsors to VOI of 10 community malls and two office buildings with an aggregate gross lease area of 256,403.95 sqm (collectively, the Assigned Properties) and fair value of ₱35,952,992,730 in exchange for the issuance by VOI to the Sponsors out of the increase in authorized capital stock described hereinabove of an aggregate of 6,990,000,000 common shares at an issue price of ₱1.50 per share, or an aggregate issue or subscription price of ₱10,485,000,000 (the Property-for-Share Swap).

The Assigned Properties consists of Vista Mall Las Piñas (Main), Starmall Las Piñas (Annex), Starmall San Jose Del Monte (SJDM), Vista Mall Pampanga, SOMO - A Vista Mall, Vista Mall Antipolo, Vista Mall General Trias, Vista Mall Tanza, Starmall Talisay - Cebu, Vista Mall Imus, Vista Hub Molino and commercial and office units and parking lots in Vista Hub BGC.

On March 14, 2022, the SEC issued the confirmation of the valuation of the Property-for-Share Swap. The requisite Certificate Authorizing Registrations authorizing the transfer of legal title to the Assigned Properties from the Sponsors to VOI were issued by the Bureau of Internal Revenue (BIR) on April 25 to 29 and May 2, 2022.

On March 16, 2022, pursuant to the Deeds of Assignment and Subscription Agreements for the transfer, assignment and conveyance in favor of VOI of all of the Sponsors' rights, title and interests in the Assigned Properties in exchange for VOI's common shares, VOI and the Sponsors entered into a Deed of Assignment of Leases assigning all of the Sponsors' rights and interests in and to the Contracts of Lease over portions of the Assigned Properties leased out to various entities (the "Leases") effective upon the issuance of VOI's common shares in the name of the Sponsors.

Amendment of the Articles of Incorporation and By-Laws of Communities Palawan, Inc.
On February 16, 2022, at least a majority of the BOD and the stockholders owning at least two- thirds (2/3) of the outstanding capital stock of Communities Palawan, Inc. approved to increase its authorized capital stock to ₱500,000,000 divided into 500,000,000 shares with par value of ₱1.00 per share.

The increase in Communities Palawan, Inc.'s authorized capital stock from ₱50,000,000 divided into 500,000 shares with par value of ₱100.00 per share to ₱500,000,000 divided into 500,000,000 shares with par value of ₱1.00 per share was approved by the SEC on April 18, 2022.

On February 16, 2022, the BOD approved the following amendments to the Articles of Incorporation and By-Laws of Communities Palawan, Inc.: (a) change in the corporate name to "VFUND MANAGEMENT, INC."; (b) change in primary and secondary purpose to engage in the business of providing fund management services to REIT companies, as provided under Republic Act No. 9856; (c) requirement to have independent directors in the Board; and (d) amending the corporate term to perpetual existence. Such amendments were approved by the SEC on April 18, 2022.

The above amendments are pursuant to the Proposed Initial Public Offering of a REIT by VistaREIT, Inc. (VistaREIT) after Communities Palawan, Inc. and VistaREIT entered into a Fund Management Agreement on March 18, 2022 for Communities Palawan, Inc. to act as the Fund Manager to VistaREIT, to perform the functions required thereof as stated in the REIT Law and the regulations of the relevant government entities, which includes, in exchange for a fund management fee as agreed by the parties, execution of investment strategies and overseeing and coordinating property acquisition, property management, leasing, operational and financial reporting, appraisals, audits, market review, accounting and reporting procedures, as well as financing and asset deposition plans.

Initial public offering of VistaREIT
As of December 31, 2022, VistaREIT is 32.96% owned by MAPI, 17.40% owned by VRI, 5.92% owned by MC, 4.86% by Communities Pampanga, Inc., 3.49% owned by CAPI and 35.37% public after it was listed in the Philippine Stock Exchange on June 15, 2022. Effectively, VLLI's effective ownership in VistaREIT as of December 31, 2022 is now at 60.09% from 98.94% as of December 31, 2021 as a result of public offering (see Note 23).

2. Basis of Preparation and Statement of Compliance

Basis of Preparation
The accompanying consolidated financial statements of the Group have been prepared on a historical cost basis, except for the financial assets measured at fair value through other comprehensive income which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱) which is the functional and presentation currency of the Parent Company, and all amounts are rounded to the nearest Philippine Peso unless otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. These accounting pronouncements address the issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry.

Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry
On December 15, 2020, the Philippine SEC issued SEC Memorandum Circular (MC) No. 34-2020 which further extended the deferral of the following provisions of PIC Q&A 2018-12 until December 31, 2023:

a. Exclusion of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
c. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods under Philippine Accounting Standards (PAS) 23, *Borrowing Cost*, for Real Estate industry

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 3 to the consolidated financial statements.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022.

An investee is included in the consolidation at the point when control is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests (NCI), even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Parent and the subsidiaries are all domiciled and incorporated in the Philippines and are in the business of real estate development, leasing of commercial centers and buildings and hotel and resorts operation, except for VII and C&P International Limited. The latter are incorporated in Grand Cayman Island and domiciled in Hong Kong and operates as holding companies.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	Percentage of Ownership		
	2022	2021	2020
Brittany	**100.00%**	100.00%	100.00%
Balmoral Resources Corporation*	**36.93**	36.93	36.93
CAPI	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**16.93**	16.93	16.93
VistaREIT, Inc.**	**3.49**	19.61	–
VRI	**100.00**	100.00	100.00
Vista Leisure Club Corporation (VLCC)	**100.00**	100.00	100.00
Vista Hospitality Management Corp.	**100.00**	100.00	100.00
Malay Resorts Holdings, Inc. (MRHI)	**100.00**	100.00	100.00
Mella Hotel, Inc.	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**37.22**	37.22	37.22
VProperty Management, Inc.	**100.00**	100.00	–
VistaREIT, Inc.**	**17.40**	19.61	–
CHI	**100.00**	100.00	100.00
Household Development Corporation (HDC)	**100.00**	100.00	100.00
Brittany Estates Corporation	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**8.92**	8.92	8.92
Mandalay Resources Corp.	**100.00**	100.00	100.00
C&P International Limited	**100.00**	100.00	100.00
Camella Sales Specialists, Inc.	**100.00**	100.00	100.00
Vista Towers, Inc.	**100.00**	100.00	100.00
Prima Casa Land & Houses, Inc. (PCLHI)	**100.00**	100.00	100.00
CPI	**100.00**	100.00	100.00
Communities Batangas, Inc.	**100.00**	100.00	100.00
Communities Bulacan, Inc.	**100.00**	100.00	100.00
Communities Cebu, Inc.	**100.00**	100.00	100.00
Communities Cagayan, Inc.	**100.00**	100.00	100.00
Communities Davao, Inc.	**100.00**	100.00	100.00
Communities General Santos, Inc.	**100.00**	100.00	100.00
Communities Isabela, Inc.	**100.00**	100.00	100.00
Communities Leyte, Inc.	**100.00**	100.00	100.00
Communities Naga, Inc.	**100.00**	100.00	100.00
Communities Iloilo, Inc.	**100.00**	100.00	100.00
Communities Negros, Inc.	**100.00**	100.00	100.00
Communities Pampanga, Inc.	**100.00**	100.00	100.00
VistaREIT, Inc.**	**4.86**	19.61	–
Communities Pangasinan, Inc.	**100.00**	100.00	100.00
Communities Tarlac, Inc.	**100.00**	100.00	100.00
Communities Zamboanga, Inc.	**100.00**	100.00	100.00
Communities Ilocos, Inc.	**100.00**	100.00	100.00
Communities Bohol, Inc.	**100.00**	100.00	100.00
Communities Quezon, Inc.	**100.00**	100.00	100.00
VFund Management, Inc. (formerly Communities Palawan, Inc.)	**100.00**	100.00	100.00
Communities Panay, Inc.	**100.00**	100.00	100.00
VII	**100.00**	100.00	100.00
Vistamalls, Inc.	**88.34**	88.34	88.34
Manuela Corporation (MC)	**99.85**	99.85	98.85
VistaREIT, Inc.**	**5.92**	20.50	45.00
Masterpiece Asia Properties, Inc. (MAPI)	**100.00**	100.00	100.00
VistaREIT, Inc.**	**32.96**	19.61	–

**The Group effectively owns 100% of Balmoral Resources Corporation through Brittany, CAPI, VRI and HDC.*
***The Group effectively owns 60.09% and 98.94% of VistaREIT, Inc. (formerly Vista One, Inc.) through MC, MAPI, Communities Pampanga, Inc., CAPI and VRI and the rest are owned by individual shareholders, as of December 31, 2022 and 2021, respectively.*

Noncontrolling Interests
Noncontrolling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Noncontrolling interests are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results to the noncontrolling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and recognized as "Additional paid-in-capital" in the consolidated statement of changes in equity. If the Group losses control over a subsidiary if:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

As at December 31, 2022, the percentage of noncontrolling interests pertain to (i) VistaREIT at 39.91% and (ii) Vistamalls, Inc. and its subsidiaries at 11.66%. As of December 31, 2021, the percentage of noncontrolling interests pertaining to Vistamalls, Inc. and its subsidiaries is at 11.66%. The voting rights held by the noncontrolling interests are in proportion of their ownership interest.

3. Changes in Accounting Policies

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities 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 costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Voluntary Change in Accounting Policy
Starting January 1, 2021, considering the experience from the pandemic, management made a comparison of the prevailing practice in the industry and noted that most of the big players in commercial and office spaces leasing are using the simplified approach. Given this, management decided to align its accounting policy with what is prevailing in the industry which resulted in voluntarily changing its accounting policy to measure loss allowance for its lease receivables from general to simplified approach. The Group now measures the loss rate using net flow methodology.

Under the simplified approach, in calculating expected credit loss (ECL), the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix for lease receivables, analyzed into third party and related party tenants, that is based on historical credit loss experience and incorporating forward-looking information (called overlays). The change in accounting policy was applied retroactively resulting in additional provision amounting to ₱24.79 million in 2021 and no significant impact for 2020.

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

Effective beginning on or after January 1, 2023

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

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

Effective beginning on or after January 1, 2024

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

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

- Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

The PIC Q&A provisions covered by the SEC deferral that the Group availed as of December 31, 2022 follows:

	Deferral Period
Exclusion of land in the determination of POC discussed in PIC Q&A No. 2018-12-E	Until December 31, 2023
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
Implementation of IFRS IFRIC Agenda Decision on Over Time Transfer of Constructed Goods under PAS 23, *Borrowing Cost*) for Real Estate industry	Until December 31, 2023

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

a. The accounting policies applied;
b. Discussion of the deferral of the subject implementation issues in the PIC Q&A;
c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted; and
d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

In November 2020, the PIC issued the following Q&As which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

- PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component
- PIC Q&A 2020-02, which provides additional guidance on determining which uninstalled materials should not be included in calculating the POC

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto.

To assist real estate companies to finally adopt the said PIC and IFRIC pronouncements and enable them to fully comply with PFRS 15 and revert to full PFRS, the Commission en banc, in its meeting held on July 8, 2021, approved the amendment to the transitional provisions in the above MCs, under SEC Memo 8-2021, issued last July 2020 which would provide real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach when they apply the provisions of the PIC and IFRIC pronouncements.

The Commission en banc, in the same meeting, likewise approved that the policy option be available to entities that cease availing of the above SEC financial reporting reliefs whether in full or in part.

Had the above provisions been adopted, the Group assessed that the impact would have been as follows:

Treatment of land in the determination of the percentage-of-completion
Adoption of this guidance would have impacted a reduction in revenue from real estate sales, installment contract receivables, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings. These would have not impacted the cash flows. As of December 31, 2022, the Group is still in the process of assessing the impact of excluding land in the determination of POC.

Assessing whether the transaction price includes a significant financing component
The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings. These would have impacted the cash flows from operations and cash flows from financing activities. As of December 31, 2022, the Group is still in the process of assessing the impact of significant financing component.

Impact of implementing the IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, Borrowing Cost
Adoption of this guidance would have impacted a reduction in net income, real estate inventories, provision for deferred income tax, deferred tax liability, and the opening balance of retained earnings, and a corresponding increase in interest and other financing charges. These would have not impacted the cash flows. As of December 31, 2022, the Group is still in the process of assessing the impact of implementing the IFRIC Agenda Decision.

The Group is still evaluating whether to adopt the above changes using modified retroactive approach or full retroactive approach. If application is using modified retrospective approach, the impact will be recorded during the year of adoption and the opening retained earnings in the year of adoption while if application will be using full retroactive approach, the impact will be recorded in all years presented and the opening retained earnings in the earliest period presented.

4. Summary of Significant Accounting Policies

<u>Current and Noncurrent Classification</u>
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent.

Fair Value Measurement

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

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

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

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

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

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

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

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

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

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash in banks are stated at face amount and earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to an insignificant risk of changes in value.

Short-term Cash Investments
Short-term cash investments consist of money market placements made for varying periods of more than three (3) months and up to 12 months. These investments earn interest at the respective short-term rates.

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

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

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

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

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term cash investments, receivables (except for advances to contractors, suppliers and brokers), advances to a related party, and restricted cash under "Other current assets" and "Other noncurrent assets", and investments at amortized cost.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's equity instruments classified as financial assets designated at fair value through OCI include investments in golf club shares and preferred shares of utility companies.

<u>Impairment of Financial Assets</u>
The Group recognizes expected credit losses (ECL) for:

- debt instruments that are measured at amortized cost and fair value through OCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

As discussed above, starting January 1, 2021, the Group used simplified approach method in calculating its ECL for lease receivables from the previous general approach. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors (i.e., inflation, GDP growth rate) specific to the debtors and the economic environment.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss.

Prior to retroactive adoption of the change in ECL methodology for lease receivables, the Group uses general approach in calculating its ECL. Under the general approach, at each reporting date, the Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss.

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

The simplified approach is also applied to installment contracts receivable. The Group has established a vintage analysis for installment contracts receivable that is based on historical credit loss experience, adjusted for forward-looking factors (i.e., bank lending rate, inflation rate or gross domestic product (GDP) growth rate) specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables, dividends payable, notes payable, bank loans, loans payable, lease liabilities and other noncurrent liabilities (except for deferred output tax, security deposits and advance rent).

Subsequent measurement
Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statements of comprehensive income.

This category generally applies to accounts and other payables, dividends payable, notes payable, bank loans, loans payable, lease liabilities and other noncurrent liabilities (except for deferred output tax, security deposits and advance rent) presented in the consolidated statements of financial position.

Derecognition of Financial Assets and Financial Liabilities
Financial asset
A financial asset (or, where applicable, a part of a group of financial assets) is derecognized when, and only when: (a) the right to receive cash flows from the assets expires; (b) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third-party under a "pass-through" arrangement; or (c) the Group has transferred its right to receive cash flows from the asset and either: (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained the risks and rewards of the asset but has transferred control of the asset.

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

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in the consolidated profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the profit or loss.

Financial liability
A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default and in event of insolvency or bankruptcy of the Group and all of its counterparties.

Real Estate Inventories

Real estate inventories consist of subdivision land, residential house, and condominium units for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Acquisition cost of subdivision land;
- Amounts paid to contractors for construction and development of subdivision land, residential houses and lots and condominium units; and
- Capitalized borrowing costs, planning and design costs, cost of site preparation, professional fees, property transfer taxes, construction materials, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of real estate inventories is reduced through the use of an allowance account and the amount of loss is charged to profit or loss.

The cost of real estate inventory recognized in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Value-Added Tax (VAT)

Input tax represents the VAT due or paid on purchases of goods and services subjected to VAT that the Group can claim against any future liability to the Bureau of Internal Revenue (BIR) for output VAT on sale of goods and services subjected to VAT. The input tax can also be recovered as tax credit under certain circumstances against future income tax liability of the Group upon approval of the BIR and/or Bureau of Customs. Input tax is stated at its estimated net realizable values. A valuation allowance is provided for any portion of the input tax that cannot be claimed against output tax or recovered as tax credit against future income tax liability. Input tax is recorded under current assets in the consolidated statement of financial position.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position up to the extent of the recoverable amount.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

Creditable Withholding Taxes
Creditable withholding taxes pertain to taxes withheld on income payments and may be applied against income tax due. The balance of taxes withheld is recovered in future period.

Prepaid Expenses
Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for advertising and marketing fees, taxes and licenses, rentals, and insurance.

Investment in Joint Venture
The Group's investment in joint venture is accounted for under the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

An investment is accounted for using the equity method from the day it becomes a joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investment in the investee company is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of comprehensive income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee company and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when its investment in investee company is reduced to zero. Unless otherwise, additional losses are not recognized when the Group has guaranteed certain obligations of the investee company. When the investee company subsequently reports net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee company and the Group are identical and the investee company's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

The Group reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Group disposes the investment, or the investee reacquires its own equity instruments from the Group.

Project Development Costs
Project development costs consist of advances for socialized housing credits and advances in joint operations. These are carried at cost less any accumulated impairment.

Advances for socialized housing credits
Advances for socialized housing credits pertain to advances made to a related party in relation to the Group's purchase of socialized housing credits in compliance with the requirements of Republic Act No. 7279 (Urban Development and Housing Act of 1992). Upon receipt of socialized housing credits, the advances is reclassified to subdivision lot for sale and is recognized in profit or loss consistent with the cost of real estate inventory.

Advances on joint operations
Advances on joint operations pertain to costs incurred on various on-going projects under a joint venture agreements and memorandum of agreements entered into by the Group with individuals, private companies and entities under common control for the development of real estate projects.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have right to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognizes in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share to the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Investment Properties
Investment properties comprise of completed property and property under construction or re-development that are held to earn rentals or for capital appreciation. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of investment properties consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use and capitalized borrowing cost. Investment properties also include right-of-use assets primarily involving land where commercial buildings are located.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject for impairment.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. CIP is not depreciated until such time as the relevant assets are completed and put into operational use. Construction-in-progress are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred. Depreciation and amortization commence once the investment properties are available for use and computed using the straight-line method over the estimated useful lives (EUL) of the assets, regardless of utilization. The EUL and the depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties.

	Years
Buildings and building improvements	10 to 40 years or lease term, whichever is shorter
Right-of-use assets	11 to 30 years

Investment properties are derecognized when either these have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and do not change the cost of the property for measurement or for disclosure purposes.

Property and Equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment value at initial recognition and subsequently. The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after property and equipment have been put into operation are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against operations as incurred.

Depreciation commences once the property and equipment are available for use and is calculated on a the straight-line basis over the EUL life of property and equipment as follows:

	Years
Building and building improvements	10 to 40
Transportation equipment	2 to 5
Office furniture, fixtures and equipment	2 to 5
Construction equipment	2 to 5
Other fixed assets	1 to 5

Building and building improvements are amortized on a straight-line basis over the term of the lease or the EUL of the asset, whichever is shorter.

The EUL and depreciation method are reviewed annually to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated and amortized property and equipment are retained in the accounts until they are no longer in use. No further depreciation is charged against current operations.

Deposits

Deposits consist of deposits for real estate purchases and deposits to utility companies which will either be applied or recouped against future billings or refunded upon completion of the real estate projects less any unpaid billings. Such deposits are necessary for the continuing construction and development of real estate projects of the Group. These are carried at cost less any impairment in value.

Model House Accessories

Model house accessories are measured at cost less accumulated amortization and any impairment in value. Amortization commences once the model house accessories are available for use and is calculated on a straight-line method over the estimated useful life of two (2) to three (3) years. Impairment of model house accessories follows the impairment policy of nonfinancial assets.

Systems Development Costs

Costs associated with developing or maintaining computer software programs are recognized as expense as incurred. Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets to be measured at cost less accumulated amortization and provision for impairment losses, if any.

System development costs recognized as assets are amortized using the straight-line method over EUL, but not exceeding a period of three years. Where an indication of impairment exists, the carrying amount of computer system development costs is assessed and written down immediately to its recoverable amount.

Impairment of Nonfinancial Assets
The Group assesses as at reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase in OCI. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Security Deposits
Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. These also include deposits of homeowners for their extension, fence construction and landscaping works which will be refunded after considering any charges.

Advance Rent
Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings.

Equity
Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Retained earnings represent accumulated earnings of the Group less dividends declared. It includes the accumulated equity in undistributed earnings of consolidated subsidiaries which are not available for dividends until declared by the subsidiaries.

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

The retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in operating expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Revenue and Cost Recognition for Real Estate Sales

Revenue from Contract with Customers
The Group primarily derives its real estate revenue from the sale of developed horizontal and vertical real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity services in its mall retail spaces and office leasing activities, wherein it is acting as agent.

The disclosures of significant accounting judgments and estimates relating to revenue from contracts with customers are provided in Note 5.

Real estate sales
The Group derives its real estate revenue from sale of developed house and lot and condominium units. Revenue from the sale of these real estate project spread over time across the course of the construction since the Group's performance does not create an asset with an alternative use and the Group has an enforceable right for performance completed to date.

In measuring the progress of performance obligation over time, the Group uses input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method excludes the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs of the real estate project include costs of land, land development, house construction costs, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contracts receivable, is included in the "Receivables" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contracts receivable are included in the "Contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Other income is recognized if buyers forfeit their reservation fees and partial payments when not proceeding with the contract. The income recognized is net of any amount required to be returned to the buyers.

Costs of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of real estate sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes cost as an asset only when it gives rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

<u>Contract Balances</u>
Installment Contracts Receivable
An installment contracts receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). It also includes the difference between the consideration received from the customer and the transferred goods or services to a customer.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Cost to obtain contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Operating expenses" account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, derecognition and impairment of capitalized costs to obtain a contract
The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within operating expenses.

Capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgment is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Rental Income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to the ownership of the investment properties. Rental income from leased properties is accounted for on a straight-line basis over the lease term and is included in the revenue in the consolidated statement of comprehensive income due to its operating nature, except for contingent rental income which is recognized when it arises.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognized as a reduction of rental income on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise the option. For more information on the judgment involved, refer to Note 5.

The tenant lease incentives are considered in the calculation of "Accrued rental receivable" in the line item "Receivables" in the consolidated statement of financial position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of comprehensive income when the right to receive them arises.

The contracts for commercial and office spaces leased out by the Group to its tenants include the rights to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The consideration charged to tenants for these services is based on a fixed amount as agreed with the tenants.

The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis. For more information, please refer to Note 5.

Interest Income

Interest is recognized using the effective interest method, i.e., the rate, that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Unearned discount is recognized as income over the terms of the financial assets at amortized cost using the effective interest method and is shown as deduction for the financial assets.

Other Revenue
Other revenue is recognized when earned.

Pension Cost
Defined benefit plan
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit (PUC) method.

Defined benefit costs comprise the following:

(a) service cost;
(b) net interest on the net defined benefit liability or asset; and
(c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Income Taxes

Current tax

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

The Group periodically evaluates the income tax positions taken in situations where the applicable tax regulations are subject to interpretation and considers these positions separately from other uncertainties. The Group assesses whether or not it is probable that those income tax positions will be accepted by the tax authorities, where if not, the Group recognizes additional income tax expense and liability relating to those positions.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax liabilities shall be recognized for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in foreseeable future. Otherwise, no deferred tax liability is set up.

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

Deferred tax assets shall be recognized for deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary differences can be utilized.

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

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

Deferred tax relating to items recognized outside profit or loss is recognized in OCI. Deferred tax items recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Real estate inventories" and "Investment properties" accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Borrowings originally made to develop a specific qualifying asset are transferred to general borrowings (a) when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete, and (b) the entity chooses to use its funds on constructing other qualifying assets rather than repaying the loan.

Operating Expenses
Operating expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Operating expenses are recognized:

- on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statement of financial position as an asset.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessee
Lease liabilities
At the commencement date of the lease, the Group recognizes the liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects

the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and Leases of low-value assets
The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group applies the low-value assets recognition exemption to leases of underlying assets with a value, when new, of ₱0.25 million and below. Lease payments on short-term leases and low-value assets are recognized as expense on a straight-line basis over the lease term.

Lease modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessee recognizes the right-of-use assets and lease liability as a separate new lease after assessing that the consideration for the lease increases by an amount commensurate with the stand-alone price and any adjustments to that stand-alone price reflects the circumstances of the particular contract. The Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use assets, without affecting profit or loss. For lease termination, the difference between the right-of-use assets and lease liability is recognized in the profit or loss.

Group as a Lessor
Leases where the lessor does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Pretermination is defined as termination of lease contract by the lessee or lessor before the end of the lease term. In the case of pretermination of an operating lease, a lessor derecognizes the accrued rental receivable which is the effect of straight-line calculation of rental income and is charged against rental income in the statement of comprehensive income.

Foreign Currency Translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

The functional currency of C&P International Limited and VII is the US Dollar. As of reporting date, the assets and liabilities of foreign subsidiaries, with functional currencies other than the functional currency of the Parent Company, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and their respective income and expenses at the weighted average rates for the year. The exchange differences arising on the translation are recognized in OCI under “Cumulative Translation Adjustment”. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation shall be recognized in profit or loss in the consolidated statement of comprehensive income.

Basic and Diluted Earnings Per Share (EPS)

Basic EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income attributable to the equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year after giving effect to assumed conversion of potential common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

As of December 31, 2022, 2021 and 2020, the Group has no potential dilutive common shares (see Note 30).

Segment Reporting

The Group’s operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 6 to the consolidated financial statements.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risk specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized only when the reimbursement is virtually certain. The expense relating to any provision is presented in consolidated statement of comprehensive income net of any reimbursement.

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

Events After the Financial Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in compliance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements, requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Revenue from contracts with customers

Existence of a contract
The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as payment history of customer, age and pricing of the property.

Management regularly evaluates the historical cancellations and back-outs after considering the impact of COVID-19 pandemic, if it would still support its current threshold of customers' equity before commencing revenue recognition.

Determining performance obligation
With respect to real estate sales, the Group concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output.

In relation to the services provided to tenants of investment property (such as cleaning, security, utilities, maintenance) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Group.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that input method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Principal versus agent considerations
The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility company, and not the real estate developer, is primary responsible for the provisioning of the utilities while the Group, administers the leased spaces and coordinates with the utility companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For the connection to air conditioning system and services in the CUSA, the Group acts as a principal. This is because it is the Group who retains the right to direct the service provider of CUSA as it chooses and the party responsible to provide proper ventilation and air conditioning to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air conditioning charges.

Property lease classification - the Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases

Assessment on whether lease concessions granted constitute a lease modification
In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16. Consequently, this is treated as a variable lease.

The rent concessions granted by the Group for the years ended December 31, 2022, 2021 and 2020 amounted to ₱39.18 million, ₱240.65 million and ₱1,544.82 million, respectively (see Note 7).

Determination of the lease term
The Group determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

As a lessor, the Group enters into lease agreements that contain options to terminate or to extend the lease. At commencement date, the Group determines whether the lessee is reasonably certain to extend the lease term or not to terminate the lease. To make this analysis, the Group takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases, the Group does not identify sufficient evidence to meet the required level of certainty.

As a lessee, the Group has a lease contract for the land where investment properties are situated that includes an extension and a termination option. The Group applies judgement in evaluating whether or not it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Accounting for lease modification - the Group as lessee
In 2021, the Group and one of the lessors amended the lease contract covering parcels of land where one of the Group's commercial building is situated by extending the lease period and amending the lease rates. The Group assessed that the lease modification did not result in a separate lease and the Group remeasured the lease liability based on the amended lease period and lease rates and recognized the difference between the carrying amount of the modified lease liability and the carrying amount of the lease liability immediately before the modification as an adjustment to the right-of-use asset. The lease contract further subjects the lease payments starting 2036 to be reviewed by both parties in accordance with certain stipulations in the contract. As such, the Group used the market rate at the date the lease is modified for lease period where lease payments are yet to be agreed.

Definition of default and credit-impaired installment contracts receivable
The Group defines the account as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria*
  The customer receives a notice of cancellation and does not continue the payments.

- *Qualitative criteria*
  The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

  a. The customer is experiencing financial difficulty or is insolvent
  b. The customer is in breach of financial covenant(s)
  c. An active market for that financial assets has disappeared because of financial difficulties
  d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
  e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group considers a range of relevant forward-looking macro-economic assumptions (i.e., inflation rate and GDP growth rate for commercial segment and bank lending rate, inflation rate or GDP growth rate for residential segment) for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more

optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Significant increase in credit risk
The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors. The Group's cash and cash equivalents, short-term cash investments, investments at amortized cost, and restricted cash are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, are considered to be low credit risk investments. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs. Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

Determining Taxable Profit, Tax Bases, Unused Tax Losses, Unused Tax Credits and Tax Rates
Upon adoption of the Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments,* the Group has assessed whether it has any uncertain tax position. The Group applies significant judgment in identifying uncertainties over its income tax treatments. The Group determined based on its assessment, in consultation with its tax counsel, that it is probable that its income tax treatments will be accepted by the taxation authorities. Accordingly, the interpretation did not have an impact on the consolidated financial statements of the Group.

Assessment of Joint Control
The investment in VVTI is accounted for as investment in joint venture despite the Group owning 60%, this is because the relevant activities such as matters related to project development, approval of annual budget and programme, change in joint venture business structure and distribution of dividends among others of the Group and Mitsubishi Estate Co., Ltd. require the unanimous consent of both parties. Even though the Group holds 60% ownership interest on these arrangements, their respective joint arrangement agreements require unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements.

Management's Use of Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Measurement of progress when revenue is recognized over time
The Group's real estate sales is recognized over time and the percentage-of-completion is determined using input method measured principally based on total actual cost of resources consumed such as materials, labor hours expended, and actual overhead incurred over the total expected project development cost. Actual costs also include incurred costs but not yet billed which are estimated by the project engineers. Total estimated project development cost involves significant estimate since it requires technical determination by management's specialists (project engineers). Estimated project development costs include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses.

Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

See Notes 7, 11, and 12 for the related balances.

Provision for expected credit losses of financial assets
Cash and cash equivalents, short-term cash investments, investments at amortized cost and restricted cash:

The Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group uses external credit rating approach to calculate ECL for cash and cash equivalents, short-term cash investments, investments at amortized cost, and restricted cash. This approach leverages on available market data (i.e., S&P and Moody's and Fitch credit ratings for default rates). S&P, Moody's, Fitch and Reuters are reliable market data sources that provide default and recovery rate data. These information are widely used by investors and stakeholders in decision-making in terms of investment, credit activities, etc.

Installment contracts receivables, accounts receivable and accrued rental receivable:

The Group uses vintage analysis to calculate ECLs for installment contracts receivable. The PD rates using vintage analysis are based on default counts of contract issuances in a given period for groupings of various customer segments that have similar loss patterns (e.g., by customer's type of financing and employment).

The vintage analysis is initially based on the Group's historical observed default rates. The Group will calibrate the matrices to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For third-party receivable from tenants and accrued rental receivables, the Group recognizes a loss allowance based on lifetime ECLs effective January 1, 2021 and applied retrospectively. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss.

For related party receivables from tenants, including the accrued rental receivable, the Group considers the ability to pay of the related party and considers factors whether the related party is a listed company or not, its current results of operations and the projected cash flows from operations given the expected continuing recovery from the COVID-19 pandemic. The assessment also includes the assumption of the liability of the related parties' parent company and future plans of payments for remaining uncollected receivables such as entering into property exchange or joint venture arrangements wherein land properties will be received as form of settlement, which are to be used in the Group's planned expansion activities. The collectability assessment also includes the continuing commitment to provide financial support to these related parties and common control entities by Fine Properties, Inc. and the assessment of the latter's capacity to provide such financial support.

The assessment of the relationship between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

In 2022, the Group has determined that the impact of COVID-19 pandemic to its current operations has significantly declined and the continuing and future business activities are expected to be on continuous recovery.

The collectability of the significant portion of its receivables from real estate sales is impacted by the continuing employment of its customers, both the overseas contract workers and locally employed customers, particularly those working within the industry previously adversely affected by COVID-19 pandemic. Recoveries of these various industries were considered in the updating of assumptions.

Tenants which belong to micro, small and medium enterprise and those operating under entertainment, non-essentials and food industries were previously adversely affected due to temporary closure of mall operations which increased the risk of non-collection of the remaining receivables. The Group has updated its assumptions as various tenants has recovered from the impact of the pandemic.

Considering the above, the Group revisited the expected credit loss exercise as at December 31, 2022 and 2021 for its receivables.

For the installment contracts receivable, the calculation of the probability of default (PD) was updated by further segmenting the buyers tagged as overseas Filipino workers based on location of employment (e.g., Middle East, Europe, East Asia, etc.).

For installment contracts receivable and receivables from tenants, the PD scenario used in the calculation of ECL were assigned with 33% equal probability for all scenarios as of December 31, 2022, 30% best, 33% base, and 37% worse and 31% best, 33% base, and 36% worst case probability scenario as of December 31, 2021, and 31% best, 33% base, and 36% worse and 25% best, 33% base, and 42% worst case probability scenario as of December 31, 2020, respectively. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

As a result of the loss estimation, management recognized impairment loss for receivable from tenants and investments at amortized cost in each period presented. The Group, however, did not identify an impairment for installment contracts receivable primarily because of the recoveries from resale of repossessed inventories that are higher than the exposure at default.

Further details are provided in Notes 10, 11 and 32.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

Further details about the fair value of financial instruments are provided in Note 31.

Evaluation of net realizable value of real estate inventories
Real estate inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the estimated selling price of the real estate inventories in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of these assets. In determining the recoverability of these assets, management considers whether these assets are damaged, if their selling prices have declined and management's plan in discontinuing the real estate projects. Estimated selling price is derived from publicly available market data and historical experience, while estimated selling costs are basically commission expense based on historical experience. In line with the impact of COVID-19, the Group experienced limited selling activities that resulted to lower sales in 2022, 2021 and 2020. In evaluating NRV, recent market conditions and current market prices and expected continuing actively from the COVID-19 pandemic have been considered.

Further details are provided in Note 12.

Evaluation of impairment of nonfinancial assets
The Group reviews project development costs, investment in joint venture, property and equipment, investment properties, goodwill, and other nonfinancial assets for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant industry or economic trends, considering the expected continuing recovery from the impact of COVID-19 pandemic.

The Group estimates the recoverable amount as the higher of the fair value less costs to sell and value in use. Fair value less costs to sell pertain to quoted prices and for fair values determined using discounted cash flows or other valuation technique such as multiples. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect project development costs, investment in joint venture, property and equipment, investment properties, goodwill, and other nonfinancial assets.

For goodwill, this requires an estimation of the recoverable amount which is the fair value less costs to sell or value in use of the cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the future cash flows for the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of cash flows.

Further details are provided in Notes 8, 13, 14, 15, 16, and 17.

Determining the fair value of investment properties
The Group discloses the fair values of its investment properties. The Group's investment properties consist of land and land developments and building and building improvements. For properties for leasing, the fair values were derived using income approach as determined by third party appraisers while land properties held for capital appreciation were based on market-based listing of the properties of the same features and locations as determined by management. Fair values of right of use asset were determined using the latest discount rate every end of reporting period based on remaining cash flows while that of construction in progress is aligned with cost as management believes the values of cost represents the current replacement cost as of balance sheet date.

Further details are provided in Note 14.

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Useful lives of property and equipment and investment properties
The Group estimated the useful lives of its property and equipment and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. For investment properties located in parcels of land that the Group leases, the Group also considers the noncancellable term of the lease in determining the useful lives of the leasehold improvements.

Recognition of deferred tax assets
The Group reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

Further details are provided in Note 27.

6. Segment Information

For management purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has three reportable operating segments as follows:

Horizontal Projects
This segment pertains to the development and sale of residential house and lot across the Philippines.

Vertical Projects
This segment caters on the development and sale of residential condominium projects across the Philippines.

Commercial and others
This segment pertains to rental of malls and office spaces, hotel operations, and activities of holding companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss before income tax and earnings before income tax, depreciation and amortization (EBITDA). Segment operating income or loss before income tax is based on the same accounting policies as consolidated operating income or loss. No operating segments have been aggregated to form the above reportable operating business segments. The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Group's internal reports in order to assess performance of the Group.

Transfer prices between operating segments are based on the agreed terms between the related parties.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statements of financial position which is in accordance with PFRS. The segment assets are presented separately from the receivables from related parties, investments at fair value through other comprehensive income (FVOCI), investments at amortized cost and deferred taxes. Segment liability are presented separately from the deferred tax liabilities.

The financial information about the operations of these operating segments is summarized below:

	December 31, 2022				
	Horizontal	**Vertical**	**Commercial and Others**	**Intersegment Adjustments**	**Consolidated**
	(Amounts in thousands)				
Real estate revenue (Note 7)	**₱8,402,272**	**₱4,387,606**	**₱–**	**₱–**	**₱12,789,878**
Rental income (Notes 14 and 34)	–	–	**14,135,752**	**(393,494)**	**13,742,258**
Parking, hotel, mall administrative and processing fees, and others (Note 25)	**708,601**	**292,840**	**627,244**	**(21,340)**	**1,607,345**
	9,110,873	**4,680,446**	**14,762,996**	**(414,834)**	**28,139,481**
Costs and operating expenses (Note 24)	**5,229,702**	**3,111,737**	**4,210,076**	–	**12,551,515**
Segment income before income tax	**3,881,171**	**1,568,709**	**10,552,920**	**(414,834)**	**15,587,966**
Interest income and other income from investments (Note 25)	**909,341**	**55,511**	**717,686**	–	**1,682,538**
Interest and other financing charges (Note 25)	**(429,929)**	**(35,853)**	**(4,752,105)**	–	**(5,217,887)**
Depreciation and amortization (Note 24)	**(656,089)**	**(25,285)**	**(1,957,479)**	–	**(2,638,853)**
Income before income tax	**3,704,494**	**1,563,082**	**4,561,022**	**(414,834)**	**9,413,764**
Provision for income tax (Note 27)	**522,632**	**312,616**	**1,185,866**	–	**2,021,114**
Net income	**₱3,181,862**	**₱1,250,466**	**₱3,375,156**	**(₱414,834)**	**₱7,392,650**
Other Information					
Segment assets	**₱167,550,154**	**₱23,922,805**	**₱81,688,963**	**(₱186,312)**	**₱272,975,610**
Advances to a related party (Note 29)	**7,042,276**	–	–	–	**7,042,276**
Investment in joint venture (Note 17)	–	**468,074**	–	–	**468,074**
Investments at FVOCI (Note 10)	**12,158**	–	**105,000**	–	**117,158**
Investments at amortized cost (Note 10)	–	–	**41,499,484**	–	**41,499,484**
Deferred tax assets - net (Note 27)	**111,464**	–	–	–	**111,464**
Total Assets	**₱174,716,052**	**₱24,390,879**	**₱123,293,447**	**(₱186,312)**	**₱322,214,066**
Segment liabilities	**₱20,217,005**	**₱7,822,545**	**₱164,603,249**	**(₱186,312)**	**₱192,456,487**
Deferred tax liabilities - net (Note 27)	**1,664,144**	**152,292**	**4,290,951**	–	**6,107,387**
Total Liabilities	**₱21,881,149**	**₱7,974,837**	**₱168,894,200**	**(₱186,312)**	**₱198,563,874**
Capital expenditures	**₱12,089,005**	**₱6,323,525**	**₱4,103,770**	**₱–**	**₱22,516,300**

**For the year ended December 31, 2022, EBITDA amounts to ₱17,270.50 million.*

	December 31, 2021				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
	(Amounts in thousands)				
Real estate revenue (Note 7)	₱13,602,441	₱3,795,490	₱–	₱–	₱17,397,931
Rental income (Notes 14 and 34)	–	–	9,851,733	(539,013)	9,312,720
Parking, hotel, mall administrative and processing fees, and others (Note 25)	1,282,740	178,395	901,204	(215,465)	2,146,874
	14,885,181	3,973,885	10,752,937	(754,478)	28,857,525
Costs and operating expenses (Note 24)	10,074,372	1,842,673	4,092,032	(754,478)	15,254,599
Segment income before income tax	4,810,809	2,131,212	6,660,905	–	13,602,926
Interest income and other income from investments (Note 25)	763,936	26,230	1,533,716	–	2,323,882
Interest and other financing charges (Note 25)	(355,563)	(29,651)	(3,930,116)	–	(4,315,330)
Depreciation and amortization (Note 24)	(651,485)	(31,113)	(2,003,985)	–	(2,686,583)
Income before income tax	4,567,697	2,096,678	2,260,520	–	8,924,895
Provision for income tax (Note 27)	977,371	324,020	656,258	–	1,957,649
Net income	₱3,590,326	₱1,772,658	₱1,604,262	₱–	₱6,967,246
Other Information					
Segment assets	₱157,006,893	₱17,782,356	₱83,175,042	(₱511,958)	₱257,452,333
Advances to a related party (Note 29)	6,085,189	–	–	–	6,085,189
Investment in joint venture (Note 17)	–	458,772	–	–	458,772
Investments at FVOCI (Note 10)	41,499	–	83,000	–	124,499
Investments at amortized cost (Note 10)	–	–	49,817,450	–	49,817,450
Deferred tax assets - net (Note 27)	48,279	–	105	–	48,384
Total Assets	₱163,181,860	₱18,241,128	₱133,075,597	(₱511,958)	₱313,986,627
Segment liabilities	₱27,576,766	₱5,707,468	₱163,704,772	(₱511,958)	₱196,477,048
Deferred tax liabilities - net (Note 27)	1,017,709	133,280	3,831,662	–	4,982,651
Total Liabilities	₱28,594,475	₱5,840,748	₱167,536,434	(₱511,958)	₱201,459,699
Capital expenditures	₱14,615,731	₱4,078,229	₱2,445,640	₱–	₱21,139,600

**For the year ended December 31, 2021, EBITDA amounts to ₱15,652.27 million.*

	December 31, 2020				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
	(Amounts in thousands)				
Real estate revenue (Note 7)	₱17,943,287	₱3,857,277	₱–	₱–	₱21,800,564
Rental income (Notes 14 and 34)	–	–	7,286,366	(89,636)	7,196,730
Parking, hotel, mall administrative and processing fees, and others (Note 25)	721,440	170,838	890,745	(152,477)	1,630,546
	18,664,727	4,028,115	8,177,111	(242,113)	30,627,840
Costs and operating expenses (Note 24)	13,477,256	3,110,423	2,512,363	(242,113)	18,857,929
Segment income (loss) before income tax	5,187,471	917,692	5,664,748	–	11,769,911
Interest income and other income from investments (Note 25)	598,411	40,646	1,426,455	–	2,065,512
Interest and other financing charges (Note 25)	(84,721)	(214,674)	(3,672,512)	–	(3,971,907)
Depreciation and amortization (Note 24)	(240,738)	(35,642)	(1,971,333)	–	(2,247,713)
Income before income tax	5,460,423	708,022	1,447,358	–	7,615,803
Provision for income tax (Note 27)	662,181	84,963	482,047	–	1,229,191
Net income	₱4,798,242	₱623,059	₱965,311	₱–	₱6,386,612
Other Information					
Segment assets	₱95,288,403	₱25,616,912	₱115,537,982	(₱72,172)	₱236,371,125
Receivables from related parties (Note 29)	879,187	–	4,808,563	–	5,687,750
Investments at FVOCI (Note 10)	–	–	116,499	–	116,499
Investments at amortized cost (Note 10)	–	–	41,693,291	–	41,693,291
Deferred tax assets - net (Note 27)	188,106	–	–	–	188,106
Total Assets	₱96,355,696	₱25,616,912	₱162,156,335	(₱72,172)	₱284,056,771
Segment liabilities	₱15,018,896	₱7,647,351	₱151,757,364	(₱72,172)	₱174,351,439
Deferred tax liabilities - net (Note 27)	211,878	14,955	3,798,855	–	4,025,688
Total Liabilities	₱15,230,774	₱7,662,306	₱155,556,219	(₱72,172)	₱178,377,127
Capital expenditures	₱17,698,619	₱3,804,681	₱3,108,100	₱–	₱24,611,400

**For the year ended December 31, 2020, EBITDA amounts to ₱13,767.97 million*

Capital expenditures consists of construction costs, land acquisition and land development costs.

Rental income amounting to ₱11,506.05 million or 83.73%, ₱7,113.08 million or 76.38%, and ₱5,360.84 million or 74.49% of the commercial segment of the Group was generated from anchor tenants as defined in Note 29 for the years ended December 31, 2022, 2021 and 2020, respectively.

There is no cyclicality in the Group's operations.

7. Revenue from Contracts with Customers

a. Disaggregated Revenue Information

The Group derives revenue from the transfer of services and goods over time and at a point in time, respectively, in different product types and other geographical location within the Philippines.

The Group's disaggregation of each source of revenue from contracts with customers are presented below:

	2022	2021	2020
	(Amounts in Thousands)		
Type of Product			
Real estate sales			
Horizontal	**₱8,402,272**	₱14,885,825	₱17,943,287
Vertical	**4,387,606**	2,512,106	3,857,277
	12,789,878	17,397,931	21,800,564
Hotel operations (Note 25)	**103,138**	89,267	48,511
	₱12,893,016	₱17,487,198	₱21,849,075

All of the Group's real estate sales are revenue from contracts with customers that are recognized over time, except for hotel operation's sale of food and beverages which are at point in time. There are no inter-segment eliminations among revenue from contracts with customers on real estate, as these are all sold to external customers as disclosed in the segment information in 2022, 2021 and 2020 (see Note 6).

Due to the impact of COVID-19 pandemic to the current and prior years, buyer's appetite has softened and prefers to stay liquid amid the current recession, with layoffs, travel restrictions, repatriations, nationwide lockdowns beginning on the third week of March 2020. The latter, coupled with the imposed quarantine which temporarily suspended construction activities and delivery of materials to sites, resulted to lower progress of work which impacted the real estate sales recognized in 2022, 2021 and 2020.

Contract Balances

	2022	2021
Installment contracts receivable (Note 11)	**₱35,296,250,329**	₱41,235,173,571
Cost to obtain contract	**740,176,709**	898,663,714
Contract liabilities	**2,143,601,801**	1,801,470,690

Installment contracts receivable are from real estate sales which are collectible in equal monthly principal installments with various terms up to a maximum of 15 years. These are recognized at amortized cost using the effective interest method. Interest rates, which vary depending on the term of the receivable, ranges from 2.43% to 19.00% per annum, 2.44% to 19.00%, and 5.23% to 19.00% per annum in 2022, 2021 and 2020, respectively. The corresponding titles to the residential units sold under this arrangement are transferred to the customers only upon full payment of the contract price.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on percentage of completion. The movement in contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in percentage of completion.

The amount of revenue recognized in 2022 and 2021 from amounts included in contract liabilities at the beginning of the year amounted to ₱799.11 million and ₱953.80 million, respectively.

b. Performance obligations

Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into reservation agreements with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the reservation agreement is fixed and has no variable consideration.

The sale of real estate unit covers subdivision land, residential house units, and condominium units and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the reservation agreement and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% - 20% of the contract price to be paid over a maximum of 24 months at a fixed payment for horizontal developments and 20% - 40% of the contract price to be paid over a maximum of 60 months at a fixed payment for vertical developments with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to 15 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an installment contracts receivable or contract liability.

After the delivery of the completed real estate unit, the Group provides one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2022 and 2021 are, as follows:

	2022	2021
Within one year	**₱8,619,451,367**	₱9,188,744,994
More than one year	**6,665,369,229**	10,721,047,549
	₱15,284,820,596	₱19,909,792,543

The remaining performance obligations expected to be recognized within one year and more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

Rental agreements
The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space, (b) provisioning of water and electricity, and (c) connection to air conditioning system, (d) CUSA services, and (e) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within 30 days upon receipt of the bill. Except for related party tenants, in case of delay in payments, a penalty of 5% is charged for the amount due and shall be charged another 5% the following month of delay and every month thereafter inclusive of penalties previously charged. Except for related party tenants, the lease arrangement would typically require a tenant to pay advance rental equivalent to two (2) to four (4) months and a security deposit equivalent to two (2) to four (4) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

In various dates in 2021 and 2020, certain third party and related party tenants of the Group operating within the entertainment, food and low-priced apparel retailing have requested for the termination of their lease contracts with the Group prior to the original end dates. The requests, as granted by the Group, are primarily due to the impact of COVID 19 pandemic to their business. As a result, the Group reversed the accrued rental receivable which is the effect of straight-line calculation of rental income of those tenants who pre-terminated the contracts, amounting to ₱38.81 million and ₱1,560.95 million against rental income for the year ended December 31, 2021 and 2020, respectively (see Note 11). The related deferred tax liability of ₱9.70 million and ₱468.28 million for the reversed accrued rental receivable from tenants was reversed in 2021 and 2020, respectively. Of these terminated tenants in 2021 and 2020, ₱2.84 million and ₱1,556.12 million were related parties, respectively. The specific portion relating to the termination of related party tenants are further included in the related party transactions disclosure of the Group (see Note 29). There was no reversal of accrued rental receivables due to the impact of COVID-19 pandemic in 2022.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19 pandemic, the Group came up with its own waiver scheme that applies to different classifications of lessees based on their respective financial position and performance before and during the community quarantine, their status as an essential vis-à-vis non-essential service, and their growth projections. The Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions. Granting of concessions were extended up to December 31, 2021 and beyond depending on the tenant's profile and credit. The rent concessions granted by the Group to its tenants for the years ended December 31, 2022, 2021 and 2020 amounted to ₱39.18 million, ₱240.65 million and ₱1,544.82 million, respectively.

In 2022, due to the fire that hit Star Mall Alabang in Muntinlupa City, the tenants pre-terminated the contracts that resulted to reversal of the Group's accrued rental receivables, which is the effect of straight-line calculation of rental income, amounting to ₱427.50 million with related deferred tax liabilities of ₱106.88 million. Of these terminated tenants, ₱420.25 million were related parties (see Note 29).

c. Cost to Obtain Contract

The balances below pertain to the cost to obtain contract presented in consolidated statements of financial position:

	2022	2021
Balance at beginning of year	**₱898,663,714**	₱1,281,715,425
Net additions	**435,533,435**	489,086,609
Amortization (Note 24)	**(594,020,440)**	(872,138,320)
Balance at end of year	**₱740,176,709**	₱898,663,714

8. Treasury Shares and Goodwill

The treasury shares of ₱5,378.29 million is attributable to the 752.21 million shares issued by VLLI to Manuela Corporation (MC) during the VLLI acquisition of Vistamalls Group (formerly, Starmalls Group) in 2015. MC still holds the VLLI shares as of December 31, 2022 and 2021.

On December 29, 2015, VLCC, a wholly owned subsidiary of VRI, acquired 100% ownership of MRHI for a total cash consideration of ₱157.00 million. MRHI owns and operates the Boracay Sands Hotel. The transaction was accounted for as a business combination under acquisition method. Fair values of identifiable net assets of MRHI amounted to ₱9.73 million, which resulted to recognition of goodwill of ₱147.27 million.

The Group included the impact of COVID-19 pandemic and the expected continuing recovery and the various community quarantine restricting movements and business operations in its annual impairment testing of goodwill for the years ended December 31, 2022, 2021 and 2020.

The recoverable amount is based on value in use calculations using cash flow projections from financial budgets approved by the Group's management covering the period the CGU is expected to be operational. Based on management's assessment, there is no impairment loss to be recognized on goodwill as at December 31, 2022 and 2021, despite temporary closure. In December 2021, Boracay Sands Hotel resumed operations. The pre-tax discount rate used on December 31, 2022 and 2021 is 9.78% and 12.65% respectively, which is based on weighted average cost of capital of comparable entities. The average growth rate used is 4.00% as of December 31, 2022 and 2021. The value-in-use computation is most sensitive to the discount rate and growth rate applies to the cash flow projection.

9. Cash and Cash Equivalents

This account consists of:

	2022	2021
Cash on hand	**₱13,210,348**	₱10,614,562
Cash in banks	**8,640,751,874**	11,805,653,656
Cash equivalents	**6,416,242,404**	40,387,680
	₱15,070,204,626	₱11,856,655,898

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest as follows:

	2022	2021	2020
Philippine Peso	**0.01% to 1.25%**	0.03% to 0.50%	0.25% to 1.00%
US Dollar	**0.06% to 0.13%**	0.05% to 0.13%	0.04% to 0.13%

Interest earned from cash in banks and cash equivalents for the years ended December 31, 2022, 2021 and 2020 amounted to ₱45.84 million, ₱34.08 million and ₱63.64 million, respectively (see Note 25).

No cash and cash equivalents are used to secure the obligations of the Group.

10. Investments

Short-term cash investments
Short-term cash investments consist of money market placements with maturities of more than three (3) months up to one (1) year and earn annual interest at the respective short-term investment rates, as follows:

	2022	2021	2020
Philippine Peso	**0.10% to 3.13%**	1.00% to 4.00%	2.50% to 2.63%

As of December 31, 2022, and 2021, short-term cash investments amounted to ₱47.28 million and ₱336.02 million, respectively.

Interest earned from short-term cash investments for the years ended December 31, 2022, 2021 and 2020 amounted to ₱1.12 million, ₱2.47 million and ₱3.66 million, respectively (see Note 25).

Investments at amortized cost
This account consists of the Group's investments in various US dollar-denominated debt securities with nominal interest rates ranging from 0.25% to 8.00%, 1.00% to 7.75% and 3.75% to 4.25% for the years ended December 31, 2022, 2021 and 2020, respectively.

In 2022, 2021 and 2020, effective interest rate ranges from 1.05% to 7.19%, 0.39% to 10.82% and 2.23% to 10.18%, respectively.

Investments at amortized cost amounting to $552.94 million (₱30,829.00 million) and $753.34 million (₱38,419.75 million) are used to secure the bank loans of the Parent Company amounting to ₱27,477.92 million and ₱33,557.33 million as of December 31, 2022 and 2021, respectively.

The fair values of the investments used as collateral amounted to ₱31,409.51 million and ₱23,992.35 million as of December 31, 2022 and 2021 respectively (see Note 20).

Interest income from these investments including amortization of premium amounted to ₱931.41 million, ₱1,507.49 million and ₱1,359.72 million in 2022, 2021 and 2020, respectively (see Note 25).

Provision for expected credit loss amounting to ₱23.29 million, ₱15.53 million and ₱65.63 million was recognized in 2022, 2021 and 2020 on these investments, respectively (see Note 24).

The following presents the breakdown of investments by contractual maturity dates as of December 31, 2022 and 2021.

	2022	2021
Due in one (1) year or less	**₱9,440,433,583**	₱15,751,510,319
Due after one (1) year through five (5) years	**31,629,125,036**	33,806,339,516
Due after five (5) years	**429,925,463**	259,600,004
	₱41,499,484,082	₱49,817,449,839

The rollforward analysis of investments at amortized cost follow:

	2022	2021
Balance at beginning of year	**₱49,817,449,839**	₱41,693,291,447
Additions	**12,921,556,055**	17,452,430,148
Redemptions*	**(24,461,735,580)**	(12,549,337,950)
Amortization of premium	**(437,030,746)**	(393,165,298)
Provision for expected credit loss (Note 24)	**(23,289,723)**	(15,532,895)
Cumulative translation adjustment	**3,682,534,237**	3,629,764,387
Balance at end of year	**₱41,499,484,082**	₱49,817,449,839

**These include early redemptions initiated by the issuer/s.*

Investment at fair value through FVOCI

The investment at fair value through FVOCI consists of quoted golf and country club shares carried at fair value which the Group irrevocably elected to classify as FVOCI.

	2022	2021
Balance at beginning of year	**₱124,499,183**	₱116,499,183
Unrealized fair value gain during the year	**22,000,000**	8,000,000
Disposals	**(29,340,803)**	–
Balance at end of year	**₱117,158,380**	₱124,499,183

11. **Receivables**

This account consists of:

	2022	2021
Installment contracts receivable (Note 7)	**₱35,296,250,329**	₱41,235,173,571
Accounts receivable:		
Tenants (Note 29)	**10,141,422,954**	8,259,791,965
Home Development Mutual Fund (HDMF)	**185,386,869**	322,873,996
Buyers	**171,303,255**	162,854,404
Others	**44,839,102**	112,967,013
Advances to:		
Contractors and suppliers	**9,790,417,284**	8,354,056,357
Private companies	**1,407,176,313**	1,567,865,004
Brokers	**153,347,171**	151,209,360
Accrued rental receivable (Note 29)	**17,387,952,584**	11,146,694,070
Accrued interest receivable	**444,938,814**	543,893,498
	75,023,034,675	71,857,379,238
Less allowance for impairment losses	**622,398,264**	623,947,817
	74,400,636,411	71,233,431,421
Less noncurrent portion	**21,166,092,635**	20,316,701,320
	₱53,234,543,776	₱50,916,730,101

Installment Contracts Receivable
Installment contracts receivable consist of accounts collectible in equal monthly installments with various terms up to a maximum of 15 years. These are carried at amortized cost. The corresponding titles to the subdivision or condominium units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. The installment contracts receivables are interest-bearing except for those with installment terms within two years. Annual nominal interest rates on installment contracts receivables range from 12.00% to 19.00% in 2022 and 2021. Total interest income recognized amounted to ₱671.52 million, ₱726.01 million and ₱541.31 million in 2022, 2021 and 2020, respectively (see Note 25).

In 2022 and 2021, installment contracts receivables with a total nominal amount of ₱559.06 million and ₱725.07 million, respectively, were recorded at amortized cost amounting to ₱526.98 million and ₱699.50 million, respectively. These are installment contracts receivables that are to be collected in two years which are noninterest-bearing. The fair value upon initial recognition is derived using discounted cash flow model at discount rates ranging from 2.43% to 7.13% and 2.44% to 5.23% in 2022 and 2021, respectively.

Interest income recognized from these receivables amounted to ₱29.83 million, ₱48.43 million and ₱86.93 million in 2022, 2021 and 2020, respectively (see Note 25). The unamortized discount amounted to ₱26.53 million and ₱24.27 million as of December 31, 2022 and 2021, respectively.

Rollforward in unamortized discount arising from noninterest-bearing receivables is as follows:

	2022	2021
Balance at beginning of year	**₱24,273,327**	₱47,135,999
Additions	**32,080,586**	25,570,116
Accretion (Note 25)	**(29,826,779)**	(48,432,788)
Balance at end of year	**₱26,527,134**	₱24,273,327

In 2022 and 2021, the Group entered into various purchase agreements with financial institutions whereby the Group sold its installment contracts receivables on a with recourse basis. These installment contracts receivables on a with recourse basis are used as collateral to secure the corresponding loans payable obtained. The purchase agreements provide substitution of contracts which default. The Group still retains the sold receivables in the installment contracts receivables account and records the proceeds from these sales as loans payable.

As of December 31, 2022, the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱4,310.47 million and ₱5,334.62 million, respectively (see Note 20).

As of December 31, 2021, the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱2,604.47 million and ₱3,779.51 million, respectively (see Note 20).

Accounts Receivable

The accounts receivables are noninterest-bearing and collectible within one year. This consists of:

Receivable from tenants

Receivables from tenants represent the outstanding receivables arising from the lease of commercial centers relating to the Group's mall and offices and are collectible within 30 days from billing date. Except for lease contracts with related parties, these are covered by security deposit of tenants' equivalent to 2 to 4-month rental and 2 to 4-month advance rental paid by the lessees. This includes both the billed fixed and contingent portion of lease.

Receivable from HDMF

Receivable from HDMF pertains to amounts retained by HDMF from the proceeds of loans availed by real estate buyers. This amount is released by HDMF upon the release of the related title to the property by the Group to HDMF within a six-month to one year period from loan takeout date.

Receivable from buyers

Receivables from buyers mainly consist of receivables from buyers of real estate arising from restructured amortization including interest and penalties for late payments. These are noninterest-bearing and are due and demandable.

Others

Other receivables are noninterest-bearing and are due and demandable.

Advances to contractors and suppliers

Advances to contractors are advance payments in relation to the Group's construction activities and are recouped through reduction against progress billings as the construction progresses. Advances to suppliers are advance payments for the purchase of construction materials and are applied to billings for deliveries made. Recoupment occur within one to five years from the date the advances were made. Current portion of these advances are for the construction of inventories, while advance payments for the construction of investment properties are presented as noncurrent portion.

Advances to private companies
Advances to private companies pertain to advances made by the Group to third parties to facilitate the transfer of title to the buyers. These include expected charges for documentary stamp taxes, transfer fees, registration fees, city and business tax and notarial expenses. These advances are liquidated by the private companies once the purpose for which the advances were made had been accomplished.

Advances to brokers
Advances to brokers are cash advances for operating use. These are applied to subsequent commission payout to brokers.

Accrued rental receivable
Accrued rental receivable pertains to the effect of straight-line calculation of rental income. The noncurrent portion of accrued rent receivable are expected to be realized beyond one year from the reporting date.

Accrued interest receivable
Accrued interest receivable pertains to income earned from investments at amortized cost.

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

In 2021 and 2020, the Group, in addition to the reliefs provided under Bayanihan 1 Act and Bayanihan 2 Act, has offered temporary financial reliefs (e.g., short-term extension of payment terms) to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not significant.

The rollforward analysis of allowance for impairment losses are as follow:

	2022		
	Receivable from tenants	**Advances to private companies**	**Total**
Balance at beginning of year	**₱497,186,046**	**₱126,761,771**	**₱623,947,817**
Provision during the year (Note 24)	–	–	–
Recoveries (Note 24)	**(1,549,553)**	–	**(1,549,553)**
Balance at end of year	**₱495,636,493**	**₱126,761,771**	**₱622,398,264**

	2021		
	Receivable from tenants	Advances to private companies	Total
Balance at beginning of year	₱70,256,455	₱126,761,771	₱197,018,226
Provision during the year (Note 24)	427,750,934	–	427,750,934
Recoveries (Note 24)	(821,343)	–	(821,343)
Balance at end of year	₱497,186,046	₱126,761,771	₱623,947,817

Set out below is the information about the credit risk exposure on the Group's accounts receivable from third party tenants using a provision matrix:

	2022					
		Days past due				
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Total**
Average expected credit loss rates	**3.34%**	**5.75%**	**10.04%**	**13.75%**	**11.20%**	
Amount of exposure at default net of advance rent and security deposits	**₱42,987,382**	**₱8,357,504**	**₱449,441**	**₱7,811,847**	**₱77,662,922**	**₱137,269,096**
Expected credit loss	**₱1,436,931**	**₱480,358**	**₱45,119**	**₱1,074,323**	**₱8,698,848**	**₱11,735,579**

	2021					
	Current	Days past due				
		1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Average expected credit loss rates	2.39%	18.60%	3.51%	18.60%	17.03%	
Amount of exposure at default net of advance rent and security deposits	₱48,695,879	₱4,621,437	₱–	₱3,576,397	₱129,806,056	₱186,699,769
Expected credit loss	₱1,163,655	₱860,164	₱–	₱665,382	₱22,103,040	₱24,792,241

In 2022, the Group has no specifically impaired receivables. In 2021, out of the total impairment loss of ₱427.75 million, ₱402.96 million pertains to specifically impaired receivables, while ₱24.79 million is from generally impaired receivables from expected credit loss testing.

For 2021, the specifically identified impaired accounts pertain to tenants which were affected by the pandemic, thus terminated the lease contracts prior to the original end date.

For the accounts receivable from related party tenants, the expected credit loss from the impairment exercise using a provision matrix is zero (see Note 5).

12. Real Estate Inventories

The rollforward analysis of this account follows:

	2022	2021
Balance at beginning of year	**₱49,596,883,277**	₱44,371,142,367
Construction/development costs incurred	**5,869,649,043**	7,974,884,814
Borrowing costs capitalized (Note 25)	**2,943,918,362**	2,752,396,474
Purchases of construction materials and others	**463,973,383**	2,808,258,415
Additions to land	**202,442,008**	223,604,528
Costs of real estate sales (Note 24)	**(5,542,966,656)**	(8,533,403,321)
Balance at end of year	**₱53,533,899,417**	₱49,596,883,277

The real estate inventories are carried at cost. No inventory is recorded at amount lower than its cost in 2022 and 2021.

This account consists of:

	2022	2021
Subdivision land for sale	**₱23,054,061,619**	₱22,396,410,973
Subdivision land for development	**17,825,746,331**	15,571,966,320
Condominium units for sale and development	**9,732,496,239**	8,032,052,902
Construction materials and others	**1,742,298,708**	2,334,501,879
Residential house for sale and development	**1,179,296,520**	1,261,951,203
	₱53,533,899,417	₱49,596,883,277

Subdivision land (e.g., lot only for sale) for sale and development includes real estate subdivision projects in which the Group has been granted License to Sell (LTS) by the Housing and Land Use Regulatory Board of the Philippines. It also includes raw land inventories that are under development and those that are about to undergo development.

Construction materials pertain to supplies, such as but not limited to steel bars, cement, plywood and hollow blocks, used in the construction and development. These are expected to be utilized within one year and included in the cost of real estate inventories upon utilization.

Real estate inventories recognized as costs of real estate sales amounted to ₱5,542.97 million in 2022, ₱8,533.40 million in 2021, ₱12,020.71 million in 2020, and are included as costs of real estate sales in the consolidated statements of comprehensive income (see Note 24).

Borrowing cost capitalized to inventories amounted to ₱2,943.92 million, ₱2,752.40 million and ₱2,299.96 million in 2022, 2021 and 2020, respectively (see Note 25). The capitalization rate used to determine the borrowing costs eligible for capitalization is 6.47%, 6.66% and 6.51% in 2022, 2021 and 2020, respectively.

13. Other Current Assets

This account consists of:

	2022	2021
Input VAT	**₱3,423,807,481**	₱3,363,988,757
Creditable withholding taxes	**1,575,617,117**	1,593,959,198
Prepaid expenses	**546,331,346**	472,954,047
Restricted cash	**168,872,823**	147,980,409
Others	**10,129,811**	8,327,049
	₱5,724,758,578	₱5,587,209,460

Input VAT
Input VAT is a tax imposed on purchases of goods, professional and consulting services, and construction costs. These are available for offset against output VAT in future periods.

Creditable withholding taxes
Creditable withholding taxes pertain to taxes withheld by the customer and are recoverable and can be applied against income tax in future periods. For the years ended December 31, 2022, 2021 and 2020, creditable withholding taxes applied to income tax payable amounting to ₱819.85 million, ₱857.63 million and ₱738.95 million, respectively.

Prepaid expenses
Prepaid expenses mainly include advertising and marketing fees, taxes and licenses, rentals and insurance paid in advance. These are to be fully amortized within one year.

Restricted cash
Cash restricted for use are deposits restricted solely for payment of the principal amortization and interest of certain bank loans. These deposits bear prevailing interest rates and will be retained as deposits until the bank loans are fully paid. Deposit balance should be equivalent to two quarters of debt amortization. Interest income from cash restricted for use amounted to ₱2.83 million, ₱5.40 million and ₱10.25 million in 2022, 2021 and 2020, respectively (see Note 25). The current and noncurrent portion of the restricted cash pertain to the two quarters of debt amortization for the bank loans maturing on or before December 31, 2023 and bank loans maturing beyond December 31, 2023, respectively. The noncurrent portion of this account is presented as noncurrent restricted cash under "Other noncurrent assets" in the Group's consolidated statements of financial position (see Note 17).

14. Investment Properties

The rollforward of analysis of this account follows:

	2022				
	Land and Land Developments	**Building and Building Improvements**	**Construction in Progress**	**Right-of-use Assets**	**Total**
Cost					
Balances at beginning of year	**₱54,885,059,901**	**₱55,230,455,639**	**₱10,291,000,968**	**₱5,066,106,297**	**₱125,472,622,805**
Additions	**4,176,424,076**	**1,640,235,738**	**2,933,530,813**	**–**	**8,750,190,627**
Write off (Note 24)	**–**	**(1,962,779,198)**	**(193,756,164)**	**–**	**(2,156,535,362)**
Reclassifications	**–**	**2,187,263,852**	**(2,187,263,852)**	**–**	**–**
Balances at end of year	**59,061,483,977**	**57,095,176,031**	**10,843,511,765**	**5,066,106,297**	**132,066,278,070**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**–**	**11,964,167,066**	**–**	**516,628,719**	**12,480,795,785**
Depreciation and amortization (Note 24)	**–**	**2,239,064,970**	**–**	**175,989,721**	**2,415,054,691**
Write off (Note 24)	**–**	**(1,173,170,305)**	**–**	**–**	**(1,173,170,305)**
Balances at end of year	**–**	**13,030,061,731**	**–**	**692,618,440**	**13,722,680,171**
Net Book Value	**₱59,061,483,977**	**₱44,065,114,300**	**₱10,843,511,765**	**₱4,373,487,857**	**₱118,343,597,899**

	2021				
	Land and Land Developments	Building and Building Improvements	Construction in Progress	Right-of-use Assets	Total
Cost					
Balances at beginning of year	₱52,827,294,001	₱36,646,397,951	₱24,220,924,186	₱2,218,032,322	₱115,912,648,460
Additions	2,057,765,900	332,121,577	4,322,012,893	2,848,073,975	9,559,974,345
Reclassifications	–	18,251,936,111	(18,251,936,111)	–	–
Balances at end of year	54,885,059,901	55,230,455,639	10,291,000,968	5,066,106,297	125,472,622,805
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	9,699,091,194	–	340,638,998	10,039,730,192
Depreciation and amortization (Note 24)	–	2,265,075,872	–	175,989,721	2,441,065,593
Balances at end of year	–	11,964,167,066	–	516,628,719	12,480,795,785
Net Book Value	₱54,885,059,901	₱43,266,288,573	₱10,291,000,968	₱4,549,477,578	₱112,991,827,020

Investment properties consist mainly of land and land developments while the building and building improvements, construction in progress and right of use asset pertain to leasehold improvements related to leasing activities as commercial centers. These include properties, currently being leased out, for future leasing or currently held for capital appreciation. The commercial centers include retail malls, commercial centers within residential projects, Vistamalls and Starmalls that are located in key cities and municipalities in the Philippines and office spaces.

Rental income earned from investment properties amounted to ₱13,742.26 million, ₱9,312.72 million and ₱7,196.73 million in 2022, 2021 and 2020, respectively. Repairs and maintenance costs recognized under "Operating expenses" arising from investment properties amounted to ₱156.65 million, ₱160.53 million and ₱188.80 million for the years ended December 31, 2022, 2021 and 2020, respectively (see Note 24). Cost of property operations amounted to ₱5,625.67 million, ₱4,069.32 million and ₱3,983.47 million for the years ended December 31, 2022, 2021 and 2020, respectively (see Note 24). For the terms and conditions on the lease, refer to Note 34.

As of December 31, 2022 and 2021, the aggregate fair values of investment properties amounted to ₱523,562.33 million and ₱371,951.70 million, respectively, using Level 3 (significant unobservable inputs).

The fair values of the investment properties held for leasing were determined by independent professionally qualified appraisers while that for land and land developments were determined by management.

In both years, in the determination of fair values, market value approach method was used for land and land development, income approach method was used for completed and substantially completed malls and office buildings for rent and cost approach method was used for construction in progress under early stage of construction and discounted cash flow method was used for right-of-use asset.

The key assumptions used to determine the fair value of the investment properties held for leasing are the estimated rental value per sqm per year, rental growth rate per annum, vacancy rate and discount rate. The discount rate used in the valuation are discount rates range from 8.77% to 9.70% and 8.10% to 8.69% in 2022 and 2021, respectively. Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate, and an opposite change in the long-term vacancy rate.

The parcels of land are mainly located in Bulacan, Tagaytay, Tanza, Bacoor, Dasmariñas, General Trias, Caloocan, Imus, Laguna, Muntinlupa, Nueva Ecija, Pangasinan, Isabela, Tarlac, Ilocos Sur, Iloilo, Sta. Barbara, Tagaytay, Cagayan de Oro. The market price per square meter of the land ranges between ₱6,510 to ₱184,757 in Mega Manila, ₱5,500 to ₱21,400 in Northern Luzon, ₱4,504 to ₱19,752 in Southern Luzon, ₱5,500 to ₱17,300 in Central Luzon, ₱5,000 to ₱109,639 in Visayas, and ₱4,400 to ₱48,252 in Mindanao.

The fair value measurement using unobservable data in active market is Level 3 of the fair value hierarchy.

The estimated useful life of the investment properties other than land is 10 to 40 years.

Investment properties with carrying value of ₱370.56 million and ₱4,547.55 million are used to secure the bank loans of the Group as of December 31, 2022 and 2021, respectively (see Note 20). The fair value of the investment properties used as collateral amounted to ₱22,055.08 million and ₱36,091.97 million under income approach as of December 31, 2022 and 2021, respectively.

Borrowing cost capitalized to investment properties amounted to ₱2,702.61 million, ₱3,671.16 million and ₱3,716.70 million for years ended December 31, 2022, 2021 and 2020, respectively (see Note 25). The capitalization rates used to determine the borrowing costs eligible for capitalization is 6.47%, 6.66% and 6.51% in 2022, 2021 and 2020, respectively, for general borrowings and ranges from 5.70% to 8.25% for specific borrowings in 2022, 2021 and 2020.

Amortization expense related to right-of-use assets amounted to ₱175.99 million, ₱175.99 million and ₱210.76 million for the years ended December 31, 2022, 2021 and 2020, respectively. Right-of-use asset is amortized over a period of 11 to 30 years.

On January 8, 2022, a fire hit Star Mall Alabang in Muntinlupa City which resulted to loss of assets with carrying value of ₱983.37 million (see Note 24).

The total contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancement amounted to ₱2,139.91 million and ₱2,688.67 million as of December 31, 2022 and 2021, respectively.

15. Property and Equipment

The rollforward analysis of this account follow:

	2022						
	Land	**Building and Building Improvements**	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**Construction Equipment**	**Other Fixed Assets**	**Total**
Cost							
Balances at beginning of year	**₱83,333,600**	**₱1,190,727,643**	**₱941,358,954**	**₱1,049,843,577**	**₱1,333,412,183**	**₱305,568,320**	**₱4,904,244,277**
Additions	–	**65,491,040**	–	**50,957,987**	–	**38,983,631**	**155,432,658**
Write off (Note 24)	–	–	–	**(8,923,103)**	–	–	**(8,923,103)**
Balances at end of year	**83,333,600**	**1,256,218,683**	**941,358,954**	**1,091,878,461**	**1,333,412,183**	**344,551,951**	**5,050,753,832**
Accumulated Depreciation and Amortization							
Balances at beginning of year	–	**460,787,829**	**743,667,096**	**929,290,053**	**260,053,295**	**193,555,593**	**2,587,353,866**
Depreciation and amortization (Note 24)	–	**10,053,500**	**56,923,978**	**65,510,868**	**12,211,466**	**22,936,235**	**167,636,047**
Write off (Note 24)	–	–	–	**(5,322,569)**	–	–	**(5,322,569)**
Balances at end of year	–	**470,841,329**	**800,591,074**	**989,478,352**	**272,264,761**	**216,491,828**	**2,749,667,344**
Net Book Value	**₱83,333,600**	**₱785,377,354**	**₱140,767,880**	**₱102,400,109**	**₱1,061,147,422**	**₱128,060,123**	**₱2,301,086,488**

	2021						
	Land	Building and Building Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction Equipment	Other Fixed Assets	Total
Cost							
Balances at beginning of year	₱83,333,600	₱1,179,408,402	₱934,606,012	₱1,001,574,083	₱1,201,371,112	₱286,813,261	₱4,687,106,470
Additions	–	11,319,241	6,752,942	48,269,494	132,041,071	18,755,059	217,137,807
Balances at end of year	83,333,600	1,190,727,643	941,358,954	1,049,843,577	1,333,412,183	305,568,320	4,904,244,277
Accumulated Depreciation and Amortization							
Balances at beginning of year	–	420,281,412	694,259,371	860,094,753	233,807,661	173,163,617	2,381,606,814
Depreciation and amortization (Note 24)	–	40,506,417	49,407,725	69,195,300	26,245,634	20,391,976	205,747,052
Balances at end of year	–	460,787,829	743,667,096	929,290,053	260,053,295	193,555,593	2,587,353,866
Net Book Value	₱83,333,600	₱729,939,814	₱197,691,858	₱120,553,524	₱1,073,358,888	₱112,012,727	₱2,316,890,411

Depreciation and amortization expense charged to operations amounted to ₱167.64 million and ₱205.75 million for the years ended December 31, 2022 and 2021, respectively (see Note 24).

The Group performed impairment testing on its hotel property and equipment with carrying value of ₱663.97 million and ₱626.12 million as of December 31, 2022 and 2021, respectively, by assessing its recoverable amount through estimation of its value-in-use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rate of 9.78% with an average growth rate of 4%. The Group also considered in its assumptions the impact of COVID-19 on the occupancy rate and room rates which are not expected to normalize until 2024. As COVID-19 continued, starting September 2020, the hotel property was used as quarantine facility by government which improved its operations. However, starting December 2021, the hotel resumed its commercial operations. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment.

The Group's transportation equipment with a carrying value of ₱9.75 million and ₱7.69 million as of December 31, 2022 and 2021, respectively, were pledged as collateral under chattel mortgage to secure the car loans of the Group with various financial institutions (see Note 20).

The fire resulted to a loss of assets with carrying value of ₱3.57 million (see Note 24).

16. **Project Development Costs**

Project development costs pertain to (a) advances to a related party, covered by memorandum of agreement for the purchase of socialized housing units, (b) advances to third and related parties for project developments.

The requirement for socialized housing units is required by the Housing and Land Use Regulatory Board (HLURB) (see Note 29). These advances are recouped upon receipt of the socialized housing units from Bria Homes. On December 23, 2019, the Group entered into a Memorandum of Agreement with Bria Homes, Inc. that stipulated the allocated socialized housing units to the Group from the latter's ongoing and new projects. On December 21, 2020, the Group executed an amended Memorandum of Agreement with Bria Homes, Inc. that stipulated the number of socialized housing credits to be delivered as final settlement of the advances from its on-going projects under different documentation stages after deducting the partial delivery of social housing credits and cash payments.

This account also includes deposits, cash advances and other charges in connection with joint venture agreements and memorandum of agreements entered into by the Group with individuals, corporate entities and related parties for the development of real estate projects. These agreements provide, among others, the following: a) the Group will undertake the improvement and development of the real estate project within a certain period, subject to certain conditions to be fulfilled by the real estate property owner; and b) the parties shall divide among themselves all saleable inventory and commercial development of the real estate project in accordance with the ratio mutually agreed. The real estate projects are in various stages of development from planning to ongoing construction.

17. **Investment in Joint Venture and Other Noncurrent Assets**

Investment in Joint Venture
Vista Ventures Taft, Inc. (VVTI) was incorporated in the Republic of the Philippines primarily to engage in real estate activities particularly from construction and sale of condominium project at Taft Avenue, Manila. VRI originally subscribed for 4,587,718 shares of stock of VVTI with par value of ₱100 per share amounting to ₱458.77 million. VVTI was previously a wholly owned subsidiary of VRI until VRI executed a joint venture agreement (JVA) with Mitsubishi Estate Corp. (MEC). VVTI is 60% owned by VRI and 40% owned by MEC, however, it was agreed in the JVA that at least affirmative vote of four board representatives are required in board reserved matters which include the budget and design of the condominium project.

VVTI's principal place of business is LGF Bldg B Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City.

Below is the financial information on VVTI as of December 31, 2022 and 2021:

	2022	2021
Current assets	**₱1,174,604,349**	₱827,965,230
Noncurrent assets	**109,799,098**	48,246,923
Current liabilities	**90,636,796**	51,620,390
Noncurrent liabilities	**393,660,755**	39,989,183
Revenue	**89,215,418**	40,294,783
Net income	**15,503,316**	11,738,425
Total comprehensive income	**15,503,316**	11,738,425

Below is the reconciliation with the carrying amount of the investment in the consolidated financial statements:

	2022	2021
At beginning of year	**₱458,771,799**	₱463,718,493
Share in equity earnings during the year	**9,301,990**	7,043,055
Other adjustments	**−**	(11,989,749)
At end of year	**₱468,073,789**	₱458,771,799

Other Noncurrent Assets
This account consists of:

	2022	2021
Deposits	**₱657,772,888**	₱648,218,371
Model house accessories at cost	**166,240,657**	158,064,972
Cash restricted for use - net (Note 13)	**156,205,793**	71,428,571
Deferred input VAT	**51,706,852**	30,172,860
Systems development costs	**44,901,634**	22,577,696
	₱1,076,827,824	₱930,462,470

Amortization of system development costs amounted to ₱56.16 million, ₱39.77 million and ₱56.71 million for the years ended December 31, 2022, 2021 and 2020, respectively. These are included in the "Depreciation and amortization" account under "Operating expenses" in the consolidated statements of comprehensive income (see Note 24).

18. **Accounts and Other Payables**

This account consists of:

	2022	2021
Accounts payable		
Suppliers	**₱2,620,364,458**	₱2,380,857,413
Incidental costs	**2,118,285,618**	2,143,941,415
Contractors	**1,931,756,942**	1,493,497,345
Buyers	**1,373,924,136**	1,234,398,158
Commissions payable	**1,857,564,642**	2,053,698,257
Accrued expenses	**1,806,443,825**	1,854,419,766
Current portion of liabilities for purchased land	**1,679,558,285**	1,828,135,487
Current portion of deferred output tax	**1,217,685,114**	968,504,270
Current portion of retention payable	**919,332,613**	999,205,387
Other payables	**365,627,633**	264,788,222
	₱15,890,543,266	₱15,221,445,720

Accounts payable - suppliers
Accounts payable - suppliers represent payables for construction materials, marketing collaterals, office supplies and property and equipment ordered and delivered but not yet due. These are expected to be settled within a year from recognition date.

Accounts payable - incidental costs
Accounts payable - incidental costs pertain to liabilities incurred in relation to land acquired. These include payable for titling costs, clearing, security and such other additional costs incurred.

Accounts payable - contractors
Accounts payable - contractors pertain to contractors' billings for construction services related to the development of various projects of the Group. These are expected to be settled within a year after the financial reporting date.

Accounts payable - buyers
Accounts payable - buyers pertain to refunds arising from the cancellation of contract to sell agreement which is determined based on the required refund under the Maceda Law.

Commissions payable
Commissions payable pertains to fees due to brokers for services rendered which are expected to be settled within one year.

Accrued expenses
Details of accrued expenses as follow:

	2022	2021
Interest	**₱1,442,359,902**	₱1,464,726,858
Subdivision maintenance	**94,018,993**	59,965,057
Contracted services	**43,660,128**	5,451,619
Marketing	**37,610,937**	72,738,402
Rental	**36,044,987**	22,538,894
Light and power	**34,099,817**	39,299,860
Repairs and maintenance	**32,156,650**	52,279,396
Security	**29,459,913**	41,807,446
Management fees	**8,862,300**	6,243,900
Others	**48,170,198**	89,368,334
	₱1,806,443,825	₱1,854,419,766

Liabilities for purchased land
Liabilities for purchased land are payables to various real estate property sellers. Under the terms of the agreements executed by the Group covering the purchase of certain real estate properties, the titles of the subject properties shall be transferred to the Group only upon full payment of the real estate payables. Liabilities for purchased land that are payable beyond one year from reporting date are presented as noncurrent liabilities (see Note 22).

Deferred output tax
Deferred output tax pertains to the VAT charged to the buyers on installment upon contracting of real estate sale but were not yet collected as of reporting date. Further, upon collection of the VAT portion of installment receivables, the equivalent output tax is included in the current VAT payable of the month. Deferred output VAT pertaining to installment receivables that are beyond one year after reporting date are presented as noncurrent liabilities (see Note 22).

Retention payable
Retention payable pertains to 10.00% retention from the contractors' progress billings which will be released after the completion of contractors' project and upon acceptance of the work by the Group. The retention serves as a holdout amount withheld from the contractor to cover for back charges that may arise from quality issues in affected projects. Retention payables that will be settled beyond one year from reporting date are presented as noncurrent liabilities (see Note 22).

Other payables
Other payables include statutory payables which are remitted on a monthly basis.

19. Security Deposits and Advance Rent

This account consists of:

	2022	2021
Current portion of security deposits (Note 22)	**₱996,146,370**	₱929,877,182
Current portion of advance rent (Note 22)	**860,377,419**	799,388,643
	₱1,856,523,789	₱1,729,265,825

Current portion of security deposits
Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. Security deposit also include bond deposits of homeowners for their house extension, fence construction and landscaping works which will be refunded after considering any charges. Current portion are those to be settled within one year from financial reporting date.

Current portion of advance rent
Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings. Current portion are those to be settled within one year from financial reporting date.

20. **Bank Loans and Loans Payable**

Bank Loans
Bank loans pertain to the borrowings of the Group from various local financial institutions. These bank loans are obtained to finance capital expenditures and for general corporate purposes.

The rollforward analysis of this account follows:

	2022	2021
Balance at beginning of year	**₱57,096,825,507**	₱42,506,424,550
Availment*	**44,832,843,792**	42,057,325,534
Payment*	**(45,885,053,968)**	(27,466,924,577)
Balance at end of year	**56,044,615,331**	57,096,825,507
Debt issue cost		
Balance at beginning of year	**104,483,644**	132,635,349
Additions	**50,533,616**	37,500,000
Amortizations	**(57,225,046)**	(65,651,705)
Balance at end of year	**97,792,214**	104,483,644
Carrying value	**55,946,823,117**	56,992,341,863
Less current portion	**11,561,568,479**	8,067,321,815
Noncurrent portion	**₱44,385,254,638**	₱48,925,020,048

**Gross of bank loans that were rolled over during the period.*

Details of the bank loans as of December 31, 2022 and 2021 follow:

Loan Type	Date of Availment	2022	2021	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
VLLI							
Bank loan	June 2022	**₱8,958,978,014**	₱–	June 2027	7.13%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	October 2022	**2,500,000,000**	–	November 2023	4.00%	Interest payable monthly and principal payable upon maturity	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured;
Bank loan	June 2021	**3,487,215,026**	4,480,362,099	June 2026	4.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	June 2021	**2,353,055,000**	2,353,055,000	May 2023	3.80%	Interest payable annually, principal payable upon maturity	Secured by hold-out investments at amortized cost
Bank loan	May 2021	**2,178,958,333**	2,488,958,333	May 2026	4.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	March 2020	**2,363,197,742**	3,410,303,073	March 2025	5.15%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	April 2018	**2,000,000,000**	2,800,000,000	April 2025	7.36%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	November 2022 and December 2021	**1,000,000,000**	1,000,000,000	Various maturities, renewed upon maturity subject to change in interest rate	5.00% in 2021, 7.00% in 2022	Interest payable monthly, principal payable annually upon maturity	–
Bank loan	October 2019	**947,368,421**	1,578,947,368	May 2024	5.54%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	October 2016	**600,000,000**	1,400,000,000	October 2023	5.00%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	May 2019	**598,103,702**	994,050,173	May 2024	7.15%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	November 2018	**500,000,000**	1,000,000,000	November 2023	8.17%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries

(Forward)

Loan Type	Date of Availment	2022	2021	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
Bank loan	October 2018	**₱499,208,548**	₱996,047,132	October 2023	7.99%	Interest and principal payable quarterly	Change of control provision wherein a material change of ownership of the major shareholder is not permitted; Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	September 2016	**369,944,431**	846,273,985	September 2023	5.00%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	Availed and/or renewed in various dates in 2022 and 2021	**24,121,270,533**	31,204,270,534	Various maturities, renewed upon maturity subject to change in interest rate	3.25% to 4.75%	Interest payable monthly and quarterly, principal payable upon maturity	Secured by hold-out of investments at amortized cost
		52,477,299,750	54,552,267,697				
VII							
Bank Loan	June 2022	**1,003,590,000**	–	June 2023	3.77%	Interest and principal payable upon maturity	Unsecured
		1,003,590,000	–				
MAPI							
Bank loan	July 2017	**296,875,000**	384,622,370	June 2027	6.23%	Interest and principal payable monthly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00
Bank loan	Availed in various dates in 2015	**–**	88,433,700	March 2022	5.46%	Interest and principal payable monthly	With collateral
		296,875,000	473,056,070				
MC							
Bank loan	October 2022	**1,877,523,044**	–	October 2027	7.55%	Interest and principal payable quarterly	With collateral
Bank loan	July 2016	**–**	1,533,885,970	July 2022	5.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 3.00:1.00; with collateral
		1,877,523,044	1,533,885,970				
Brittany							
Bank loan	October 2022	**4,237,586**	–	October 2026	7.47%	Interest and principal payable monthly	Chattel Mortgage
		4,237,586	–				
VRI							
Bank loan	December 2017	**₱285,110,678**	₱433,132,126	December 2024	6.70%	Interest payable quarterly, principal payable upon maturity	Unsecured
Bank loan	Various	**2,187,059**	–	May 2023	10.50%	Interest and principal payable monthly	Chattel mortgage
		287,297,737	433,132,126				
		55,946,823,117	56,992,341,863				
Less current portion		**11,561,568,479**	8,067,321,815				
Bank loans, net of current portion	**₱44,385,254,638**	₱48,925,020,048					

In June 2022, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱10,000.00 million which bears annual fixed interest of 7.13%, payable quarterly. The principal balance of the loan will be paid in 20 equal quarterly installments commencing on the first interest payment date subject to prepayment option.

In June 2021, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱5,000.00 million which bears annual fixed interest of 4.75%, payable quarterly. The principal balance of the loan will be paid in 20 equal quarterly installments commencing on the second interest payment date subject to prepayment option.

In June 2021, the Parent Company obtained a 2-year unsecured peso denominated loan amounting to ₱2,353.06 million which bears annual fixed interest of 3.80%, payable on maturity date.

In May 2021, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱2,500.00 million which bears annual fixed interest of 4.75%, payable quarterly. The principal balance of the loan will be paid in 16 equal quarterly installments commencing on the fifth interest payment date subject to prepayment option.

In March 2020, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱5,000.00 million which bears annual fixed interest of 4.89%, payable quarterly. The principal balance of the loan will be paid in 19 equal quarterly installments commencing September 2020.

The Parent Company has various peso-denominated bank loans with fixed interest-rates ranging from 3.25% to 7.99% per annum and 3.25% to 5.00% per annum as of December 31, 2022 and 2021, respectively. In 2022 and 2021, these bank loans are renewable upon maturity subject to change in interest rates and/or hold-out amount of the investments in debt securities investments of VII. These loans are secured by hold-out of the investments at amortized cost of VII amounting to US$552.937 million (₱30,829.00 million) and US$753.34 million (₱38,419.75 million) as of December 31, 2022 and 2021, respectively. No fees are charged by VII for its investments held as security.

As disclosed in Notes 10, 14, and 15, certain investments at amortized cost, property and equipment, and investment properties are used as collateral to the bank loans.

Subsidiaries of the Parent Company namely, Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences, Inc. acted as guarantors for selected bank loans of the Parent Company. No fees are charged for these guarantee agreements.

Loans Payable
These loans bear annual fixed interest rates ranging from 6.00% to 6.75% and 6.00% to 8.00% as at December 31, 2022 and 2021, respectively, payable on equal monthly installment over a maximum period of 10 years. Installment contracts receivable serve as collateral to the loans payable (see Note 11).

Movement of loans payable follows:

	2022	2021
Balance at beginning of year	**₱3,779,511,014**	₱4,321,894,645
Availments	**4,715,767,761**	2,859,085,791
Payments	**(3,160,659,623)**	(3,401,469,422)
Balance at end of year	**5,334,619,152**	3,779,511,014
Less current portion	**3,767,253,212**	3,460,145,095
Noncurrent portion	**₱1,567,365,940**	₱319,365,919

Interest expense on bank loans and loans payable amounted to ₱3,197.46 million, ₱2,883.09 million and ₱2,685.36 million in 2022, 2021 and 2020, respectively (see Note 25).

The Group was able to comply with the loan covenants as of December 31, 2022 and 2021.

21. Notes Payable

This account consists of:

	2022	2021
Dollar denominated bonds	**₱42,931,186,590**	₱58,035,394,989
Corporate note facility	**34,628,130,134**	25,050,886,919
Retail bonds	**24,888,886,717**	24,843,951,615
	102,448,203,441	107,930,233,523
Less current portion	**12,745,831,195**	24,170,708,067
Noncurrent portion	**₱89,702,372,246**	₱83,759,525,456

A. Dollar Denominated Bonds

a. US$220.00 million Notes (Due July 2027)
On May 17, 2021, VII (the Issuer) issued US$170.00 million notes ("Notes") with a term of six years from initial drawdown date. The interest rate is 7.25% per annum, payable semi-annually in arrears on January 20 and July 20 of each year beginning on January 20, 2022. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022 and 2021, outstanding balance of the note amounted to US$173.68 million (₱9,683.72 million) and US$168.42 million (₱8,887.39 million), respectively.

On June 1, 2021, VII issued an additional US$50.00 million unsecured note, with similar terms and conditions as the above notes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022 and 2021, outstanding balance of the note amounted to US$51.08 million (₱2,848.15 million) and US$49.54 million (₱2,620.38 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after July 20, 2024 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on July 20 of the years set forth below:

Period	Price
2024	103.6250%
2025	101.8125%
2026 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.
As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2022 and 2021.

b. <u>US$200.00 million Notes (Due July 2027)</u>
On July 20, 2020, VII (the Issuer) issued US$ 200.00 million notes ("Notes") with a term of seven years from initial drawdown date. The interest rate is 7.25% per annum, payable semi-annually in arrears on January 20 and July 20 of each year beginning on January 20, 2021. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022 and 2021, outstanding balance of the note amounted to US$198.30 million (₱11,056.18 million) and US$197.99 million (₱10,097.07 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after July 20, 2024 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on July 20 of the years set forth below:

Period	Price
2024	103.6250%
2025	101.8125%
2026 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2022 and 2021.

c. US$350.00 million Notes (Due November 2024)
On November 28, 2017, VII (the Issuer) issued US$350.00 million notes ("Notes") with a term of seven years from initial drawdown date. The interest rate is 5.75% per annum, payable semi-annually in arrears on May 28 and November 28 of each year beginning on November 28, 2017. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022, and 2021, outstanding balance of the note amounted to US$346.93 million (₱19,343.13 million) and US$345.42 million (₱17,616.19 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after November 28, 2021 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on November 28 of the years set forth below:

Period	Price
2021	102.8750%
2022	101.4375%
2023 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2022 and 2021.

d. US$425.00 million Notes (Due June 2022)
On June 18, 2015, VII (the Issuer) issued US$300.00 million notes ("Notes") with a term of seven years from initial draw down date. The interest rate is 7.375% per annum, payable semi-annually in arrears on June 18 and December 17 of each year beginning on December 17, 2015. The Notes were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022, the amount due was fully paid. The outstanding balance of the note amounted to US$243.94 million (₱12,440.81 million) as of December 31, 2021.

On February 2, 2016, an additional unsecured note, with the same terms and conditions with the above notes, were issued by the Group amounting to US$125.00 million. The notes were issued at 102% representing yield to maturity of 6.979%. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022, the amount due was fully paid. The outstanding balance of the note amounted to US$124.97 million (₱6,373.55 million) as of December 31, 2021.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes, by giving notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of the person in whose name the Notes is registered on the relevant record date to receive interest due on the relevant interest payment date.

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers and acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2021.

B. Corporate Note Facility

a. ₱6,000.00 million Corporate Notes (Due March 2027)
On March 28, 2022, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Five-Year Corporate Notes due 2027 amounting to ₱4,000.00 million at a fixed rate of 6.64% per annum, payable in equal 18 quarters commencing on the second interest payment date.

On June 1, 2022, an additional issuance of Corporate Notes was made in the amount of ₱2,000.00 million due 2027, at a fixed interest of 7.24% per annum, payable in equal 18 quarters commencing on the second interest payment date.

The proceeds of the corporate notes were used for refinancing of existing or maturing obligations of the Parent Company, and for other general corporate purposes. The issue cost amounted to ₱51.36 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, the outstanding balance of the Corporate Notes is ₱5,961.35 million.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
3rd anniversary from issue date and interest payment thereafter	102.00%
4th anniversary from issue date and interest payment thereafter	101.00%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio of at least 1.00, maximum debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022.

b. ₱12,000.00 million Corporate Notes (Due December 2025)
On December 28, 2022, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Three-Year Corporate Notes due 2025 amounting to ₱8,600.00 million at a fixed rate of 7.93% per annum, payable on maturity date.

The proceeds of the corporate notes were used for refinancing of existing or maturing obligations of the Parent Company, and for other general corporate purposes. The issue cost amounted to ₱51.77 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, the outstanding balance of the Corporate Notes is ₱8,548.23 million.

The Corporate Notes do not provide early redemption at the option of the Issuer.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio of at least 1.00, maximum debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022.

c. ₱15,000.00 million Corporate Notes (Due July 2024)
On July 15, 2019, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Five-Year Corporate Notes due 2024 amounting to ₱14,500.00 million at a fixed rate of 6.77% per annum, payable quarterly.

On October 17, 2019, an additional issuance of Corporate Notes was made in the amount of ₱500.00 million due 2024, at a fixed interest of 6.77% per annum, payable quarterly.

The proceeds of the corporate notes were utilized for the 2019 capital expenditures for commercial property projects, and to fund other general corporate expenses of the Group. The issue cost amounted to ₱159.91 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, and 2021, the outstanding balance of the Corporate Notes is ₱6,543.95 million and ₱10,264.44 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
3rd anniversary from issue date and interest payment thereafter	101.00%
4th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022 and 2021.

d. ₱8,200.00 million Corporate Notes (Due July 2025 and 2028)
On July 11, 2018, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long term corporate notes consisting of Seven-Year Corporate Notes due 2025 amounting to ₱1,700.00 million at a fixed rate of 7.4913% per annum, payable quarterly and Ten-Year Corporate Notes due 2028 amounting to ₱6,000.00 million at a fixed rate of 7.7083% per annum, payable quarterly.

On July 25, 2018, an additional issuance of Corporate Notes was made in the amount of ₱500.00 million due 2025, at a fixed interest of 7.4985% per annum.

The proceeds of the corporate notes were utilized for the 2018 capital expenditures for commercial property projects, and to fund other general corporate expenses of the Group. The issue cost amounted to ₱105.30 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, and 2021, the outstanding balance of the Corporate Notes is ₱4,810.31 million and ₱5,830.13 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Seven Year Notes:

Early Redemption Date	Early Redemption Amount
5th anniversary from issue date and interest payment thereafter	101.00%
6th anniversary from issue date and interest payment thereafter	100.50%

Ten Year Notes:

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022 and 2021.

e. <u>₱10,000.00 million Corporate Notes (Due December 2026)</u>
On December 28, 2016, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes with a principal amount of up to ₱8,000.00 million. On April 21, 2017, a consent solicitation was made for amendments to include among others, increasing the Corporate Notes principal amount to up to ₱10,000.00 million in respect to the second drawdown. Such amendments were consented by Note Holders representing at least fifty one percent (51%) of the outstanding Corporate Notes.

On April 27, 2017, the Issuer made such amendments to the Corporate Note Facility dated December 28, 2016. The first drawdown was at ₱5,150.00 million in 2016, at fixed interest of 6.19% per annum, payable quarterly. On May 3, 2017, the Issuer made its second drawdown at ₱4,850.00 million, at fixed interest of 6.23% per annum, payable quarterly.

The proceeds of the Corporate Notes were utilized for the 2017 capital expenditures, refinancing of existing indebtedness and to fund other general corporate expenses. The issue cost amounted to ₱38.72 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, and 2021, the outstanding balance of the Corporate Notes is ₱8,764.30 million and ₱8,956.32 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022 and 2021.

C. <u>Retail Bonds</u>

a. <u>2019 Fixed-rate Peso Retail Bonds</u>
On December 18, 2019, the Parent Company (the Issuer) issued an unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance were used to fund the construction and completion of the various malls and condominium projects, redevelopment of existing malls, as well as for general corporate purposes. The issue costs amounted ₱91.07 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on June 18, 2025 with interest rate of 5.70% per annum. This is the third and last tranche offered out of the shelf registration of Peso Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million and initial tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱30,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 18, 2020, for the first interest payment date and on June 18, September 18, December 18 each year for each subsequent payment date.

As of December 31, 2022, and 2021, the outstanding balance of the Retail Bonds is ₱9,955.86 million and ₱9,941.34 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

i. Three (3) years from issue date at early redemption price of 101.00%
ii. Four (4) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2022 and 2021.

b. <u>2018 Fixed-rate Peso Retail Bonds</u>
On December 21, 2018, the Parent Company (the Issuer) issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance were used to fund the construction and completion of the various malls and for general corporate purposes. The issue costs amounted to ₱130.20 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on December 21, 2023 with interest rate of 8.00% per annum and 7-year Retail Bonds due on December 21, 2025 with interest rates 8.25% per annum. This is the second tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 21, 2019 for the first interest payment date and on March 21, June 21, September 21 and December 21 each year for each subsequent payment date.

As of December 31, 2022, and 2021, the outstanding balance of the Retail Bonds is ₱9,957.33 million and ₱9,935.40 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

a) 5-year Bonds:
   i. Three (3) years from issue date at early redemption price of 101.00%
   ii. Four (4) years from issue date at early redemption price of 100.50%
b) 7-year Bonds:
   i. Five (5) years from issue date at early redemption price of 101.00%
   ii. Six (6) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer

to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2022, and 2021.

c. <u>2017 Fixed-rate Peso Retail Bonds</u>
On August 8, 2017, the Parent Company (the Issuer) issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱5,000.00 million. The proceeds of the issuance were used to partially finance certain commercial development projects and for general corporate purposes. The issue costs amounted to ₱64.87 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 7-year Retail Bonds due on August 8, 2024 with interest rate of 5.75% per annum and 10-year Retail Bonds due on August 9, 2027 with interest rate of 6.23% per annum. This is the initial tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on November 8, 2017 for the first interest payment date and on February 8, May 8, August 8 and November 8 each year for each subsequent payment date.

As of December 31, 2022, and 2021, the outstanding balance of the Retail Bonds is ₱4,975.70 million and ₱4,967.26 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

a) 7-year Bonds:
   i. Five (5) years and six (6) months from issue date at early redemption price of 101.00%
   ii. Six (6) years from issue date at early redemption price of 100.50%

b) 10-year Bonds:
   i. Seven (7) years from issue date at early redemption price of 102.00%
   ii. Eight (8) years from issue date at early redemption price of 101.00%
   iii. Nine (9) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer

to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2022 and 2021.

Movement of notes payable follows:

	2022	2021
Principal		
Balance at beginning of year	**₱109,020,005,567**	₱100,326,059,510
Drawdown	**14,600,000,000**	10,909,807,626
Principal payments	**(23,876,278,143)**	(5,657,071,600)
Translation adjustment	**2,991,762,376**	3,441,210,031
Balance at end of year	**102,735,489,800**	109,020,005,567
Debt issue cost		
Balance at January 1	**1,089,772,044**	1,322,490,996
Addition	**103,531,880**	104,094,100
Debt issue cost amortization	**(894,209,203)**	(267,559,605)
Translation adjustment	**(11,808,362)**	(69,253,447)
Balance at end of year	**287,286,359**	1,089,772,044
Carrying value	**102,448,203,441**	107,930,233,523
Less current portion	**12,745,831,195**	24,170,708,067
Noncurrent portion	**₱89,702,372,246**	₱83,759,525,456

Interest expense on Notes payable amounted to ₱7,279.84 million, ₱7,560.99 million and ₱6,754.93 million in 2022, 2021 and 2020, respectively (see Note 25).

The Group was able to comply with the loan covenants as of December 31, 2022 and 2021.

22. **Other Noncurrent Liabilities**

This account consists of:

	2022	2021
Liabilities for purchased land - net of current portion (Note 18)	**₱1,239,086,896**	₱1,454,202,032
Retention payable - net of current portion (Note 18)	**728,337,670**	620,456,341
Deferred output tax - net of current portion (Note 18)	**711,514,445**	865,199,085
Security deposits - net of current portion (Note 19)	**432,970,627**	462,052,831
Advance rent - net of current portion (Note 19)	**67,088,536**	119,495,067
	₱3,178,998,174	₱3,521,405,356

23. **Equity**

Capital Stock

The details of the Parent Company's capital stock as at December 31 follow:

	2022	2021	2020
Common			
Authorized shares	**17,900,000,000**	17,900,000,000	17,900,000,000
Par value per share	**₱1.00**	₱1.00	₱1.00
Issued shares	**13,114,136,376**	13,114,136,376	13,114,136,376
Outstanding shares	**11,945,799,461**	11,945,799,461	11,945,799,461
Value of shares issued	**₱13,114,136,376**	₱13,114,136,376	₱13,114,136,376
Preferred Series 1			
Authorized shares	**8,000,000,000**	8,000,000,000	8,000,000,000
Par value per share	**₱0.01**	₱0.01	₱0.01
Issued and outstanding shares	**3,300,000,000**	3,300,000,000	3,300,000,000
Value of shares issued	**₱33,000,000**	₱33,000,000	₱33,000,000
Preferred Series 2			
Authorized shares	**200,000,000**	200,000,000	200,000,000
Par value per share	**₱0.10**	₱0.10	₱0.10
Issued and outstanding shares	**–**	–	–
Value of shares issued	**₱–**	₱–	₱–

Preferred Series 1

Voting, non-cumulative, non-participating, non-convertible and non-redeemable. The BOD may determine the dividend rate which shall in no case be more than 10.00% per annum.

Preferred Series 2

On June 17, 2019, the Stockholders approved the reclassification of the unissued preferred capital stock of the Parent Company to create Two Hundred Million (200,000,000) non-voting, cumulative, non-participating, non-convertible and redeemable Series 2 preferred shares with par value of ₱0.10 each and the corresponding amendment of the Articles of Incorporation of the Parent Company. The Board likewise approved the shelf registration and listing of such redeemable Series 2 preferred shares.

The terms and conditions of any offering of the Series 2 preferred shares, including the dividend rate, redemption prices, and similar matters will be determined by the Board of Directors at a later date. None of these reclassified preferred shares are issued as of December 31, 2022 and 2021.

Registration Track Record

On July 26, 2007, the Parent Company launched its follow-on offer where a total of 8,538,740,614 common shares were offered at an offering price of ₱6.85 per share. The registration statement was approved on June 25, 2007.

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2022:

	Number of Shares Registered	Number of holders of securities as of year end
December 31, 2020	13,114,136,376	946
Add/(Deduct) Movement	–	(2)
December 31, 2021	13,114,136,376	944
Add/(Deduct) Movement	–	(10)
December 31, 2022	**13,114,136,376**	**934**

Treasury Shares
Treasury shares totaling 416,128,700 of the Parent Company amounting to ₱2,361.98 million as of December 31, 2022 and 2021 represents the shares of stock held by the Parent Company, while treasury shares (752,208,215) amounting to ₱5,378.29 million for both 2022 and 2021 represents Parent Company stocks held by Manuela. These treasury shares are recorded at cost.

On November 5, 2018, the BOD of the Parent Company approved the extension of the Share Buyback Program up to November 5, 2020 subject to the prevailing market price at the time of the buyback over a 24-month period but subject to periodic review by the management.

The movement in the Parent Company's treasury shares follows:

	2022		2021		2020	
	Shares	Amount	Shares	Amount	Shares	Amount
At January 1	**1,168,336,915**	**₱7,740,264,387**	**1,168,336,915**	**₱7,740,264,387**	1,168,336,915	₱7,740,264,387
Additions	–	–	–	–	–	–
At December 31	**1,168,336,915**	**₱7,740,264,387**	**1,168,336,915**	**₱7,740,264,387**	1,168,336,915	₱7,740,264,387

Retained Earnings
Retained earnings include the accumulated equity in undistributed earnings of consolidated subsidiaries amounting to ₱81,670.79 million and ₱68,470.10 million as at and December 31, 2022 and 2021, respectively.

Also, the retained earnings is restricted to payments of dividends to the extent of cost of treasury shares in the amount of ₱2,361.98 million as at December 31, 2022 and 2021.

The BOD of the Parent Company approved the declaration of regular cash dividend amounting to ₱348.36 million or ₱0.0292 per share, ₱298.64 million or ₱0.03 per share, and ₱597.29 million or ₱0.05 per share on September 30, 2022, September 30, 2021 and September 30, 2020, respectively. The dividend declarations are in favor of all stockholders of record as of October 14, 2022, October 15, 2021 and October 16, 2020 and paid on October 28, 2022, October 29, 2021 and October 30, 2020, respectively.

Noncontrolling Interest
Sale of VistaREIT, Inc.'s share through a public listing
On June 15, 2022, the Group sold through a public listing its 39.91% effective noncontrolling interest in VistaREIT, Inc. at ₱1.75 per share. As a result of the sale and buy-back transactions, the Group's ownership interest in VistaREIT, Inc. was diluted from 98.94% to 60.09%. In relation to the dilution without loss of control, the impact to the Group's additional paid-in-capital amounted to

₱29.28 million. The Group's noncontrolling interest increased by ₱4,197.40 million, as a result of the public offering of VistaREIT, Inc. The difference between the consideration and carrying value of the noncontrolling interest was credited to additional paid-in-capital as shown below:

	Consideration received, net of expenses	Carrying value of Non-controlling interests deemed disposed	Difference recognized within Equity as Additional paid-in-capital
39.91% in VistaREIT, Inc.	₱4,226,683,974	₱4,197,400,031	₱29,283,943

Dividends declaration
The BOD of Vistamalls, Inc. (formerly Starmalls, Inc.) approved the declaration of regular cash dividend amounting to ₱220.43 million or ₱0.0262 per share and ₱135.99 million or ₱0.02 per share on September 30, 2022 and September 30, 2021, respectively. The dividend declarations are in favor of all stockholders of record as of October 14, 2022 and October 15, 2021 and paid on October 27, 2022 and October 28, 2021, respectively.

The BOD of VistaREIT, Inc. approved the declaration of regular cash dividend amounting to ₱1.00 million or ₱0.0020 per share, ₱270.75 million or ₱0.0361 per share, and ₱157.50 million or ₱0.0210 per share in March, August, and November 2022, respectively. The dividend declarations are in favor of all stockholders of record as of March 31, August 30 and November 28, 2022 which were paid on September 20 and December 19, 2022, respectively.

As at December 31, 2022 and 2021, the Group's dividends payable amounted to ₱96.02 million and ₱15.86 million, respectively.

Capital Management
The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of December 31, 2022, 2021 and 2020, the Group had the following ratios:

	2022	2021	2020
Current ratio	**289%**	248%	316%
Debt-to-equity ratio	**128%**	147%	134%
Net debt-to-equity ratio	**82%**	91%	87%
Asset-to-equity ratio	**261%**	279%	269%

No changes were made in the objectives, policies or processes for managing capital for the years ended December 31, 2022, 2021 and 2020.

The Group considers as capital the equity attributable to equity holders of the Parent Company. The following table shows the component of the Group's equity which it manages as capital as of December 31, 2022, 2021 and 2020:

	2022	2021	2020
Total paid-up capital	**₱43,831,849,668**	₱43,802,565,725	₱43,802,565,725
Retained earnings	**78,311,116,523**	72,539,569,939	66,411,673,066
Treasury shares	**(7,740,264,387)**	(7,740,264,387)	(7,740,264,387)
Other comprehensive income	**798,914,337**	778,073,767	585,601,339
	₱115,201,616,141	₱109,379,945,044	₱103,059,575,743

Financial Risk Assessment
The Group's financial condition and operating results would not be materially affected by the current changes in liquidity, credit, interest, currency and market conditions.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's counterparties remain diverse and outstanding balance of selected related parties are guaranteed by Fine Properties, Inc., ultimate parent company. Out of the total rental income in 2022, ₱11,708.40 million or 85.20% are transactions with related parties. Out of the total rental income in 2021, ₱7,326.14 million or 78.67% are transactions with related parties (see Notes 7 and 29).

Exposure to changes in interest rates is reduced by regular availment of short-term loans which is collateralized by the installment contracts receivables in order to cushion the impact of potential increase in loan interest rates.

The Parent Company has a formal foreign exchange and interest risk management policy. The Parent Company actively monitors foreign exchange exposure and interest rate changes. And in addition, the Parent Company ensures that all loan covenants and regulatory requirements are complied with.

Exposure to foreign currency holdings are as follows:

	2022	2021
Cash and cash equivalents	**US$26,030,098**	US$160,115,587
Investments in amortized cost	**744,318,610**	978,423,422
Notes payable	**769,997,069**	1,137,971,235
Bank loans	**18,000,000**	–

Liquidity risk is addressed with long-term funding already locked in, while funds are placed on a short-term placement.

24. Costs and Expenses

Costs of real estate sales
Cost includes acquisition cost of land, materials, labor, and overhead in construction and development and capitalized borrowing costs. Costs of real estate sales recognized for the years ended December 31, 2022, 2021 and 2020 amounted to ₱5,542.97 million, ₱8,533.40 million and ₱12,020.71 million, respectively (see Note 12).

Operating expenses
This account consists of:

	2022	2021	2020
Depreciation and amortization (Notes 14, 15 and 17)	**₱2,638,853,067**	₱2,686,583,410	₱2,247,713,931
Salaries, wages and employee benefits (Note 26)	**1,352,706,605**	1,240,164,577	1,276,763,379
Repairs and maintenance	**1,275,583,294**	891,734,526	1,071,070,828
Taxes and licenses	**1,086,964,974**	956,976,222	923,735,133
Contracted services	**891,373,658**	836,836,233	833,238,872
Occupancy costs (Note 28)	**765,608,912**	629,177,751	499,686,169
Commissions	**606,144,722**	829,743,095	1,031,485,162
Advertising and promotions	**396,596,297**	314,467,795	713,971,409
Transportation and travel	**116,760,139**	68,997,839	65,996,106
Office expenses	**50,936,419**	50,873,791	42,048,881
Representation and entertainment	**34,489,441**	29,379,618	24,851,714
Provision for impairment losses on receivables and investments (Notes 10 and 11)	**21,740,170**	443,283,830	83,259,949
Miscellaneous	**409,643,180**	429,561,405	271,106,708
	₱9,647,400,878	₱9,407,780,092	₱9,084,928,241

Operating expenses represent the cost of administering the business of the Group. These are recognized when the related services and costs have been incurred.

Occupancy cost
Occupancy cost consists of rental expenses relating to short-term lease and utilities expense such as light, power, and telephone charges.

Miscellaneous expenses
Miscellaneous expenses include dues and subscriptions, donations and other expenditures. This includes a net loss of ₱366.93 million from fire incident which hit Star Mall Alabang in Muntinlupa City on January 8, 2022. The net loss of ₱366.93 million is composed of the carrying values of the investment property and other related assets net of proceeds received from the insurance company in 2022.

25. Interest and Other Income from Investments, Parking, Hotel, Mall Administrative and Processing Fees, and Other Revenue, and Interest and Other Financing Charges

Interest and other income from investments consist of:

	2022	2021	2020
Installment contracts receivable (Note 11)	**₱671,515,534**	₱726,012,272	₱541,310,589
Accretion of unamortized discount (Note 11)	**29,826,779**	48,432,788	86,930,787
	₱701,342,313	₱774,445,060	₱628,241,376
Interest income from:			
Cash and cash equivalents, short-term investments and cash restricted for use (Notes 9, 10 and 13)	**₱49,785,418**	₱41,946,510	₱77,554,532
Investments at amortized cost (Note 10)	**931,410,352**	1,507,491,031	1,359,716,861
	₱981,195,770	₱1,549,437,541	₱1,437,271,393

Parking, hotel, mall administrative and processing fee, and other revenue consist of:

	2022	2021	2020
Forfeitures	**₱716,018,867**	₱686,415,538	₱620,094,918
Mall administrative and processing fee	**478,225,541**	890,906,111	546,104,024
Parking	**137,168,131**	121,887,432	117,585,865
Hotel (Note 7)	**103,138,406**	89,266,555	48,511,184
Loan processing fees from banks	**37,722,319**	276,951,662	262,277,117
Penalty and others	**135,071,791**	81,446,903	35,973,013
	₱1,607,345,055	₱2,146,874,201	₱1,630,546,121

Forfeitures pertain to forfeited reservation fees and payments for cancelled sales less of any amount refundable to buyers.

Parking pertains to payments from mall goers and tenants for use of the parking slots both for commercial and residential buildings.

Loan processing fees from banks pertain to payments from banks for processing of loan requirements in their behalf.

Penalty and others are payments from interest and surcharge for past due accounts. This also includes reversal of liabilities pertain to long-outstanding accounts payable - contractors which will not be settled anymore by the Group as assessed by management.

Interest and other financing charges consist of:

	2022	2021	2020
Interest incurred on:			
Notes payable (Note 21)	**₱7,279,838,507**	₱7,560,993,895	₱6,754,934,909
Bank loans and loans payable (Note 20)	**3,197,461,584**	2,883,093,299	2,685,358,656
Lease liabilities (Note 28)	**373,231,355**	287,930,761	386,720,482
Other bank charges	**13,884,241**	6,872,652	161,555,350
	10,864,415,687	10,738,890,607	9,988,569,397
Amounts capitalized (Notes 12 and 14)	**(5,646,528,612)**	(6,423,560,753)	(6,016,661,794)
	₱5,217,887,075	₱4,315,329,854	₱3,971,907,603

26. **Retirement Plan**

The Group has noncontributory defined benefit pension plan covering substantially all of its regular employees. The benefits are based on current salaries and years of service and related compensation on the last year of employment. The retirement benefit is the only long-term employee benefit.

The principal actuarial assumptions used to determine the pension benefits with respect to the discount rate, salary increases and return on plan assets were based on historical and projected normal rates.

The components of pension expense follow:

	2022	2021	2020
Current service cost	**₱50,647,447**	₱52,137,336	₱44,743,319
Interest income - net	**(13,030,904)**	(7,563,001)	(10,352,624)
Total pension expense	**₱37,616,543**	₱44,574,335	₱34,390,695

Pension expense is included in “Salaries, wages and employee benefits” under Operating expenses in the consolidated statements of comprehensive income.

Funded status and amounts recognized in the consolidated statements of financial position for the pension plan follow:

	2022	2021	2020
Plan assets	**₱784,930,802**	₱772,695,349	₱681,936,788
Defined benefit obligation	**(464,219,113)**	(489,729,931)	(517,927,481)
Pension assets recognized in the consolidated statements of financial position	**₱320,711,689**	₱282,965,418	₱164,009,307

Changes in the combined present value of the combined defined benefit obligation are as follows:

	2022	2021	2020
Balance at beginning of year	**₱489,729,931**	₱517,927,481	₱348,142,599
Current service cost	**50,647,447**	52,137,336	44,743,319
Interest cost	**25,331,175**	20,369,791	20,729,711
Net acquired obligation due to employee transfers	**17,092,500**	–	–
Actuarial losses (gains) due to:			
Experience adjustments	**61,294,656**	(8,820,557)	7,505,584
Changes in demographic assumptions	**–**	–	(3,146,246)
Changes in financial assumptions	**(157,805,840)**	(91,884,120)	99,952,514
Benefits paid from retirement fund	**(17,092,500)**	–	–
Benefits paid from Company operating funds	**(4,978,256)**	–	–
Balance at end of year	**₱464,219,113**	₱489,729,931	₱517,927,481

Changes in the fair value of the combined plan assets are as follows:

	2022	2021	2020
Balance at beginning of year	**₱772,695,349**	₱681,936,788	₱616,020,191
Contributions	**61,374,100**	58,425,850	3,000,000
Interest income included in net interest cost	**38,362,079**	27,932,792	31,082,335
Actual gains (losses) on return of plan assets excluding amount included in net interest cost	**(70,408,226)**	4,399,919	31,834,262
Benefits paid from retirement fund	**(17,092,500)**	–	–
Balance at end of year	**₱784,930,802**	₱772,695,349	₱681,936,788

The movements in the combined net pension assets follow:

	2022	2021	2020
Balance at beginning of year	**(₱282,965,418)**	(₱164,009,307)	(₱267,877,592)
Pension expense	**37,616,543**	44,574,335	34,390,695
Net acquired obligation due to employee transfers	**17,092,500**	–	–
Contributions	**(61,374,100)**	(58,425,850)	(3,000,000)
Total amount recognized in OCI	**(26,102,958)**	(105,104,596)	72,477,590
Benefits paid from Company operating funds	**(4,978,256)**	–	–
Balance at end of year	**(₱320,711,689)**	(₱282,965,418)	(₱164,009,307)

The assumptions used to determine the pension benefits for the Group are as follows:

	2022	2021	2020
Discount rates	**7.36%**	5.20%	4.21%
Salary increase rate	**7.71%**	7.75%	7.75%

The turn-over rate used to compute the retirement liability is ranging from 10% at age 18 to 0% at age 60 in 2022 and 2021.

The distribution of the plan assets at year-end follows:

	2022	2021	2020
Assets			
Cash and cash equivalents	**₱237,191,029**	₱164,471,897	₱109,508,011
Investments in private companies	**290,603,290**	325,688,164	451,232,452
Investments in government securities	**253,216,893**	280,012,287	118,611,794
Receivables	**5,053,057**	3,533,694	4,276,416
	786,064,269	773,706,042	683,628,673
Liabilities			
Trust fee payables	**991,625**	938,628	1,674,175
Other payable	**141,842**	72,065	17,710
	1,133,467	1,010,693	1,691,885
Net plan assets	**₱784,930,802**	₱772,695,349	₱681,936,788

The carrying amounts disclosed above reasonably approximate fair value at reporting date. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The net unrealized (losses) gains on investments in government securities amounted to (₱4.43 million), (₱2.65 million) and ₱5.20 million in 2022, 2021 and 2020, respectively.

The Group does not expect to contribute to its retirement fund in 2023.

The composition of the fair value of the Fund includes:

- *Cash* - include savings and time deposit with various banks and special deposit account.
- *Investments in private companies* - include investments in long-term debt notes and corporate bonds.
- *Investments in government securities* - include investment in Philippine RTBs.
- *Receivables* - includes interest and dividends receivable generated from investments included in the plan.
- *Trust fee payable* - pertain mainly to charges of trust or in the management of the plan.

The Group retirement benefit fund is in the form of a trust being maintained by a trustee bank. The fund includes investment in the form of fixed-rate peso retail bonds issued by the Parent Company due 2021 and 2027 with interest rates of 5.94% and 6.23%, respectively. As of December 31, 2022 and 2021, the fair value of investment amounted to ₱544.11 million and ₱596.30 million, respectively. Interest income earned from the investments in bonds amounted to ₱11.01 million, ₱4.57 million and ₱1.27 million in 2022, 2021 and 2020, respectively.

The allocation of the fair value of plan assets follows:

	2022	2021
Deposits	**30.22%**	21.29%
Corporate bonds	**37.02%**	42.15%
Government bonds	**32.26%**	36.24%

The funds are administered by a trustee bank under the supervision of the Board of Directors of the plan. The Board of Directors is responsible for investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity.

Shown below is the maturity analysis of the undiscounted benefit payments:

Plan Year	**2022**	2021
Less than 1 year	**₱16,809,074**	₱6,048,830
More than 1 year to 5 years	**63,465,859**	40,392,964
More than 5 years to 10 years	**264,165,459**	224,384,747
More than 10 years to 15 years	**443,392,339**	375,853,689
More than 15 years to 20 years	**541,935,627**	454,204,395
20 years and beyond	**3,855,400,749**	3,602,877,067
	₱5,185,169,107	₱4,703,761,692

The average duration of the expected benefit payments at the end of the reporting period is 22.36 years and 27.82 years as of December 31, 2022 and 2021, respectively.

Sensitivity analysis on the actuarial assumptions
Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

		Increase (decrease) on Defined Benefit Obligation	
	Rates	**2022**	2021
Discount rate	+1%	**(₱54,528,247)**	(₱67,084,119)
	-1%	**65,349,720**	82,180,394
Salary increase	+1%	**66,656,100**	81,431,005
	-1%	**(56,529,016)**	(67,984,296)

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles with mandate of management. Union Bank's (UB) current strategic investment strategy consists of 30.22% of cash, 32.26% of investments in government securities, 37.02% of investment in private companies and 0.64% receivables.

27. **Income Tax**

Provision for income tax consists of:

	2022	2021	2020
Current:			
RCIT/MCIT	**₱964,402,594**	₱866,932,587	₱922,515,389
Final	**1,581,268**	2,088,378	14,339,565
Deferred	**1,055,130,245**	1,088,627,884	292,335,550
	₱2,021,114,107	₱1,957,648,849	₱1,229,190,504

The components of the Group's deferred taxes are as follows:

Net deferred tax assets:

	2022	2021
Deferred tax assets on:		
Excess of tax basis over book basis of deferred gross profit on real estate sales	**₱121,534,973**	₱125,085,013
Accrual of retirement costs	**25,197,807**	54,174,310
NOLCO	**5,319,841**	50,636,525
Unamortized discount on receivables	**1,776,215**	1,850,959
MCIT	**727,405**	1,478,024
Allowance for probable losses	–	1,750,543
Unrealized foreign exchange losses	–	–
	154,556,241	234,975,374
Deferred tax liabilities on:		
Capitalized borrowing costs	**23,394,019**	45,061,370
Remeasurement gain on defined benefit obligation	**19,697,953**	50,996,567
Excess of book basis over tax basis of deferred gross profit on real estate sales	–	77,588,311
Straight line lease adjustment on rent income	–	10,518,073
Unrealized foreign exchange losses	–	2,427,126
	43,091,972	186,591,447
	₱111,464,269	₱48,383,927

Net deferred tax liabilities:

	2022	2021
Deferred tax assets on:		
Lease liabilities	**₱1,358,513,251**	₱1,358,960,110
NOLCO	**271,488,294**	1,633,171
Accrual of retirement costs	**246,394,562**	73,024,521
Allowance for probable losses	**155,599,566**	138,692,181
MCIT	**14,311,962**	10,621,570
Unamortized discount on receivables	**10,510,072**	8,615,812
Excess of tax basis over book basis of deferred gross profit on real estate sales	**1,407,778**	5,699,672
	2,058,225,485	1,597,247,037
Deferred tax liabilities on:		
Straight line lease adjustment on rent income	**3,681,168,833**	2,776,155,445
Excess of book basis over tax basis of deferred gross profit on real estate sales	**2,039,133,748**	1,099,342,052
Capitalized borrowing costs	**1,164,392,579**	1,402,821,564
Right-of-use assets	**1,093,371,964**	1,137,369,394
Remeasurement gain on defined benefit obligation	**171,716,493**	146,943,619
Fair value adjustments from business combination	**13,777,875**	15,746,143
Discount on rawland payable	**2,050,958**	1,519,459
	8,165,612,450	6,579,897,676
	(₱6,107,386,965)	(₱4,982,650,639)

Out of the ₱1,061.66 million movement in net deferred tax liabilities, ₱6.53 million was booked as movement in OCI in 2022.

Out of the ₱1,096.68 million movement in net deferred tax liabilities, ₱8.06 million was booked as movement in OCI in 2021.

The Group has deductible temporary differences, NOLCO and MCIT that are available for offset against future taxable income for which no deferred tax assets have been recognized, as follows:

	2022	2021	2020
NOLCO	**₱11,250,881,066**	₱12,840,423,648	₱11,069,296,116
MCIT	**3,686,409**	22,353,211	11,715,152

The related unrecognized deferred tax assets on these deductible temporary differences, NOLCO and MCIT amounted to ₱2,816.41 million, ₱3,232.46 million and ₱3,332.51 million as of December 31, 2022, 2021 and 2020, respectively. These are mostly coming from holding companies namely, VLL, Vistamalls, Inc., CHI and CPI.

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. The subsidiaries recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

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

As of December 31, 2022, the entities within the Group has incurred NOLCO before and after taxable years 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

NOLCO

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2022	₱3,749,376,576	₱–	₱3,749,376,576	2025
2019	2,855,660,846	(2,855,660,846)	–	2022
	₱6,605,037,422	(₱2,855,660,846)	₱3,749,376,576	

As of December 31, 2022, the entities within the Group has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2021	₱4,754,517,183	(₱1,462,571,920)	₱3,291,945,263	2026
2020	5,316,791,764	–	5,316,791,764	2025
	₱10,071,308,947	(₱1,462,571,920)	₱8,608,737,027	

MCIT

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2022	₱5,761,382	₱–	₱5,761,382	2025
2021	8,028,967	(2,174,184)	5,854,783	2024
2020	19,699,060	(12,589,449)	7,109,611	2023
2019	11,477,493	(11,477,493)	–	2022
	₱44,966,902	(₱26,241,126)	₱18,725,776	

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in profit or loss follows:

	2022	2021	2020
Provision for income tax computed at the statutory income tax rate	**25.00%**	25.00%	30.00%
Additions to (reductions in) income tax resulting from:			
Nondeductible interest and other expenses	**9.97**	11.60	12.02
Expired MCIT and NOLCO	**7.71**	10.71	9.87
Change in unrecognized deferred tax assets	**(12.13)**	0.52	7.79
Tax-exempt interest income	**(2.58)**	(4.28)	(5.36)
Tax-exempt income on BOI-Projects	**(1.92)**	(9.80)	(40.62)
Interest income already subjected to final tax	**(0.01)**	(0.02)	(0.10)
Changes in tax rate arising from CREATE Act	–	(7.75)	–
Others	**(4.57)**	(4.05)	2.54
Provision for income tax	**21.47%**	21.93%	16.14%

Corporate Recovery and Tax Incentives for Enterprises Act or “CREATE”

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

On April 8, 2021, the Secretary of Finance, with recommendation from the Commissioner of the Bureau of Internal Revenue, promulgated the Implementing Rules and Regulations for the effectivity of the approved provisions of CREATE Act and clarified how the taxable income for the period beginning July 1, 2020 will be computed.

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

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity’s office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

- Foreign-sourced dividends received by domestic corporations are exempt from income tax subject to the following conditions:
  - The funds from such dividends actually received or remitted into the Philippines are reinvested in the business operations of the domestic corporation in the Philippines within the next taxable year from the time the foreign-sourced dividends were received;
  - Shall be limited to funding the working capital requirements, capital expenditures, dividend payments, investment in domestic subsidiaries, and infrastructure project; and
  - The domestic corporation holds directly at least 20% of the outstanding shares of the foreign corporation and has held the shareholdings for a minimum of 2 years at the time of the dividend distribution.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Group is subjected to lower regular corporate income tax rate of either 25% or 20% effective July 1, 2020. The rate applicable to the Group is 25%.

As a result of reduction in RCIT/MCIT rate, the provision for current income tax for the year ended December 31, 2020 and income tax payable as of December 31, 2020 decreased by ₱81.60 million. In addition, the provision for deferred tax for the year then ended December 31, 2020 and net deferred tax liabilities as of December 31, 2020 decreased by ₱609.66 million. For financial reporting purposes, these changes are recognized in the 2021 financial statements in accordance with PIC Q&A 2020-07.

The total reduction in income tax expense in 2021 amounting to ₱691.26 million is composed of ₱81.60 million coming from reduction in tax rate from 30% to 25% for 2021 taxable income and ₱609.66 million coming from the 5% tax expense for 2020 taxable income recorded as reduction for financial reporting in 2021.

Board of Investments (BOI) Incentives

The BOI issued in favor of certain subsidiaries in the Group a Certificate of Registration as Developer of Mass Housing Projects for its 59 projects in 2022, 78 projects in 2021 and 84 projects in 2020, in accordance with the Omnibus Investment Code of 1987. Pursuant thereto, the projects have been granted an Income Tax Holiday for a period of either three years for new projects, or four years for expansion projects, commencing from the date of issuance of the Certificate of Registration.

The Group availed of tax incentive in the form of ITH on its income under registered activities amounting to ₱109.72 million, ₱254.31 million and ₱293.84 million in 2022, 2021 and 2020, respectively.

28. **Lease Liabilities**

The Group, as lessee, has lease contracts for parcels of land where its commercial centers are situated with lease terms of 11 - 30 years. Rental due is based on prevailing market conditions. Generally, the Group is not restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The following are the amounts recognized in consolidated statements of comprehensive income:

	2022	2021
Depreciation expense of right-of-use assets included in investment properties (Note 14)	**₱175,989,721**	₱175,989,721
Interest expense on lease liabilities	**373,231,355**	287,930,761
Expenses relating to short-term leases (included in operating expenses)	**15,141,802**	119,987,200
Total amount recognized in statement of comprehensive income	**₱564,362,878**	₱583,907,682

The rollforward analysis of lease liabilities follows:

	2022	2021
Balances at beginning of year	**₱5,435,840,440**	₱2,674,852,382
Interest expense (Note 25)	**373,231,355**	287,930,761
Additions due to lease modification	**–**	2,756,247,692
Payments	**(375,018,792)**	(283,190,395)
Balances at end of year	**5,434,053,003**	5,435,840,440
Less current portion	**368,459,297**	348,214,986
Noncurrent portion	**₱5,065,593,706**	₱5,087,625,454

On July 2, 2021, the Group and one of the lessors amended the lease contract covering parcels of land where one of the Group's commercial building is situated by extending the lease period and amending the lease rates. The lease modification did not result in a separate lease and the Group remeasured the lease liability based on the amended lease period and lease rates and recognized the difference between the carrying amount of the modified lease liability and the carrying amount of the lease liability immediately before the modification as an adjustment to the right-of-use asset.

The Group has no lease contract that contains variable payments. The Group's fixed payments amounted to ₱390.54 million and ₱403.18 million in 2022 and 2021, respectively.

The Group's lease contracts include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 5).

Shown below is the maturity analysis of the undiscounted lease payments:

	2022	2021
Within 1 year	**₱368,459,297**	₱348,214,986
More than 1 year to 2 years	**377,749,481**	368,459,297
More than 2 years to 3 years	**421,788,247**	377,749,481
More than 3 years to 4 years	**442,927,197**	421,788,247
More than 4 years to 5 years	**469,599,629**	442,927,197
More than 5 years	**8,857,658,091**	9,327,257,720
	₱10,938,181,942	₱11,286,396,928

29. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence. Entities under common control are those entities outside the Group but are related parties of Fine Properties, Inc. Related parties may be individuals or corporate entities.

All publicly listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirement under Revised SRC Rule 68 and SEC Memorandum Circular 10, series 2019.

The Parent Company has an approval requirement such that material related party transaction (RPT) shall be reviewed by the Risk Management Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the threshold value as approved by the Committee amounting to 10% or higher of the Group's total consolidated assets based on its latest audited financial statements.

The Group in their regular conduct of business has entered into transactions with related parties principally consisting of trade transactions from mall leasing, advances, reimbursement of expenses and purchase and sale of real estate properties. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The consolidated statements of financial position include the following amounts resulting from the foregoing transactions which represent amounts receivable from (payable to) related parties as of December 31, 2022 and 2021:

December 31, 2022

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
Receivable from tenants and accrued rental receivable *(Note 11)*					
Entities under Common Control	**a) Rental of mall spaces**	**₱11,708,398,391**	**₱25,554,113,420**	**Noninterest-bearing**	**Certain receivables with letter of financial support from Fine Properties Inc., No impairment**
Ultimate Parent	**a) Rental of office spaces**	**69,960**	**3,577,888**	**Noninterest-bearing**	**Unsecured, No impairment**
		₱11,708,468,351	**₱25,557,691,308**		

(Forward)

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
Receivable from/advances to related parties					
Ultimate Parent (Note 14)	**b) Joint venture advances**	**₱957,087,103**	**₱7,042,276,334**	**Noninterest-bearing**	**Unsecured, No impairment**
Advances in project development cost *(Note 16)*					
Ultimate Parent	**b) Joint venture advances**	**₱–**	**₱91,646,033**	**Noninterest-bearing**	**Unsecured, No impairment**
Entities under Common Control	**b) Purchase and return of advances for housing credits**	**7,605,814**	**406,039,727**	**Noninterest-bearing**	**Unsecured, No impairment**
		₱7,605,814	**₱497,685,760**		
Lease liabilities *(Note 28)*					
Ultimate Parent	**d) Rental of parcels of land**	**(₱23,795,634)**	**(₱379,890,989)**	**Interest-bearing**	**Unsecured**
Interest expense *(Note 28)*					
Ultimate Parent	**d) Rental of parcels of land**	**₱39,379,722**	**₱–**	**Interest-bearing**	**Unsecured**
Dividends Declared/Payable					
Stockholders	**e) Dividends**	**₱519,159,212**	**₱96,024,581**		

December 31, 2021

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
Receivable from tenants and accrued rental receivable (Note 11)					
Entities under Common Control	a) Rental of mall spaces	₱7,326,143,498	₱17,778,258,321	Noninterest-bearing	Certain receivables with letter of financial support from Fine Properties Inc., No impairment
Ultimate Parent	a) Rental of office spaces	4,583,723	3,577,888	Noninterest-bearing	Unsecured, No impairment
		₱7,330,727,221	₱17,781,836,209		
Receivable from/advances to related parties					
Ultimate Parent	f) Sale of VLLI shares	(₱1,960,071,572)	₱–	Noninterest-bearing; Due and demandable	Unsecured, No impairment
Ultimate Parent (Note 14)	b) Joint venture advances	3,236,698,012	6,085,189,231	Non-interest bearing	Unsecured, No impairment
Entities under Common Control	b) Advances	(879,187,160)	–	Non-interest bearing	Unsecured, No impairment
		₱397,439,280	₱6,085,189,231		
Advances in project development cost (Note 16)					
Ultimate Parent	b) Joint venture advances	₱–	₱91,646,033	Non-interest bearing	Unsecured, No impairment
Entities under Common Control	b) Purchase and return of advances for housing credits	(481,115,121)	398,433,913	Non-interest bearing	Unsecured, No impairment
		(₱481,115,121)	₱490,079,946		
Accounts payable to contractors					
Ultimate Parent	c) Payables for construction contracts	₱426,045,294	₱–	Due and demandable; noninterest-bearing	Unsecured
Lease liabilities (Note 28)					
Ultimate Parent	d) Rental of parcels of land	(₱47,022,775)	(₱356,095,355)	Interest-bearing	Unsecured
Interest expense (Note 28)					
Ultimate Parent	d) Rental of parcels of land	(₱37,050,794)	₱–	Interest-bearing	Unsecured
Dividends Declared/Payable					
Stockholders	e) Dividends	₱314,501,440	₱15,856,454		

a) The Group has operating lease agreements with entities under common control for the leases of commercial centers. The lease agreements are renewable and contain escalation clauses. Rental income and receivables including the effect of straight-line calculation from related parties amounted to ₱11,708.40 million and ₱25,554.11 million, respectively, as of December 31, 2022, ₱7,326.14 million and ₱17,778.26 million, respectively, as of December 31, 2021. These receivables from related parties which are recognized as 'Accrued rental receivable' under 'Receivables' are not impaired (see Note 11).

Included in the related party tenants are AllHome Corp., AllDay Marts, Inc., All Day Retail Concepts, Inc., Family Shoppers Unlimited, Inc., CM Star Management, Inc., and The Village Server, Inc. which are subsidiaries of AllValue Holdings Corp. (collectively referred to as AllValue Group or Anchor Tenant). AllValue Group is engaged in retail businesses covering supermarkets, retail of apparel, construction materials and home/building appliances and furnishings. The lease agreements contain escalation clauses.

Rental income and receivables from All Value Group including the effect of future lease rate escalation amounted to ₱10,257.59 million and ₱23,101.10 million, respectively, as of December 31, 2022 and ₱7,113.08 million and ₱16,549.24 million, respectively, as of December 31, 2021. These receivables from All Value Group which are recognized as 'Accrued rental receivable' under 'Receivables' are not impaired (see Note 11).

Rental income and receivables from All Value Group without the effect of future escalation amounted to ₱5,026.22 million and ₱6,908.74 million, respectively, as of December 31, 2022 and ₱3,594.82 million and ₱5,595.94 million, respectively, as of December 31, 2021. These receivables from All Value Group which are recognized as 'Accounts receivable from tenants' under 'Receivables' are noninterest-bearing and are not impaired (see Note 11).

Related parties with outstanding rent receivables without the effect of future escalation amounting to ₱4,097.42 million and ₱973.41 million were provided with financial support letter by Fine Properties, Inc. as of December 31, 2022 and 2021, respectively.

As discussed in Note 5, certain related party tenants which are entities under common control requested to terminate certain lease contracts in various malls in 2022, 2021 and 2020. Accrued rental receivable from straight-lining of rental income of ₱420.25 million, ₱2.84 million and ₱1,556.12 million was reversed against rental income for the years ended December 31, 2022, 2021 and 2020, respectively.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19 pandemic, the Group based on its scheme waived its right to collect rent and other charges as part of various lease concessions it granted to its related party lessees such as lease payment holidays or lease payment reductions. The rent concession granted by the Group to its related party tenants for the years ended December 31, 2022, 2021 and 2020 amounted to ₱2.93 million, ₱32.11 million and ₱975.17 million, respectively.

In January 2022, the Group amended certain lease contracts with Family Shoppers Unlimited, Inc. and Parallax, Inc. resulting to increase in rental income and rental receivables by ₱5,435.40 million. The amendments of the lease contracts are as follows:

a. Extension of lease term commencing from the lease modification date; and
b. From variable rent to annual fixed rent based on rate with annual escalation.

In May and November 2019, the Group amended certain lease contracts with All Value Group. The amendments of the lease contracts are as follow:

a. Extension of the lease term by 10-15 years commencing from the lease modification date; and
b. From annual fixed rent to variable rent based on agreed percentage on gross sales or agreed minimum guaranteed rent (MGR) with annual escalation, whichever is higher

The Ultimate Parent Company also has lease agreements with the Group for the lease of its office spaces. The rental due is based on prevailing market conditions.

b) On December 23, 2017, the Group entered into a Memorandum of Agreement (MOA) with Bria Homes, Inc.(Bria), a developer of socialized housing projects located in various areas in the Philippines, to assign portions of the socialized housing projects to various entities in the Group in compliance with the requirements of Republic Act No. 7279 (Urban Development and Housing Act of 1992). On November 23, 2018, the Group entered into another MOA with Bria to include vertical residential projects in the assignment of socialized housing projects. As such, the Group makes cash advances to Bria Homes, Inc. for the construction of socialized housing units which are recorded under project development costs (see Note 16).

   On December 23, 2019, another MOA was executed with Bria to specify the details of the housing credits to be delivered by Bria equivalent to the advances provided by VLL. On December 21, 2020, the Group executed an amendment updating the number of housing credit that Bria will deliver to the Group to settle its outstanding balance.

   In 2021, CAPI, VMI and various other VLLI subsidiaries executed a Deed of Assignment of Advances (DOA) to Fine Properties, Inc. totaling ₱5.75 billion after deducting the partial delivery of social housing credits and cash payments in 2020 which was consolidated to Brittany Corporation (BC). The DOA effectively consolidates all receivables from Fine Properties, Inc. to BC while BC recognizes payable to the respective entities within VLLI group. These intercompany transactions between VLLI subsidiaries were eliminated at consolidated level.

   Furthermore, BC and Fine Properties, Inc. entered into a Land Development Agreement (LDA) to develop 159, 208 square meters in Molino, Bacoor, Cavite to be developed into mixed-use residential and commercial subdivisions over a 15-year period. Fine Properties, Inc. will contribute land while the contribution of BC will be the planning, conceptualization, design, construction and financing of the Project. Both parties agreed to share the saleable lots into sharing of 60% for Fine Properties, Inc. and 40% for BC. The intention of the parties is for Fine Properties, Inc. to settle the resulting advances by BC of ₱5.75 billion in addition to the existing advances to Fine Properties, Inc. of ₱340.00 million totaling to ₱6.09 billion, from its share of the saleable lots in the LDA. The expected settlement will start upon completion of land development but shall in no case be earlier than 36 months from execution of the agreement dated December 17, 2021.

c) These are advances for working capital and investment requirements of the related parties and are due and demandable.

   On December 28, 2018, MGS Construction, Inc. assigned its receivables from Vista Residences, Inc. in the total amount of ₱1,340.13 million in favor of Fine Properties, Inc. This resulted to recognition of payable to Fine Properties, Inc. of the same amount. The liability was offset with the receivables from Fine Properties, Inc. in 2018. In 2021, these receivables were included in the executed DOA of VLL subsidiaries to Fine Properties, Inc.

d) The Group entered into lease agreements with Fine Properties, Inc. pertaining to parcels of land wherein the Group's commercial centers are situated. These leases have terms of 25 years, with rental escalation clauses and renewal options.

e) Details of dividends declared to stockholders are discussed in Note 23.

f) In May 2013, VMI sold the remaining 399,397,000 shares of its investments in VLLI, with a carrying amount of ₱1,906.22 million, for a total consideration of ₱2,772.30 million to Fine Properties Inc. In 2021, the outstanding receivables was included in the consolidation of all receivables from Fine Properties, Inc. to BC.

As of December 31, 2022 and 2021, the retirement plan asset includes investment in fixed-rate peso retail bonds of the Parent Company with fair value amounting to ₱13.39 million and ₱14.99 million, respectively (see Note 26).

The compensation of key management personnel by benefit type follows:

	2022	2021	2020
Short-term employee benefits	**₱114,661,755**	₱110,070,514	₱133,520,360
Post-employment benefits	**24,928,030**	24,036,406	30,088,552
	₱139,589,785	₱134,106,920	₱163,608,912

30. **Earnings Per Share and Noncontrolling Interest**

The following table presents information necessary to compute the EPS:

	2022	2021	2020
Net income attributable to equity holders of Parent	**₱6,119,908,898**	₱6,426,541,859	₱6,056,015,749
Weighted average common shares*	**11,945,799,461**	11,945,799,461	11,945,799,461
Basic/Diluted Earnings per share	**₱0.512**	₱0.538	₱0.507

**Weighted average common shares consider the effect of treasury shares*

The basic and dilutive earnings per share are the same due to the absence of potentially dilutive common shares for the years ended December 31, 2022, 2021 and 2020.

The summarized financial information for which there are noncontrolling interests, are provided below. The information is based on amounts before inter-company eliminations.

Vistamalls, Inc. and Subsidiaries (VMI&S)

	2022	2021	2020
Assets	**₱90,114,478,895**	₱80,672,044,189	₱73,691,776,165
Liabilities	**53,700,256,821**	50,821,470,182	47,261,060,270
Equity	**36,414,222,074**	29,850,574,007	26,430,715,895
Total comprehensive income	**6,784,076,826**	4,407,698,539	2,720,679,864
Attributable to:			
Equity holders of VMI&S	**6,781,443,750**	3,866,994,102	2,390,083,744
Noncontrolling-interest	**2,633,076**	540,704,437	330,596,120

VistaREIT, Inc. (VistaREIT)

	2022	2021	2020
Assets	**₱27,518,799,447**	₱505,492,737	₱10,004,921
Liabilities	**39,830,724**	5,181,000	262,060
Equity	**26,173,664,073**	500,311,737	9,742,861
Total comprehensive income*	**(9,608,291,500)**	(120,914)	257,139
Attributable to:			
Equity holders of VistaREIT	**1,033,397,821**	(120,914)	257,139
Noncontrolling-interest	**545,505,509**	–	–

**This includes the decrease in fair value of investment properties carried at fair value in the financial statements of VistaREIT amounting to ₱11,187.19 million in 2022. The net income from VistaREIT amounted to ₱1,578.90 million, excluding the change in fair value of its investment properties, for the year ended December 31, 2022.*

As of December 31, 2022, 2021 and 2020, the accumulated balances of and net income attributable to noncontrolling interests follows:

	2022	2021	2020
Accumulated balances:			
Noncontrolling interest share in equity	**₱8,448,577,034**	₱3,146,983,827	₱2,620,068,365
Share in dividend	**170,796,898**	15,856,454	15,326,523
Net income attributable to noncontrolling interests	**1,272,741,442**	540,704,437	330,596,120
Other comprehensive income	**2,248,632**	2,067,479	859,042

31. **Fair Value Determination**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Other valuation techniques involving inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents, short-term cash investments, accrued interest receivable, receivable from tenants, buyers and HDMF, advances to a related party, accounts and other payables (except for deferred output VAT and other statutory payables) and dividends payable: Due to the short-term nature of the accounts, the fair value approximate the carrying amounts in the consolidated statements of financial position.

Installment contracts receivable: The fair value of installment contracts receivable due within one year approximates its carrying amount. Noncurrent portion of installment contracts receivable are discounted using the applicable discount rates for similar types of instruments. The discount rates used range from 2.43% to 19.00% and 2.44% to 19.00% as of December 31, 2022 and 2021, respectively.

Investments at FVOCI: Fair values of equity securities are based on quoted market prices.

Investments at amortized cost: The fair value of these listed bonds is determined by reference to quoted market bid prices, at the close of business on the reporting date.

Bank loans, loans payable, notes payable, liabilities for purchased land and retention payable: Estimated fair values are based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest rates used in discounting cash flows ranged from 5.35% to 8.63% in 2022 and 2.22% to 10.66% in 2021 using the remaining terms to maturity.

The following table provides the fair value measurement and the hierarchy of the Group's financial assets and liabilities recognized as of December 31, 2022 and 2021:

		December 31, 2022			
		Fair Value			
	Carrying values	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant offer observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	**₱117,158,380**	**₱117,158,380**	**₱105,000,000**	**₱12,158,380**	**₱–**
Financial assets for which fair values are disclosed:					
Installment contracts receivable	**35,296,250,329**	**34,692,905,483**	–	–	**34,692,905,483**
Investments at amortized cost	**41,499,484,082**	**41,611,556,371**	**41,611,556,371**	–	–
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	**55,946,823,117**	**55,115,377,456**	–	–	**55,115,377,456**
Notes payable	**102,448,203,441**	**99,903,741,873**	–	–	**99,903,741,873**
Loans payable	**5,334,619,152**	**5,071,583,187**	–	–	**5,071,583,187**
Liabilities for purchased land	**2,918,645,181**	**2,718,691,406**	–	–	**2,718,691,406**
Retention payable	**1,647,670,283**	**1,494,394,633**	–	–	**1,494,394,633**

		December 31, 2021			
		Fair Value			
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	₱124,499,183	₱124,499,183	₱83,000,000	₱41,499,183	₱–
Financial assets for which fair values are disclosed:					
Installment contracts receivable	41,235,173,571	43,092,512,215	–	–	43,092,512,215
Investments at amortized cost	49,817,449,839	50,311,215,649	50,311,215,649	–	–
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	56,992,341,863	57,355,033,204	–	–	57,355,033,204
Notes payable	107,930,233,523	112,508,499,731	–	–	112,508,499,731
Loans payable	3,779,511,014	3,670,237,853	–	–	3,670,237,853
Liabilities for purchased land	3,282,337,519	3,170,096,006	–	–	3,170,096,006
Retention payable	1,619,661,728	1,547,698,569	–	–	1,547,698,569

In 2022 and 2021, there were no transfers between Levels of fair value measurements.

Significant increases (decreases) in discount rate would result in significantly higher (lower) fair value of the installment contracts receivable, notes payable, loans payable, bank loans, retention payable and liabilities for purchased land.

Description of significant unobservable inputs to valuation follows:

Account	**Valuation Technique**	**Significant Unobservable Inputs**
Installment contracts receivable	Discounted cash flow analysis	Discount rate
Bank loans	Discounted cash flow analysis	Discount rate
Notes payable	Discounted cash flow analysis	Discount rate
Loans payable	Discounted cash flow analysis	Discount rate
Retention payable	Discounted cash flow analysis	Discount rate
Liabilities for purchased land	Discounted cash flow analysis	Discount rate

32. Financial Assets and Liabilities

Financial Risk Management Objectives and Policies

Financial risk

The Group's principal financial liabilities comprise of bank loans, loans payable, notes payable, accounts and other payables (except for deferred output VAT and other statutory payables), liabilities for purchased land and retention payable. The main purpose of the Group's financial liabilities is to raise financing for the Group's operations. The Group has various financial assets such as installment contracts receivable, cash and cash equivalents, short-term and long-term cash investments, investments at fair value through other comprehensive income and investments at amortized cost which arise directly from its operations. The main risks arising from the use of financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The BOD reviews and approves with policies for managing each of these risks. The Group monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD.

The Group's risk management policies are summarized below. The exposure to risk and how they arises, as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior years.

Cash flow interest rate risk

The Group's exposure to market risk for changes in interest rates, relates primarily to its financial assets and liabilities that are interest-bearing.

The Group's policy is to manage its interest cost by entering into fixed rate debts. The Group also regularly enters into short-term loans with its installment contracts receivables as collateral to cushion the impact of potential increase in loan interest rates.

The table below shows the financial assets and liabilities that are interest-bearing:

	December 31, 2022	
	Effective Interest Rate	**Amount**
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	**0.01% to 1.25%**	**₱13,605,686,137**
Cash and cash equivalents in US Dollar	**0.06% to 0.13%**	**1,451,308,141**
Short-term cash investments	**0.10% to 3.13%**	**47,278,102**
Investments at amortized cost	**1.05% to 7.19%**	**41,499,484,082**
Installment contracts receivable	**1.66% to 19.00%**	**35,296,250,329**
		₱91,900,006,791
Financial liabilities		
Fixed rate		
Notes payable	**5.70% to 8.25%**	**₱102,448,203,441**
Bank loans	**3.25% to 8.17%**	**55,946,823,117**
Loans payable	**6.03% to 8.63%**	**5,334,619,152**
Lease liabilities	**6.79% to 8.80%**	**5,434,053,003**
		₱169,163,698,713

	December 31, 2021	
	Effective Interest Rate	Amount
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	0.03% to 0.50%	₱3,889,848,401
Cash and cash equivalents in US Dollar	0.05% to 0.13%	7,956,192,935
Short-term cash investments	1.00% to 4.00%	336,019,645
Investments at amortized cost	0.39% to 10.82%	49,817,449,839
Installment contracts receivable	2.44% to 19.00%	41,235,173,571
		₱103,234,684,391
Financial liabilities		
Fixed rate		
Notes payable	5.70% to 8.25%	₱107,930,233,523
Bank loans	3.25% to 8.17%	56,992,341,863
Loans payable	2.22% to 6.50%	3,779,511,014
Lease liabilities	5.55% to 10.66%	5,435,840,440
		₱174,137,926,840

As of December 31, 2022, and 2021, the Group's leasing income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk
The Group's foreign exchange risk is limited to certain USD denominated cash and cash equivalents, resulting primarily from movements of the Philippine Peso against the United States Dollar (USD). Below is the carrying amount of USD-denominated cash and cash and sensitivity analysis on exchange rate for effect on income before income tax.

	December 31, 2022		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on income before tax**
Cash and cash equivalents	**US$473,598**	**+4.22%**	**₱1,114,179**
	US$473,598	**-4.22%**	**(1,114,179)**

	December 31, 2021		
	Amount	Increase/Decrease in US Dollar rate	Effect on income before tax
Cash and cash equivalents	US$4,108,745	+2.60%	₱5,435,760
	US$4,108,745	-2.60%	(5,435,760)

The functional currency of VII, a wholly owned subsidiary, is USD. VII has Cash and cash equivalents, Investments at amortized costs, Notes payable and Bank loans in USD. VII's financial assets and liabilities are translated into Philippine peso, the presentation currency of the Group, using closing exchange rate prevailing at the reporting date, and the respective income and expenses at the weighted average rates for the period. The exchange differences arising on the translation are recognized in OCI under "Cumulative Translation Adjustments" (CTA).

See below for the carrying amounts and sensitivity analysis on other comprehensive income:

	December 31, 2022		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on Other Comprehensive Income**
Assets			
Cash and cash equivalents	**US$25,556,500**	**+4.22%**	**₱60,123,749**
	US$25,556,500	**-4.22%**	**(60,123,749)**
Investments at amortized costs	**US$744,318,610**	**+4.22%**	**1,751,070,179**
	US$744,318,610	**-4.22%**	**(1,751,070,179)**
Liabilities			
Notes payable	**US$769,997,069**	**+4.22%**	**(1,853,827,314)**
	US$769,997,069	**-4.22%**	**1,853,827,314**
Bank loans	**US$18,000,000**	**4.22%**	**(42,346,467)**
	US$18,000,000	**-4.22%**	**42,346,467**

	December 31, 2021		
	Amount	Increase/Decrease in US Dollar rate	Effect on Other Comprehensive Income
Assets			
Cash and cash equivalents	US$156,006,842	+2.60%	₱206,520,705
	US$156,006,842	-2.60%	(206,520,705)
Investments at amortized costs	US$978,423,422	+2.60%	1,295,229,695
	US$978,423,422	-2.60%	(1,295,229,695)
Liabilities			
Notes payable	US$1,137,971,235	+2.60%	(1,506,437,910)
	US$1,137,971,235	-2.60%	1,506,437,910

In translating the foreign currency- denominated monetary assets and liabilities in peso amounts, the Philippine Peso - US dollar exchange rates as at December 31, 2022 and 2021 used were ₱55.76 to US$1.00 and ₱51.00 to US$1.00, respectively.

The assumed movement in basis points for foreign exchange sensitivity analysis is based on the management's forecast of the currently observable market environment, showing no material movements as in prior years.

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily installment contracts receivables and receivables from tenants) and from its investing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Receivables are regularly monitored.

In respect of installment contracts receivable from the sale of real estate inventories, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed.

The Group evaluates the concentration of risk with respect to non-related party trade receivables as low, as its customers are located in several jurisdictions and various income brackets, and operate in largely independent markets.

The Group evaluates the concentration of risk with respect to receivable from related parties (see Note 29). This is discussed in Note 6. The related parties have a strong capacity to meet their contractual cash flows and collectability is guaranteed by Fine Properties, Inc., ultimate parent company.

Credit risk arising from receivable from tenants - third parties is primarily managed through a screening of tenants based on credit history and financial information submitted. Tenants are required to pay security deposits equivalent to 2 to 4-month lease payment to cover any defaulting amounts and advance rentals also equivalent to 2 to 4-month rent.

Credit risk arising from receivables from related parties is minimal as they have a low risk of default and have a strong capacity to meet their contractual cash flows in the near term.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk as of December 31, 2022 and 2021 is equal to the carrying values of its financial assets.

As of December 31, 2022 and 2021, the credit quality per class of financial assets is as follows:

	2022					
	Neither Past Due nor Impaired					
	High Grade	Standard	Substandard Grade	Past due but not Impaired	Impaired	Total
Cash and cash equivalents	₱15,056,994,278	₱–	₱–	₱–	₱–	₱15,056,994,278
Short-term cash investments	47,278,102	–	–	–	–	47,278,102
Investments at amortized cost	41,499,484,082	–	–	–	104,455,985	41,603,940,067
Investments at FVOCI	117,158,380	–	–	–	–	117,158,380
Installment contract receivable	21,230,928,394	779,312,682	35,924,974	13,250,084,279	–	35,296,250,329
Receivable from tenants and accrued rent receivable	18,117,338,108	–	–	8,916,400,937	495,636,493	27,529,375,538
Receivable from HDMF	185,386,869	–	–	–	–	185,386,869
Receivable from buyers	–	–	–	171,303,255	–	171,303,255
Accrued interest receivable	444,938,814	–	–	–	–	444,938,814
Restricted cash	325,078,616	–	–	–	–	325,078,616
	₱97,024,585,643	₱779,312,682	₱35,924,974	₱22,337,788,471	₱600,092,478	₱120,777,704,248

	2021					
	Neither Past Due nor Impaired					
	High Grade	Standard	Substandard Grade	Past due but not Impaired	Impaired	Total
Cash and cash equivalents	₱11,846,041,336	₱–	₱–	₱–	₱–	₱11,846,041,336
Short-term cash investments	336,019,645	–	–	–	–	336,019,645
Investments at amortized cost	49,817,449,839	–	–	–	81,166,262	49,898,616,101
Investments at FVOCI	124,499,183	–	–	–	–	124,499,183
Installment contract receivable	10,442,133,473	573,616,115	20,912,446	30,198,511,537	–	41,235,173,571
Receivable from tenants and accrued rent receivable	12,972,076,459	–	–	5,937,223,530	497,186,046	19,406,486,035
Receivable from HDMF	188,381,927	–	–	134,492,069	–	322,873,996
Receivables from buyers	–	–	–	162,854,404	–	162,854,404
Accrued interest receivable	543,893,498	–	–	–	–	543,893,498
Restricted cash	219,408,980	–	–	–	–	219,408,980
	₱86,489,904,340	₱573,616,115	₱20,912,446	₱36,433,081,540	₱578,352,308	₱124,095,866,749

The Company’s basis in grading its receivables are as follow:

High-grade - pertain to receivables from related parties which based on experience are highly collectible or collectible on demand, and of which exposure to bad debt is not significant. Installment contract receivables under bank-financing, receivable from buyers and receivable from HDMF awaiting for bank and HDMF remittance but has been processed are assessed to be high grade since the accounts have undergone credit evaluation performed by two parties, the Group and the respective bank, thus credit evaluation underwent a more stringent criteria resulting to higher probability of having good quality receivables. High-grade receivable from tenants and accrued rental receivable and accrued interest receivable are receivables which have a high probability of collection (i.e., the counterparty has the apparent ability to satisfy its obligation and the security on receivables are readily enforceable).

Standard - pertain to active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard - pertain to receivables that can be collected provided the Group makes persistent effort to collect them.

The Group’s investments in unquoted equity securities presented as investments at fair value through other comprehensive income are incidental to its housing projects and are considered by the Group to be of high quality.

Cash in banks and cash equivalents and short-term cash investments are deposited/placed in banks that are stable as they qualify either as universal or commercial banks. Universal and commercial banks represent the largest single group, resource-wide, of financial institutions in the country the Group is operating. They offer the widest variety of banking services among financial institutions. These financial assets are classified as high grade due to the counterparties’ low probability of insolvency.

As of December 31, 2022 and 2021, the aging analyses of the Company's receivables are as follow:

	2022						
		Past due but not impaired					
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Impaired**	**Total**
Installment contracts receivable	**₱22,046,166,050**	**₱59,451,694**	**₱60,896,611**	**₱36,987,400**	**₱13,092,748,574**	**₱–**	**₱35,296,250,329**
Accrued rental receivable	**17,387,952,584**	**–**	**–**	**–**	**–**	**–**	**17,387,952,584**
Receivable from tenants	**729,385,524**	**110,645,354**	**2,799,210**	**145,019,808**	**8,657,936,565**	**495,636,493**	**10,141,422,954**
Accrued interest receivable	**444,938,814**	**–**	**–**	**–**	**–**	**–**	**444,938,814**
Receivable from HDMF	**185,386,869**	**–**	**–**	**–**	**–**	**–**	**185,386,869**
Receivable from buyers	**–**	**1,678,499**	**2,536,797**	**6,204,112**	**160,883,847**	**–**	**171,303,255**

	2021						
		Past due but not impaired					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Impaired	Total
Installment contracts receivable	₱11,036,662,034	₱2,464,092,785	₱1,110,923,765	₱1,042,184,635	₱25,581,310,352	₱–	₱41,235,173,571
Accrued rental receivable	11,146,694,070	–	–	–	–	–	11,146,694,070
Receivable from tenants	1,825,382,389	149,812,390	172,138	180,029,144	5,607,209,858	497,186,046	8,259,791,965
Accrued interest receivable	543,893,498	–	–	–	–	–	543,893,498
Receivable from HDMF	188,381,927	8,824,496	14,631,835	14,305,121	96,730,617	–	322,873,996
Receivable from buyers	–	2,151,314	1,047,189	412,759	159,243,142	–	162,854,404

Current receivables include billed lease receivables and accrued rent receivables which are not yet contractually collectible. Past due but not impaired include lease receivables which are aged 31 to over 90 days but collection is still probable. Impaired receivables are lease receivables from terminated tenants which are less likely to be collected.

The Group has collaterals in the form of security deposits and advance rent with respect to billed lease receivables that have been identified as past due but not impaired.

Applying the expected credit risk model resulted to recognition of impairment loss of nil and ₱24.79 million from receivables in 2022 and 2021, respectively.

Liquidity Risk
The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Group's loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.

The extent and nature of exposures to liquidity risk and how they arise as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk are the same in 2022 and 2021.

Maturity Profile Financial Liabilities
The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2022 and 2021 based on undiscounted contractual payments, including interest payable.

December 31, 2022

	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	Total
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	**₱–**	**₱6,344,209,970**	**₱8,591,384,423**	**₱44,947,752,818**	**₱59,883,347,211**
Loans payable	**29,009,389**	**1,506,524,553**	**2,464,768,469**	**1,671,273,971**	**5,671,576,382**
Liabilities for purchased land	**107,765,896**	**295,667,806**	**1,276,124,583**	**1,239,086,896**	**2,918,645,181**
Accounts payable and other payables*	**11,780,683,458**	**3,421,921,455**	**7,444,583,291**	**728,337,670**	**23,375,525,874**
Dividends payable	**96,024,581**	–	–	–	**96,024,581**
Notes payable	**–**	**3,466,275,635**	**17,634,115,466**	**103,862,477,117**	**124,962,868,218**
Lease liabilities	**–**	**88,685,893**	**279,773,404**	**10,569,722,645**	**10,938,181,942**
Total undiscounted financial liabilities	**₱12,013,483,324**	**₱15,123,285,312**	**₱37,690,749,636**	**₱163,018,651,117**	**₱227,846,169,389**

**excluding statutory payables and including noncurrent portion of retention payable*

December 31, 2021

	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	Total
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	₱–	₱1,783,833,959	₱7,476,007,618	₱50,824,576,623	₱60,084,418,200
Loans payable	21,238,682	2,173,991,977	1,466,067,045	433,703,007	4,095,000,711
Liabilities for purchased land	120,902,603	797,143,304	910,089,580	1,454,202,032	3,282,337,519
Accounts payable and other payables*	11,291,448,389	282,145,238	717,060,149	620,456,341	12,911,110,117
Dividends payable	15,856,454	–	–	–	15,856,454
Notes payable	–	2,071,165,535	28,355,305,463	101,684,199,419	132,110,670,417
Lease liabilities	–	83,881,609	264,333,377	10,938,181,942	11,286,396,928
Total undiscounted financial liabilities	₱11,449,446,128	₱7,192,161,622	₱39,188,863,232	₱165,955,319,364	₱223,785,790,346

**excluding statutory payables and including noncurrent portion of retention payable*

33. Notes to Consolidated Statements of Cash Flows

Details of the movement in cash flows from financing activities follow:

	January 1, 2022	Cash flows	Non-cash Change: Lease liabilities	Non-cash Change: Debt issue cost	Non-cash Change: Interest and other financing charges (including capitalized borrowing cost)	Non-cash Change: Foreign exchange movement	Non-cash Change: Dividends declared	December 31, 2022
Notes payable	**₱107,930,233,523**	**(₱9,276,278,143)**	**₱–**	**(₱103,531,880)**	**₱894,209,203**	**₱3,003,570,738**	**₱–**	**₱102,448,203,441**
Bank loans	**56,992,341,863**	**(1,052,210,176)**	**–**	**(50,533,616)**	**57,225,046**	**–**	**–**	**55,946,823,117**
Loans payable	**3,779,511,014**	**1,555,108,138**	**–**	**–**	**–**	**–**	**–**	**5,334,619,152**
Lease liabilities	**5,435,840,440**	**(375,018,792)**	**–**	**–**	**373,231,355**	**–**	**–**	**5,434,053,003**
Dividends payable	**15,856,454**	**(438,991,085)**	**–**	**–**	**–**	**–**	**519,159,212**	**96,024,581**
Accrued interest expense	**1,464,726,858**	**(9,716,182,535)**	**–**	**154,065,496**	**9,539,750,083**	**–**	**–**	**1,442,359,902**
Total liabilities from financing activities	**₱175,618,510,152**	**(₱19,303,572,593)**	**₱–**	**₱–**	**₱10,864,415,687**	**₱3,003,570,738**	**₱519,159,212**	**₱170,702,083,196**

	January 1, 2021	Cash flows	Non-cash Change: Lease liabilities	Non-cash Change: Debt issue cost	Non-cash Change: Interest and other financing charges (including capitalized borrowing cost)	Non-cash Change: Foreign exchange movement	Non-cash Change: Dividends declared	December 31, 2021
Notes payable	₱99,003,568,514	₱5,252,736,026	₱–	(₱104,094,100)	₱267,559,605	₱3,510,463,478	₱–	₱107,930,233,523
Bank loans	42,373,789,201	14,590,400,957	–	(37,500,000)	65,651,705	–	–	56,992,341,863
Loans payable	4,321,894,645	(542,383,631)	–	–	–	–	–	3,779,511,014
Lease liabilities	2,674,852,382	(283,190,395)	2,756,247,692	–	287,930,761	–	–	5,435,840,440
Dividends payable	28,103,938	(326,748,924)	–	–	–	–	314,501,440	15,856,454
Accrued interest expense	943,809,186	(9,738,424,964)	–	141,594,100	10,117,748,536	–	–	1,464,726,858
Total liabilities from financing activities	₱149,346,017,866	₱8,952,389,069	₱2,756,247,692	₱–	₱10,738,890,607	₱3,510,463,478	₱314,501,440	₱175,618,510,152

The Group's noncash investing and financing activities pertain to the following:

a) The Parent Company presented in the consolidated statements of cash flow the availments and payments, net of bank loans that were rolled over during the period (loans against deposit hold-outs) amounting to ₱22,560.33 million and ₱18,679.95 million in 2022 and 2021;
b) Unpaid additions to investment properties amounted to ₱786.73 million and ₱501.73 million as of December 31, 2022 and 2021, respectively;
c) Unpaid additions to property and equipment amounted to ₱5.46 million and ₱4.69 million as of December 31, 2022 and 2021, respectively;
d) The Group reclassified receivables from Fine Properties, Inc. to amounting to ₱5,750.90 million as a result of the LDA entered into between BC and Fine Properties, Inc. in 2021;
e) The Group deconsolidated VVTI as subsidiary in 2020 to investment in a joint venture amounting to ₱458.77 million as of December 31, 2021; and
f) Liabilities for purchased land is comprised of unpaid additions to land improvements classified as:

	2022	2021
Real estate inventories	**₱2,158,142,798**	₱3,282,337,518
Investment properties	**760,502,383**	–
	₱2,918,645,181	₱3,282,337,518

34. **Lease Commitments**

The Group as Lessor

The Group has entered into non-cancellable property leases on its investment property portfolio, consisting of retail mall spaces and BPO commercial centers which generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as of December 31, 2022 and 2021 follow:

	2022	2021
Within 1 year	**₱6,528,384,732**	₱4,193,324,153
More than 1 year to 2 years	**7,106,464,125**	4,274,234,541
More than 2 years to 3 years	**7,710,792,035**	4,692,293,057
More than 3 years to 4 years	**7,968,449,686**	5,172,681,847
More than 4 years to 5 years	**7,970,813,704**	5,560,155,236
More than 5 years	**235,924,971,281**	63,408,330,802
	₱273,209,875,563	₱87,301,019,636

Rental income included in the consolidated statements of comprehensive income for the years ended December 31, 2022, 2021 and 2020 amounted to ₱13,742.26 million, ₱9,312.72 million and ₱7,196.73 million, respectively.

Contingent rent included in rental income for the years ended December 31, 2022, 2021 and 2020 amounted to ₱1,824.31 million, ₱1,663.43 million and ₱1,492.0, respectively.

35. Commitments and Contingencies

The Group has entered into several contracts with contractors for the development of its real estate properties. As at December 31, 2022 and 2021, these contracts have an estimated aggregate cost of ₱13,204.53 million and ₱11,972.84 million, respectively. These contracts are due to be completed on various dates up to December 2026.

The progress billings are settled within one year from date of billing. These are unsecured obligations and carried at cost.

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by the courts or are currently being contested by the Group, the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect in the Group's financial position and results of operations.

The Group is currently negotiating for additional claims from various insurance companies for the loss from fire in Starmall Alabang. As of December 31, 2022, the amount certain to be received is not yet estimable.

36. Other Matters

<u>Impact of the recent Coronavirus situation</u>
The declaration of COVID-19 outbreak by the World Health Organization as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the Philippines starting March 16, 2020 have caused disruptions to businesses and economic activities, and its impact on businesses continues to evolve.

<u>During the lockdown</u>
During the lockdowns, the Group has adjusted its operations in accordance with the required measures and safety protocols. In compliance with the Government's ECQ guidelines, malls, hotels, and other businesses, except those providing essential goods and services were temporarily closed. The mall buildings continued operations because these are occupied mostly by tenants providing essential services such as supermarkets, home improvement/appliance stores, drug stores, food establishments, financial services, and are located within or near Vista Land communities. The office buildings remained open during the lockdowns since BPO tenants are allowed to conduct their businesses onsite. Other office tenants, though they adopted work from home arrangements, continued to fulfill their rental payment obligations. The Group provided rent concessions to certain tenants based on their profile and credit standing, in addition to the concessions that the Group is required to provide pursuant to the Bayanihan Act (see Note 34).

To date, commercial spaces have opened, and construction and real estate development activities have resumed at various level of activities following safety protocols mandated by the national government.

37. **Subsequent Events**

Loan Availments
In relation to the Corporate Notes Facility Agreement entered on December 28, 2022, in January 2023, the Parent Company made additional issuance of Corporate Notes in the amount of ₱2,900.00 million due on December 26, 2027, at a fixed interest of 7.26% per annum. The proceeds of the additional notes will be used to refinance existing or maturing obligations of the Group and for the other general corporate purposes. Certain subsidiaries of the Parent Company acted as guarantors of the Parent Company. No fees are charged for these guarantee agreements.

Assignment of Receivables of Related Party Tenants
In March 2023, a Deed of Assignment was entered among (1) the Group as lessor ; (2) various related party tenants under AllValue Holdings Corp. (AVHC) (Assignors) and (3) AVHC (Assignee), for the Assignors to assign, transfer and convey to AVHC as the Assignee, all of the Assignors' rights, title and interest in and to the existing Assignors' payables to the Group, as well as all its obligations, duties, and liabilities arising therefrom, aggregating to ₱3,960.00 million representing the Assignor's liabilities as tenants to the Group as of December 31, 2022.

As a consequence and subsequent action to the above Assignment, AVHC and the Group plans to enter into a joint venture within 2023, wherein AVHC will contribute parcels of land located in Bataan with a total area of 198,182 square meters and valued at ₱3,960.00 million as a form of settlement of the assumed liabilities by AVHC to the Group.

38. **Approval of the Financial Statements**

The consolidated financial statements of the Group as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 were authorized for issue by the BOD on April 13, 2023.

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

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 13, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 90787-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9566009, January 3, 2023, Makati City

April 13, 2023

SGV
Building a better working world

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

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 13, 2023. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS), as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
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PTR No. 9566009, January 3, 2023, Makati City

April 13, 2023

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

VISTA LAND & LIFESCAPES, INC.

RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS OF DECEMBER 31, 2022

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	₱4,068,120,434
Add: Net income actually earned/realized during the period	
Net income during the period closed to retained earnings	4,025,285,589
Less: Non-actual/unrealized income net of tax	
Equity in net income of associate/joint venture	–
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	–
Unrealized actuarial gain	–
Fair value adjustment (M2M gains)	–
Fair value adjustment of Investment Property resulting to gain	–
Adjustment due to deviation from PFRS/GAAP-gain	–
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	–
Adjustment due to deviation from PFRS/GAAP-loss	–
Loss on fair value adjustment of investment property (after tax)	–
Net income actually earned during the period	8,093,406,023
Add (Less):	
Dividend declarations during the period	(348,362,314)
Appropriations of retained earnings during the period	–
Reversals of appropriations	–
Effects of prior period adjustments	–
Treasury shares	(2,361,975,653)
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION	**₱5,383,068,056**

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

DECEMBER 31, 2022

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Cash and cash equivalents	N/A	₱15,070,204,626	₱15,070,204,626	₱45,836,332
Short-term cash investments	N/A	47,278,102	47,278,102	1,115,279
Restricted cash	N/A	325,078,616	325,078,616	2,833,807
Installment contracts receivables	N/A	35,401,433,721	35,401,433,721	701,342,313
Quoted equity securities	100	105,000,000	105,000,000	–
Unquoted equity securities	₱1,215,838	12,158,380	12,158,380	–
UBS Portfolio I	8,028,720,000	8,343,234,843	8,343,234,843	
UBS Portfolio II	1,755,724,950	1,820,795,574	1,820,795,574	
UBS Portfolio III	2,483,885,250	2,556,466,331	2,556,466,331	
UBS Portfolio IV	3,874,972,500	3,921,134,328	3,921,134,328	
UBS Portfolio V	1,003,590,000	1,000,321,258	1,000,321,258	
UBS Portfolio VI	2,090,812,500	2,154,355,121	2,154,355,121	931,410,352
UBS Portfolio VII	5,363,631,000	5,414,878,836	5,414,878,836	
UBS Portfolio VII	128,236,500	128,524,916	128,524,916	
UBS Portfolio IX	2,464,371,000	2,499,702,935	2,499,702,935	
HSBC Portfolio I	2,082,895,290	2,067,468,964	2,067,468,964	
HSBC Portfolio II	1,589,017,500	1,636,823,627	1,636,823,627	
HSBC Portfolio III	808,447,500	837,303,611	837,303,611	
CREDIT SUISSE	7,510,086,990	7,527,119,358	7,527,119,358	
J.SAFFRRA SARASSIN	1,658,711,250	1,591,354,378	1,591,354,378	
Receivable from tenants and accrued rent receivable	N/A	30,373,321,672	30,373,321,672	–
Other receivables	N/A	616,242,069	616,242,069	–
Total Financial Assets		₱123,450,201,266	₱123,450,201,266	₱1,682,538,083

See Notes 9, 10, 11 and 25 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDER (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2022

Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of period
Officers	₱3,845,366	₱14,376,532	(₱13,537,488)	₱–	₱1,907,876	₱2,776,535	₱4,684,410
Employees	23,462,951	181,474,103	(164,759,379)	–	40,177,675	–	40,177,675
Advances to officers and employees	₱27,308,317	₱195,850,635	(₱178,296,867)	₱–	₱42,085,551	₱2,776,535	₱44,862,085

See Note 11 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLES/PAYABLES FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2022

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Converted to APIC/Capital Stock	Current	Noncurrent	Balance at end of period
Vista Land and Lifescapes, Inc.	₱105,247,599,611	(₱28,632,930,385)	(₱33,702,154,754)	₱–	₱110,316,823,980	₱–	₱110,316,823,980
Prima Casa Land & Houses, Inc.	(1,689,426,608)	3,644,413,456	(1,255,176,470)	–	699,810,378	–	699,810,378
VLL International, Inc.	(12,231,085,108)	1,227,354,062	(3,068,432,489)	–	(14,072,163,534)	–	(14,072,163,534)
Crown Asia Properties, Inc.	(8,997,174,035)	702,039,510	(812,395,680)	–	(9,107,530,205)	–	(9,107,530,205)
Vista Residences, Inc.	(8,833,574,701)	6,103,306,941	(3,219,572,724)	–	(5,949,840,484)	–	(5,949,840,484)
Camella Homes, Inc.	(18,036,861,550)	3,171,196,798	(5,316,194,087)	–	(20,181,858,839)	–	(5,949,840,484)
Brittany Corporation	(15,810,983,349)	2,390,275,302	(1,605,383,514)	–	(15,026,091,562)	–	(15,026,091,562)
Communities Philippines, Inc.	(7,228,710,737)	6,754,385,074	(10,735,416,112)	–	(11,209,741,775)	–	(11,209,741,775)
Vistamalls, Inc.	(32,419,783,522)	4,639,959,243	(7,689,583,678)	–	(35,469,407,957)	–	(35,469,407,957)

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE D: LONG TERM DEBT
DECEMBER 31, 2022

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest rates	Amount	Number of periodic installments	Maturity date
Notes Payable	₱5,150,000,000	₱98,756,009	₱4,415,441,417	6.19%	₱4,514,197,426	Quarterly interest payments; 0.5% principal payment for 36 quarter and 82% principal on maturity date	December 2026
Notes Payable	4,850,000,000	93,009,361	4,157,090,800	6.23%	4,250,100,161	Quarterly interest payments; 1% principal payment for the 1st quarter following the issuance, .5% and 82% principal on maturity date	December 2026
Notes Payable	6,000,000,000	658,316,422	3,148,073,515	7.71%	3,806,389,937	Quarterly interest payments; 4.1667%	July 2028
Notes Payable	1,700,000,000	281,221,480	494,539,722	7.49%	775,761,202	principal payment 1 year after issuance for 24	July 2025
Notes Payable	500,000,000	82,706,975	145,449,683	7.50%	228,156,658	quarters	July 2025
Notes Payable	15,000,000,000	3,733,539,097	2,810,412,300	7.13%	6,543,951,397	Quarterly interest payments; 5% principal payment 1 year after issuance for 20 quarters	July 2024
Notes Payable	4,000,000,000	878,789,927	3,095,445,300	6.64%	3,974,235,227	Quarterly interest payments; 5.56% principal payment 3 quarter after issuance for 18 quarters	March 2027
Notes Payable	2,000,000,000	439,394,963	1,547,722,650	7.24%	1,987,117,613	Quarterly interest payments; 5.56% principal payment 2 quarter after issuance for 18 quarters	March 2027
Notes Payable	3,600,000,000	–	3,578,324,865	7.93%	3,578,324,865	Quarterly interest payments; principal payable upon maturity	December 2025
Notes Payable	5,000,000,000	–	4,969,895,646	7.93%	4,969,895,646	Quarterly interest payments; principal payable upon maturity	December 2025
Notes Payable	5,000,000,000	–	2,989,664,160	5.75%	2,989,664,160	Quarterly interest payments	August 2024
		–	1,986,031,954		1,986,031,954		August 2027
Notes Payable				6.23%		Quarterly interest payments	December 2023
	10,000,000,000	6,480,096,960	–	6.23%	6,480,096,960	Quarterly interest payments	
			3,477,234,005	8.25%	3,477,234,005	Quarterly interest payments	December 2025
Notes Payable	10,000,000,000	–	9,955,859,639	5.70%	9,955,859,639	Quarterly interest payments	June 2025

(Forward)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest rates	Amount	Number of periodic installments	Maturity date
Notes Payable	$220,000,000	$–	$220,000,000	7.25%	$220,000,000	Semi-annual interest payments; bullet on principal	July 2027
Notes Payable	$200,000,000	$–	$200,000,000	7.25%	$200,000,000	Semi-annual interest payments; bullet on principal	July 2027
Notes Payable	$350,000,000	$–	$350,000,000	5.75%	$350,000,000	Semi-annual interest payments; bullet on principal	November 2024
Bank Loans	Not applicable	11,561,568,479	44,385,254,638	3.80% to 7.77%	55,946,823,117	Various payment terms (i.e., monthly and quarterly) of interest and principal	Various dates
Loans Payable	Not applicable	3,767,253,212	1,567,365,940	6.00% to 8.00%	5,263,154,680	Interest and principal payable monthly	Various dates

See Notes 20 and 21 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2022

Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2022

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee

Not Applicable

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE G: CAPITAL STOCK

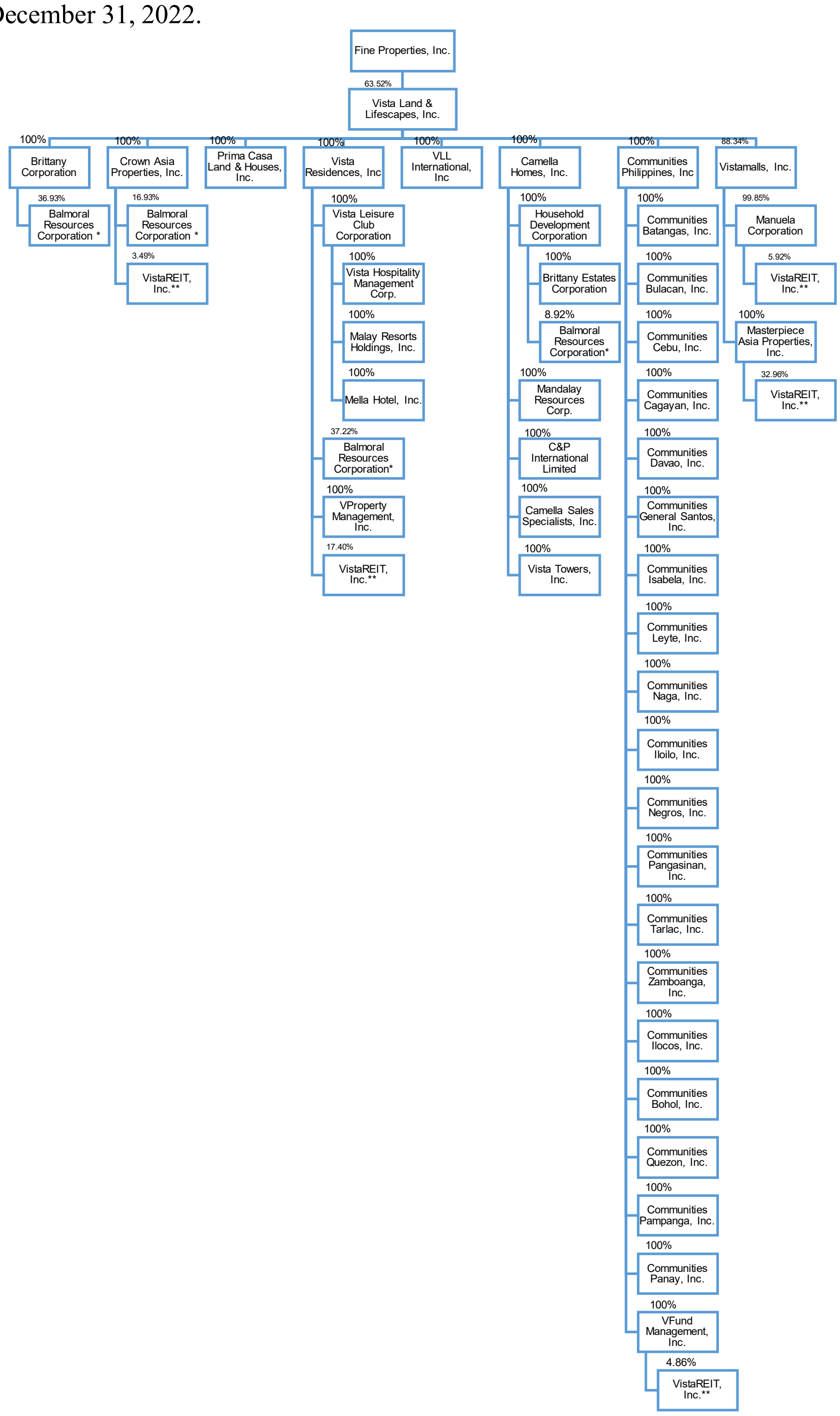
DECEMBER 31, 2022

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common Stock, ₱1 par value	17,900,000,000	13,114,136,376 shares issued; 11,945,799,461 shares outstanding	–	9,113,046,146	516,770,320	3,068,191,214
Preferred Stock Series 1, ₱0.01 par value	8,000,000,000	3,300,000,000 shares issued and outstanding	–	3,300,000,000	–	–
Preferred Stock Series 2, ₱0.10 par value	200,000,000	–	–	–	–	–

See Note 23 of the Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
GROUP STRUCTURE

Below is the map showing the relationship between and among group and its Ultimate parent company, and its subsidiaries as of December 31, 2022.



**The Group effectively owns 100% of Balmoral Resources Corporation through Brittany, CAPI, VRI and HDC.*
***The Group effectively owns 60.09% and 98.94% of VistaREIT, Inc. (formerly Vista One, Inc.) through MC, MAPI, Communities Pampanga, Inc., CAPI and VRI and the rest are owned by individual shareholders, as of December 31, 2022 and 2021, respectively.*

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
AS OF DECEMBER 31, 2022, 2021 and 2020

Below are the financial ratios that are relevant to the Group for the years ended December 31, 2022, 2021 and 2020:

Ratios	Formula	2022	2021	2020
Current ratio	Current assets / Current liabilities	**2.89**	2.48	3.16
Acid test ratio	Quick asset[1] / Current liabilities	**1.64**	1.45	1.55
Solvency ratio	Net income + Depreciation / Total liabilities	**0.05**	0.05	0.05
Debt ratio	Interest bearing debt[2] / Total assets	**0.51**	0.54	0.50
Asset to equity ratio	Total assets / Total equity	**2.61**	2.79	2.69
Interest service coverage ratio	EBITDA[3] / Total interest paid[4]	**1.91**	1.91	1.69
Return on equity	Net income / Total equity	**0.06**	0.06	0.06
Return on assets	Net income / Average total assets	**0.02**	0.02	0.02
Net profit margin	Net income / Net revenue	**0.26**	0.24	0.20

[1]Includes Cash and Cash Equivalents, Short-term Investments, Investment at FVTPL and Current Receivables
[2]Includes Bank loans, Notes Payable and Loans Payable
[3]EBITDA less Interest Income from Investments
[4]Total interest paid less Interest Income from Investments

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

SEC Registration Number

C	S	2	0	0	7	0	3	1	4	5

C O M P A N Y   N A M E

VISTA LAND & LIFESCAPES, INC.
AND SUBSIDIARIES

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

LOWER GROUND FLOOR, BUILDING B, EVIA LIFESTYLE CENTER, VISTA CITY, DAANGHARI, ALMANZA II, LAS PIÑAS CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	SEC	NA

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

Company's Email Address	Company's Telephone Number	Mobile Number
irg@vistaland.com.ph	3226 3552	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
944	6/15	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Brian N. Edang	brian_edang@ vistaland.com.ph	3226-3552/ 8874-5758	0917-857-6513

CONTACT PERSON's ADDRESS

Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City

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

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

SGV
Building a better working world

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Philippines

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc. and Subsidiaries
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

Opinion

We have audited the consolidated financial statements of Vista Land and Lifescapes, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2021 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

A member firm of Ernst & Young Global Limited

Key Audit Matters

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

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

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation on the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; (3) application of the input method as the measure of progress (percentage of completion or POC) in determining real estate revenue; (4) determination of the actual costs incurred as cost of sales; and (5) recognition of cost to obtain a contract.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as past history with the buyer, age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of COVID-19 pandemic, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

In determining the transaction price, the Group considers the selling price of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties. In measuring the progress of its performance obligation over time, the Group uses input method. Under this method, progress is measured based on actual costs incurred on materials, labor, and actual overhead relative to the total estimated development costs of the real estate project. The Group uses the cost accumulated by the accounting department to determine the actual costs incurred. The estimation of the total costs of the real estate project requires technical inputs by project engineers.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses POC method in amortizing sales commission consistent with the Group's revenue recognition policy.

The disclosures related to the real estate revenue are included in Note 7 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the COVID-19 pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as official receipts and buyer's subsidiary ledger.

For the determination of the transaction price, we obtained an understanding of the nature of other fees charged to the buyers. For selected contracts, we agreed the amounts excluded from the transaction price against the expected amounts required to be remitted to the government based on existing tax rules and regulations (e.g., documentary stamp taxes, transfer taxes and real property taxes).

For the application of the input method in determining real estate revenue and for determining cost of sales, we obtained an understanding of the Group's processes for determining the POC, including the cost accumulation process, and for determining and updating of total estimated costs, and performed tests of the relevant controls on these processes. We assessed the competence and objectivity of the project engineers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to the supporting documents such as construction contracts, subsequent billings, and other documents evidencing receipt of materials and services from contractors. We visited selected project sites and made relevant inquiries, including inquiries on how the COVID-19 pandemic affected the POC during the period, with project engineers. We performed test computation of the percentage of completion calculation of management. For selected projects, we obtained the approved total estimated costs and any revisions thereto and the supporting details such as opening fact sheet and addendum thereof for revisions. We likewise performed inquiries with the project engineers for the revisions.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and portion recognized in profit or loss, particularly (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (e.g., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

Provision for Expected Credit Losses

The Group applies simplified approach in calculating expected credit loss (ECL) of its installment contracts receivable and receivable from tenants. Allowance for credit losses and the provision for credit losses as of and for the year ended December 31, 2021 amounted to ₱561.77 million and ₱427.75 million, respectively. Key areas of judgment include segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts; and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays), including the impact of COVID-19 pandemic, in calculating ECL.

The disclosures related to the allowance for credit loss using ECL model are included in Note 5 to the consolidated financial statements.

Audit Response

We obtained an understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) assessed the methodology used in applying the ECL model by evaluating the key inputs, assumption and formula used; (c) compared the definition of default against historical analysis of accounts and credit risk management policies and practices in place and management's assessment of the impact of the COVID-19 pandemic on the counterparties; (d) tested historical loss rates by inspecting historical recoveries including the timing, related direct costs and write-offs, and the effects of any financial support and credit enhancements provided by any party; (e) compared the classification of outstanding exposures to their corresponding aging buckets; (f) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and the related industry of tenants, including the impact of the COVID-19 pandemic and; (g) tested the effective interest rate, or an approximation thereof, used in discounting the expected loss.

Further, we compared the data used in the ECL models, such as the historical aging analysis and default and recovery data, to the financial reporting systems.

We recalculated impairment provisions on a sample basis and evaluated the adequacy of disclosures made in the consolidated financial statements on allowance for credit losses using the ECL model.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting relief issued and approved by SEC, as described in Note 2 to the consolidated financial statements.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cyril Jasmin B. Valencia.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 90787-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8854378, January 3, 2022, Makati City

May 4, 2022

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 9, 31 and 32)	**₱11,856,655,898**	₱7,785,794,672
Short-term cash investments (Notes 10, 31 and 32)	**336,019,645**	116,928,301
Current portion of:		
Receivables (Notes 11, 29, 31 and 32)	**50,916,730,101**	43,139,999,134
Cost to obtain contract (Note 7)	**448,192,229**	821,407,092
Receivables from related parties (Notes 16, 29, 31 and 32)	**–**	5,687,749,941
Current portion of investments at amortized cost (Notes 10, 31, 32)	**15,751,510,319**	7,721,198,593
Real estate inventories (Note 12)	**49,596,883,277**	44,371,142,367
Other current assets (Note 13)	**5,587,209,460**	5,829,970,067
Total Current Assets	**134,493,200,929**	115,474,190,167
Noncurrent Assets		
Investments at amortized cost - net of current portion (Notes 10, 31 and 32)	**34,065,939,520**	33,972,092,854
Investments at fair value through other comprehensive income (Notes 10, 31 and 32)	**124,499,183**	116,499,183
Receivables - net of current portion (Notes 11, 29, 31 and 32)	**20,316,701,320**	21,487,825,457
Cost to obtain contract - net of current portion (Note 7)	**450,471,485**	460,308,333
Project development costs (Notes 16 and 29)	**1,274,052,864**	2,681,398,070
Advances to a related party (Note 29)	**6,085,189,231**	–
Investment in joint venture (Note 17)	**458,771,799**	–
Property and equipment (Note 15)	**2,316,890,411**	2,305,499,656
Investment properties (Note 14)	**112,991,827,020**	105,872,918,268
Goodwill (Note 8)	**147,272,020**	147,272,020
Pension assets (Note 26)	**282,965,418**	164,009,307
Deferred tax assets - net (Notes 6 and 27)	**48,383,927**	188,105,929
Other noncurrent assets (Note 17)	**930,462,470**	1,186,652,006
Total Noncurrent Assets	**179,493,426,668**	168,582,581,083
	₱313,986,627,597	₱284,056,771,250

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 18, 31 and 32)	**₱15,221,445,720**	₱16,770,305,392
Security deposits and advance rent (Note 19)	**1,729,265,825**	839,837,210
Income tax payable	**49,677,202**	109,270,739
Dividends payable (Notes 23 and 29)	**15,856,454**	28,103,938
Current portion of:		
Contract liabilities (Note 7)	**1,234,626,386**	2,545,171,590
Notes payable (Notes 21, 31 and 32)	**24,170,708,067**	5,647,208,388
Bank loans (Notes 20, 31 and 32)	**8,067,321,815**	7,177,334,341
Loans payable (Notes 20, 31 and 32)	**3,460,145,095**	3,195,007,367
Lease liabilities (Notes 28, 29 and 32)	**348,214,986**	201,995,190
Total Current Liabilities	**₱54,297,261,550**	₱36,514,234,155

(Forward)

	December 31	
	2021	2020
Noncurrent Liabilities		
Contract liabilities - net of current portion (Note 7)	**₱566,844,304**	₱133,573,553
Notes payable - net of current portion (Notes 21, 31 and 32)	**83,759,525,456**	93,356,360,126
Bank loans - net of current portion (Notes 20, 31 and 32)	**48,925,020,048**	35,196,454,860
Loans payable - net of current portion (Notes 20, 31 and 32)	**319,365,919**	1,126,887,278
Lease liabilities - net of current portion (Notes 28, 29 and 32)	**5,087,625,454**	2,472,857,192
Deferred tax liabilities - net (Notes 6 and 27)	**4,982,650,639**	4,025,688,100
Other noncurrent liabilities (Notes 22 and 31)	**3,521,405,356**	5,551,071,878
Total Noncurrent Liabilities	**147,162,437,176**	141,862,892,987
Total Liabilities	**201,459,698,726**	178,377,127,142
Equity (Note 23)		
Attributable to equity holders of the Parent Company		
Preferred stock	**33,000,000**	33,000,000
Common stock	**13,114,136,376**	13,114,136,376
Additional paid-in capital	**30,655,429,349**	30,655,429,349
Retained earnings	**72,539,569,939**	66,411,673,066
Other comprehensive income (Notes 10 and 26)	**778,073,767**	585,601,339
Treasury shares (Note 8)	**(7,740,264,387)**	(7,740,264,387)
	109,379,945,044	103,059,575,743
Noncontrolling interest (Note 30)	**3,146,983,827**	2,620,068,365
Total Equity	**112,526,928,871**	105,679,644,108
	₱313,986,627,597	₱284,056,771,250

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2021	2020	2019
REVENUE			
Real estate (Notes 6 and 7)	**₱17,397,931,318**	₱21,800,563,600	₱32,827,933,784
Rental income (Notes 3, 6, 14 and 34)	**9,312,720,292**	7,196,729,847	7,748,420,255
Interest income from installment contracts receivable (Notes 6, 11 and 25)	**774,445,060**	628,241,376	576,777,088
Parking, hotel, mall administrative and processing fees, and others (Notes 6 and 25)	**2,146,874,201**	1,630,546,121	1,744,139,138
	29,631,970,871	31,256,080,944	42,897,270,265
COSTS AND EXPENSES			
Costs of real estate sales (Notes 6, 12, and 24)	**8,533,403,321**	12,020,714,120	15,768,508,901
Operating expenses (Notes 6 and 24)	**9,407,780,092**	9,084,928,241	11,487,124,921
	17,941,183,413	21,105,642,361	27,255,633,822
OTHER INCOME (EXPENSES)			
Interest income from investments and other income (Notes 6, 9, 10, 13 and 25)	**1,549,437,541**	1,437,271,393	1,508,880,630
Interest and other financing charges (Notes 6, 20, 21, 25 and 28)	**(4,315,329,854)**	(3,971,907,603)	(3,567,882,228)
	(2,765,892,313)	(2,534,636,210)	(2,059,001,598)
INCOME BEFORE INCOME TAX	**8,924,895,145**	7,615,802,373	13,582,634,845
PROVISION FOR INCOME TAX (Note 27)	**1,957,648,849**	1,229,190,504	1,973,422,333
NET INCOME	**₱6,967,246,296**	₱6,386,611,869	₱11,609,212,512
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱6,426,541,859**	₱6,056,015,749	₱11,266,164,165
Noncontrolling interest	**540,704,437**	330,596,120	343,048,347
NET INCOME	**₱6,967,246,296**	₱6,386,611,869	₱11,609,212,512
BASIC/DILUTED EARNINGS PER SHARE (Note 30)	**₱0.538**	₱0.507	₱0.889

(Forward)

	Years Ended December 31		
	2021	2020	2019
NET INCOME	**6,967,246,296**	₱6,386,611,869	₱11,609,212,512
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive gain (loss) to be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustments (Note 32)	**73,378,653**	3,850,321	71,480,611
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit obligation inclusive of CREATE impact - net of tax (Notes 26 and 27)	**113,161,254**	(49,875,271)	16,409,781
Changes in fair value on equity investments at fair value through other comprehensive income (Note 10)	**8,000,000**	(1,000,000)	11,000,000
	194,539,907	(47,024,950)	98,890,392
TOTAL COMPREHENSIVE INCOME	**₱7,161,786,203**	₱6,339,586,919	₱11,708,102,904
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱6,619,014,287**	₱6,008,131,757	₱11,365,110,977
Noncontrolling interest	**542,771,916**	331,455,162	342,991,927
	₱7,161,786,203	₱6,339,586,919	₱11,708,102,904

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 23)				Other Comprehensive Income					
	Preferred Stock	**Common Stock**	**Additional Paid-in Capital** (Note 23)	**Retained Earnings** (Note 23)	**Remeasurement Gains on Retirement Obligation** (Note 26)	**Cumulative Translation Adjustments** (Note 32)	**Other Comprehensive Income** (Notes 10 and 23)	**Treasury Shares** (Notes 8 and 23)	**Noncontrolling Interest** (Notes 8, 23 and 30)	**Total**
Balances as at January 1, 2021	**₱33,000,000**	**₱13,114,136,376**	**₱30,655,429,349**	**₱66,411,673,066**	**₱480,659,303**	**(₱298,795,529)**	**₱403,737,565**	**(₱7,740,264,387)**	**₱2,620,068,365**	**₱105,679,644,108**
Net income	–	–	–	**6,426,541,859**	–	–	–	–	**540,704,437**	**6,967,246,296**
Other comprehensive income	–	–	–	–	**111,093,775**	–	**8,000,000**	–	**2,067,479**	**121,161,254**
Cumulative translation adjustments	–	–	–	–	–	**73,378,653**	–	–	–	**73,378,653**
Total comprehensive income (loss) for the year	–	–	–	**6,426,541,859**	**111,093,775**	**73,378,653**	**8,000,000**	–	**542,771,916**	**7,161,786,203**
Cash dividend declared	–	–	–	**(298,644,986)**	–	–	–	–	**(15,856,454)**	**(314,501,440)**
Balances as at December 31, 2021	**₱33,000,000**	**₱13,114,136,376**	**₱30,655,429,349**	**₱72,539,569,939**	**₱591,753,078**	**(₱225,416,876)**	**₱411,737,565**	**(₱7,740,264,387)**	**₱3,146,983,827**	**₱112,526,928,871**
Balances as at January 1, 2020,	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱60,952,947,290	₱531,393,616	(₱302,645,850)	₱404,737,565	(₱7,740,264,387)	₱2,303,939,726	₱99,952,673,685
Net income	–	–	–	6,056,015,749	–	–	–	–	330,596,120	6,386,611,869
Other comprehensive income	–	–	–	–	(50,734,313)	–	(1,000,000)	–	859,042	(50,875,271)
Cumulative translation adjustments	–	–	–	–	–	3,850,321	–	–	–	3,850,321
Total comprehensive income (loss) for the year	–	–	–	6,056,015,749	(50,734,313)	3,850,321	(1,000,000)	–	331,455,162	6,339,586,919
Cash dividend declared	–	–	–	(597,289,973)	–	–	–	–	(15,326,523)	(612,616,496)
Balances as at December 31, 2020	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱66,411,673,066	₱480,659,303	(₱298,795,529)	₱403,737,565	(₱7,740,264,387)	₱2,620,068,365	₱105,679,644,108
Balances as at January 1, 2019	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱52,847,641,662	₱514,927,415	(₱374,126,461)	₱393,737,565	(₱7,184,331,182)	₱2,017,046,802	₱92,017,461,526
Net income	–	–	–	11,266,164,165	–	–	–	–	343,048,347	11,609,212,512
Other comprehensive income	–	–	–	–	16,466,201	–	11,000,000	–	(56,420)	27,409,781
Cumulative translation adjustments	–	–	–	–	–	71,480,611	–	–	–	71,480,611
Total comprehensive income (loss) for the year	–	–	–	11,266,164,165	16,466,201	71,480,611	11,000,000	–	342,991,927	11,708,102,904
Acquisitions of treasury shares	–	–	–	–	–	–	–	(555,933,205)	–	(555,933,205)
Cash dividend declared	–	–	–	(3,160,858,537)	–	–	–	–	(56,099,003)	(3,216,957,540)
Balances as at December 31, 2019	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱60,952,947,290	₱531,393,616	(₱302,645,850)	₱404,737,565	(₱7,740,264,387)	₱2,303,939,726	₱99,952,673,685

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱8,924,895,145**	₱7,615,802,373	₱13,582,634,845
Adjustments for:			
Interest and other financing charges (Note 25)	**4,315,329,854**	3,971,907,603	3,567,882,228
Depreciation and amortization (Notes 14, 15, 17 and 24)	**2,686,583,410**	2,247,713,931	2,292,144,027
Retirement expense (Note 26)	**44,574,335**	34,390,695	15,194,370
Unrealized foreign exchange loss (gain)	**(9,708,504)**	3,068,988	5,188,263
Interest income and other income from investments (Note 25)	**(1,549,437,541)**	(1,437,271,393)	(1,508,880,630)
Operating income before working capital changes	**14,412,236,699**	12,435,612,197	17,954,163,103
Decrease (increase) in:			
Receivables	**(6,566,140,886)**	(6,735,973,798)	(4,105,382,895)
Real estate inventories (excluding capitalized borrowing costs)	**(2,820,564,171)**	2,965,977,897	(5,674,371,681)
Other current assets and cost to obtain contract	**827,822,686**	(50,013,646)	(663,012,031)
Increase (decrease) in:			
Accounts and other payables	**(752,702,714)**	3,612,848,381	(6,251,354,999)
Contract liabilities	**(864,515,875)**	188,506,561	165,351,501
Security deposits and advance rent (including noncurrent portion)	**60,231,281**	96,835,288	855,907,736
Other noncurrent liabilities	**(724,789,167)**	109,647,135	3,785,477,855
Plan assets contributions (Note 26)	**(58,425,850)**	(3,000,000)	(60,652,837)
Net cash flows generated from operations	**3,513,152,003**	12,620,440,015	6,006,125,752
Income tax paid	**(926,526,124)**	(880,393,483)	(1,547,813,658)
Net cash flows provided by operating activities	**2,586,625,879**	11,740,046,532	4,458,312,094
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Maturity of investments at amortized cost (Note 10)	**12,958,036,143**	4,414,591,251	1,156,241,549
Short-term cash investments	**–**	93,887,444	135,942,753
Interest received	**1,256,861,006**	1,379,064,131	1,637,401,724
Acquisitions of:			
Investments at amortized cost (Note 10)	**(17,452,430,148)**	(14,358,230,661)	(8,916,331,577)
Investment properties (excluding capitalized borrowing costs) (Note 14)	**(4,876,747,527)**	(3,858,965,384)	(13,599,382,405)
Property and equipment (excluding capitalized borrowing costs) (Note 15)	**(231,410,097)**	(123,425,578)	(1,110,906,992)
Short-term cash investments (Note 10)	**(219,091,344)**	–	(206,815,746)
Deductions from (Additions to):			
Project development costs	**1,073,057,252**	1,469,215,374	314,640,720
Receivables from related parties	**(14,709,230)**	(532,159,473)	(448,682,202)
Restricted cash	**388,437,931**	165,667,619	20,942,736
Other noncurrent assets	**(359,866,212)**	102,145,546	(82,650,388)
Net cash flows used in investing activities	**(7,477,862,226)**	(11,248,209,731)	(21,099,599,828)

(Forward)

	Years Ended December 31		
	20201	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Bank loans (Notes 20 and 33)	**₱23,377,375,534**	₱4,002,692,725	₱7,469,971,167
Notes payable (Notes 21 and 33)	**10,909,807,626**	9,883,000,000	25,000,000,000
Loans payable (Notes 20 and 33)	**2,859,085,791**	2,066,281,574	3,333,732,526
Payments of:			
Lease liabilities (Notes 28 and 33)	**(283,190,395)**	(246,360,955)	(212,813,304)
Dividends (Notes 23 and 33)	**(326,748,924)**	(653,384,724)	(3,181,453,513)
Loans payable (Notes 20 and 33)	**(3,401,469,422)**	(1,149,367,749)	(2,712,922,271)
Notes payable (Notes 21 and 33)	**(5,657,071,600)**	(2,170,841,600)	(4,784,605,401)
Interest and other financing charges (including capitalized borrowing cost) (Notes 12, 14 and 33)	**(9,738,424,964)**	(9,514,967,781)	(8,883,071,125)
Bank loans (Notes 20 and 33)	**(8,786,974,577)**	(8,865,203,848)	(4,826,906,268)
Acquisitions of treasury shares (Notes 23 and 33)	**–**	–	(632,462,984)
Net cash flows provided by (used in) financing activities	**8,952,389,069**	(6,648,152,358)	10,569,468,827
EFFECT OF CHANGE IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**9,708,504**	(3,068,988)	(5,188,263)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,070,861,226**	(6,159,384,545)	(6,077,007,170)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**7,785,794,672**	13,945,179,217	20,022,186,387
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 9)	**₱11,856,655,898**	₱7,785,794,672	₱13,945,179,217

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Vista Land & Lifescapes, Inc. (the Parent Company) was incorporated in the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on February 28, 2007. The Parent Company's registered office address is at Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City. The Parent Company is a publicly-listed investment holding company which is 65.17% and 65.00% owned by Fine Properties, Inc., (Ultimate Parent Company), as of December 31, 2021 and 2020, respectively, and the rest by the public.

The Parent Company is the holding company of the Vista Group (the Group) which is engaged in real estate activities. The Group has six (6) wholly-owned subsidiaries, namely: Brittany Corporation (Brittany), Crown Asia Properties, Inc. (CAPI), Vista Residences Inc. (VRI), Camella Homes, Inc. (CHI), Communities Philippines, Inc. (CPI) and VLL International Inc. (VII), and an 88.34% owned subsidiary, Vistamalls, Inc. (formerly Starmalls, Inc.) The Group is divided into horizontal, vertical and commercial and others segment. The Group caters on the development and sale of residential house and lot and residential condominium through its horizontal and vertical projects, respectively. Its commercial and others segment focuses on the development, leasing and management of shopping malls and commercial centers all over the Philippines and hotel operations.

2. Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared on a historical cost basis, except for the financial assets measured at fair value through other comprehensive income (FVOCI) which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱) which is the functional and presentation currency of the Parent Company, and all amounts are rounded to the nearest Philippine Peso unless otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

The consolidated financial statements of the Group have been prepared in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) in response to the COVID-19 pandemic. These accounting pronouncements address the issues of PFRS 15, *Revenue from Contracts with Customers* affecting the real estate industry.

Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry

On December 15, 2020, the Philippine SEC issued SEC Memorandum Circular (MC) No. 34-2020 which further extended the deferral of the following provisions of PIC Q&A 2018-12 until December 31, 2023:

a. Exclusion of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
c. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods under Philippine Accounting Standards (PAS) 23, *Borrowing Cost*) for Real Estate industry

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 3 to the consolidated financial statements.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

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

The consolidated financial statements are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances.

An investee is included in the consolidation at the point when control is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests (NCI), even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	Percentage of Ownership		
	2021	2020	2019
Brittany	**100.00%**	100.00%	100.00%
Balmoral Resources Corporation*	**36.93**	36.93	36.93
CAPI	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**16.93**	16.93	16.93
Vista One, Inc.**	**19.61**	–	–
VRI	**100.00**	100.00	100.00
Vista Leisure Club Corporation (VLCC)	**100.00**	100.00	100.00
Vista Hospitality Management Corp.	**100.00**	100.00	100.00
Malay Resorts Holdings, Inc. (MRHI)	**100.00**	100.00	100.00
Mella Hotel, Inc.	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**37.22**	37.22	37.22
VProperty Management, Inc.	**100.00**	–	–
Vista One, Inc.**	**19.61**	–	–
CHI			
Household Development Corporation (HDC)	**100.00**	100.00	100.00
Brittany Estates Corporation	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**8.92**	8.92	8.92
Mandalay Resources Corp.	**100.00**	100.00	100.00
C&P International Limited	**100.00**	100.00	100.00
Camella Sales Specialists, Inc.	**100.00**	100.00	100.00
Vista Towers, Inc.	**100.00**	100.00	100.00
Prima Casa Land & Houses, Inc. (PCLHI)	**100.00**	100.00	100.00
CPI	**100.00**	100.00	100.00
Communities Batangas, Inc.	**100.00**	100.00	100.00
Communities Bulacan, Inc.	**100.00**	100.00	100.00
Communities Cebu, Inc.	**100.00**	100.00	100.00
Communities Cagayan, Inc.	**100.00**	100.00	100.00
Communities Davao, Inc.	**100.00**	100.00	100.00
Communities General Santos, Inc.	**100.00**	100.00	100.00
Communities Isabela, Inc.	**100.00**	100.00	100.00
Communities Leyte, Inc.	**100.00**	100.00	100.00
Communities Naga, Inc.	**100.00**	100.00	100.00
Communities Iloilo, Inc.	**100.00**	100.00	100.00
Communities Negros, Inc.	**100.00**	100.00	100.00
Communities Pampanga, Inc.	**100.00**	100.00	100.00
Vista One, Inc.**	**19.61**	–	–
Communities Pangasinan, Inc.	**100.00**	100.00	100.00
Communities Tarlac, Inc.	**100.00**	100.00	100.00
Communities Zamboanga, Inc.	**100.00**	100.00	100.00
Communities Ilocos, Inc.	**100.00**	100.00	100.00
Communities Bohol, Inc.	**100.00**	100.00	100.00
Communities Quezon, Inc.	**100.00**	100.00	100.00
Communities Palawan, Inc.	**100.00**	100.00	100.00
Communities Panay, Inc.	**100.00**	100.00	100.00
VII	**100.00**	100.00	100.00

	Percentage of Ownership		
	2021	2020	2019
Vistamalls, Inc.	**88.34**	88.34	88.34
Manuela Corporation (MC)	**99.85**	98.85	98.40
Vista One, Inc.**	**20.50**	45.00	–
Masterpiece Asia Properties, Inc. (MAPI)	**100.00**	100.00	100.00
Vista One, Inc.**	**19.61**	–	–

**The Group effectively owns 100% of Balmoral Resources Corporation through Brittany, CAPI, VRI and HDC.*
***The Group effectively owns 98.94% of Vista One, Inc. through MC, MAPI, Communities Pampanga, CAPI and VRI and the rest are owned by individual shareholders.*

On August 7, 2020, the Board of Directors (BOD) of VLLI approved the incorporation of Vista One, Inc. (VOI), to be the vehicle for the Group's intended Real Estate Investment Trust (REIT) registration under Republic Act 9856 (The REIT Act of 2009). VOI was incorporated in the Republic of the Philippines and was registered with the Philippine Securities and Exchange Commission (SEC) on August 24, 2020, primarily to own, manage, operate and engage in the leasing of income-generating real properties such as office buildings, shopping centers, hotels, resorts, residential buildings, condominium buildings, among others and to hold for investment or otherwise, real estate of all kind (see Note 37). The application for REIT Listing is undergoing regulatory reviews.

Noncontrolling Interests
Noncontrolling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Noncontrolling interests are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results to the noncontrolling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

As at December 31, 2021 and 2020, the percentage of noncontrolling interests pertaining to Vistamalls, Inc. (formerly Starmalls, Inc.) and its subsidiaries is at 11.66%. The voting rights held by the noncontrolling interests are in proportion of their ownership interest.

Vistamalls, Inc. (formerly Starmalls, Inc.) was incorporated in the Republic of the Philippines and duly registered with the Securities and Exchange Commission (SEC) on October 16, 1969, originally to pursue mineral exploration. After obtaining SEC approval on November 10, 2004, it later changed its primary business and is now presently engaged in holding investments in shares of stock and real estate business. On September 17, 2019, SEC approved the amended articles of incorporation for the change in name to Vistamalls, Inc. as amended and approved by the Board of Directors during its meeting held on May 2, 2019 and by the stockholders during its meeting held on June 24, 2019.

The Parent and the subsidiaries are all domiciled and incorporated in the Philippines and are in the business of real estate development, leasing of commercial centers and buildings and hotel and resorts operation, except for VII and C&P International Limited. The latter are incorporated in Grand Cayman Island and domiciled in Hong Kong and operates as holding companies.

3. Changes in Accounting Policies

Adoption of New and Amended Accounting Standards and Interpretations
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have significant impact on the consolidated financial statements of the Group.

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

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

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

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

  The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted. The Group adopted the amendments to PFRS 16 using practical expedients beginning January 1, 2021. There is no rent concession received in 2021.

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

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

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

The Group shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The Group adopted the amendments beginning January 1, 2021.

- Adoption of Philippine Interpretations Committee Question and Answers (PIC Q&A) 2018-14 on Accounting for Cancellation of Real Estate Sales (as amended by PIC Q&A 2020-05)

  On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively from approval date of the Financial Reporting Standards Council which was November 11, 2020.

  The adoption of this PIC Q&A did not impact the consolidated financial statements of the Group since it has previously adopted approach 3 in its accounting for sales cancellation which records the repossessed inventory at cost.

- Adoption of PIC Q&A 2018-12 on Accounting for Common Usage Service Area (CUSA)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some implementation issues of PFRS 15, *Revenue from Contracts with Customers* affecting the real estate industry. This includes PIC Q&A No. 2018-12-H which discussed accounting for CUSA charges wherein it was concluded that real estate developers are generally acting as principal for CUSA. On October 25, 2018, the SEC decided to provide relief to the real estate industry by deferring the application of the provisions of the PIC Q&A 2018-12-H for a period of three years or until December 31, 2020. The deferral will only be applicable for real estate transactions.

  The above guidance has no impact to the Group because its accounting policy has been aligned with the guidance since the initial adoption of PFRS 15 in 2018.

- Adoption of PIC Q&A 2018-12-E (as amended by PIC Q&A 2020-02) on Treatment of Uninstalled Materials in the Calculation of the POC

  PIC Q&A 2020-02 was issued by the PIC on October 29, 2020. The latter aims to provide conclusion on the treatment of materials delivered on site but not yet installed in measuring performance obligation in accordance with PFRS 15, *Revenue from Contracts with Customers* in the real estate industry.

The adoption of this PIC Q&A did not impact the consolidated financial statements of the Group since the prescribed accounting treatment for uninstalled materials is already taken into consideration in the Group's current POC computation using input method.

Voluntary Change in Accounting Policy

Starting January 1, 2021, considering the experience from the pandemic, management made a comparison of the prevailing practice in the industry and noted that most of the big players in commercial and office spaces leasing are using the simplified approach. Given this, management decided to align its accounting policy with what is prevailing in the industry which resulted in voluntarily changing its accounting policy to measure loss allowance for its lease receivables from general to simplified approach. The Group now measures the loss rate using net flow methodology.

Under the simplified approach, in calculating expected credit loss (ECL), the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix for lease receivables, analyzed into third party and related party tenants, that is based on historical credit loss experience and incorporating forward-looking information (called overlays). The change in accounting policy was applied retroactively resulting in additional provision amounting to ₱24.79 million in 2021 and no significant impact for 2020 and 2019.

Management believes that the presentation of the consolidated statement of financial position as at the beginning of the earliest period presented is not necessary as the change in accounting policy has no significant impact on the Group's total assets and total equity as of January 1, 2019. The change in accounting policy did not impact the consolidated statement of cash flows for the years ended December 31, 2020 and 2019.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities 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 costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

  The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

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

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and

- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

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

  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)

- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  The Group is currently assessing the impact of adopting these amendments.

- Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

  The PIC Q&A provisions covered by the SEC deferral that the Group availed in 2021 follows:

	Deferral Period
Exclusion of land in the determination of POC discussed in PIC Q&A No. 2018-12-E	Until December 31, 2023
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
Implementation of IFRS IFRIC Agenda Decision on Over Time Transfer of Constructed Goods under PAS 23, *Borrowing Cost*) for Real Estate industry	Until December 31, 2023

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

a. The accounting policies applied;
b. Discussion of the deferral of the subject implementation issues in the PIC Q&A;
c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted; and
d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

In November 2020, the PIC issued the following Q&As which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

- PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component
- PIC Q&A 2020-02, which provides additional guidance on determining which uninstalled materials should not be included in calculating the POC

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto.

To assist real estate companies to finally adopt the said PIC and IFRIC pronouncements and enable them to fully comply with PFRS 15 and revert to full PFRS, the Commission en banc, in its meeting held on July 8, 2021, approved the amendment to the transitional provisions in the above MCs, under SEC Memo 8-2021, issued last July 2020 which would provide real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach when they apply the provisions of the PIC and IFRIC pronouncements.

The Commission en banc, in the same meeting, likewise approved that the policy option be available to entities that cease availing of the above SEC financial reporting reliefs whether in full or in part.

Had the above provisions been adopted, the Group assessed that the impact would have been as follows:

Treatment of land in the determination of the percentage-of-completion
Adoption of this guidance would have impacted a reduction in revenue from real estate sales, installment contract receivables, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings. These would have not impacted the cash flows. As of December 31, 2021, the Group is still in the process of assessing the impact of excluding land in the determination of POC.

Assessing whether the transaction price includes a significant financing component
The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings. These would have impacted the cash flows from operations and cash flows

from financing activities. As of December 31, 2021, the Group is still in the process of assessing the impact of significant financing component.

Impact of implementing the IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, Borrowing Cost
Adoption of this guidance would have impacted a reduction in net income, real estate inventories, provision for deferred income tax, deferred tax liability for all years presented, and the opening balance of retained earnings, and a corresponding increase in interest and other financing charges. These would have not impacted the cash flows. As of December 31, 2021, the Group is still in the process of assessing the impact of implementing the IFRIC Agenda Decision.

The Group is still evaluating whether to adopt the above changes using modified retroactive approach or full retroactive approach. If application is using modified retrospective approach, the impact will be recorded during the year of adoption and the opening retained earnings in the year of adoption while if application will be using full retroactive approach, the impact will be recorded in all years presented and the opening retained earnings in the earliest period presented.

4. Summary of Significant Accounting Policies

Current and Noncurrent Classification
The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification.

An asset is current when:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent.

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

- In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to an insignificant risk of changes in value.

Short-term Cash Investments
Short-term cash investments consist of money market placements made for varying periods of more than three (3) months and up to twelve (12) months. These investments earn interest at the respective short-term rates.

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

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

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

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

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term cash investments, receivables (except for advances to contractors, suppliers and brokers), receivables from related parties, and restricted cash under "Other current assets", and "Other noncurrent assets" and investments at amortized cost.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's equity instruments classified as financial assets designated at FVOCI includes investments in golf club shares and preferred shares of utility companies.

Impairment of Financial Assets

The Group recognizes expected credit losses (ECL) for the following financial assets that are not measured at FVTPL:

- debt instruments that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

As discussed above, starting January 1, 2021, the Group used simplified approach method in calculating its ECL for lease receivables from the previous general approach. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors (i.e. inflation, GDP growth rate) specific to the debtors and the economic environment.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss.

Prior to retroactive adoption of the change in ECL methodology for lease receivables, the Group uses general approach in calculating its ECL. Under the general approach, at each reporting date, the Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss.

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

The simplified approach is also applied to installment contracts receivable. The Group has established a vintage analysis for installment contracts receivable that is based on historical credit loss experience, adjusted for forward-looking factors (i.e. bank lending rate, inflation rate or gross domestic product (GDP) growth rate) specific to the debtors and the economic environment.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables, dividends payable, notes payable, bank loans, loans payable, lease liabilities and other noncurrent liabilities (except for deferred output tax and other statutory liabilities).

Subsequent measurement
Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statements of comprehensive income.

This category generally applies to accounts and other payables, dividends payable, notes payable, bank loans, loans payable, lease liabilities and other noncurrent liabilities (except for deferred output tax and other statutory liabilities) presented in the consolidated statements of financial position.

Derecognition of Financial Assets and Financial Liabilities
Financial asset
A financial asset (or, where applicable, a part of a group of financial assets) is derecognized when, and only when: (a) the right to receive cash flows from the assets expires; (b) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third-party under a "pass-through" arrangement; or (c) the Group has transferred its right to receive cash flows from the asset and either: (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained the risks and rewards of the asset but has transferred control of the asset.

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

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in the consolidated profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the profit or loss.

Financial liability
A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

<u>Offsetting Financial Instruments</u>
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

<u>Real Estate Inventories</u>
Real estate inventories consist of subdivision land, residential houses and lots and condominium units for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:
- Acquisition cost of subdivision land;
- Amounts paid to contractors for construction and development of subdivision land, residential houses and lots and condominium units; and
- Capitalized borrowing costs, planning and design costs, cost of site preparation, professional fees, property transfer taxes, construction materials, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of real estate inventories is reduced through the use of an allowance account and the amount of loss is charged to profit or loss.

The cost of real estate inventory recognized in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Value-Added Tax
Input tax represents the VAT due or paid on purchases of goods and services subjected to VAT that the Group can claim against any future liability to the BIR for output VAT on sale of goods and services subjected to VAT. The input tax can also be recovered as tax credit under certain circumstances against future income tax liability of the Group upon approval of the BIR and/or Bureau of Customs. Input tax is stated at its estimated net realizable values. A valuation allowance is provided for any portion of the input tax that cannot be claimed against output tax or recovered as tax credit against future income tax liability. Input tax is recorded under current assets in the consolidated statement of financial position.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position up to the extent of the recoverable amount.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

Creditable Withholding Tax
Creditable withholding tax pertains to taxes withheld on income payments and may be applied against income tax due. The balance of taxes withheld is recovered in future period.

Prepaid Expenses
Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for marketing fees, taxes and licenses, rentals and insurance.

Investment in Joint Venture
The Company's investment in joint venture is accounted for under the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

An investment is accounted for using the equity method from the day it becomes a joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of comprehensive income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Unless otherwise, additional losses are not recognized when the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

The Company reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Company disposes the investment, or the investee reacquires its own equity instruments from the Company.

Project Development Costs

Project development costs consist of advances for socialized housing credits and advances in joint operations.

Advances for socialized housing credits

Advances for socialized housing credits pertain to advances made to a related party in relation to the Group's purchase of socialized housing credits in compliance with the requirements of Republic Act No. 7279 (Urban Development and Housing Act of 1992). Upon receipt of socialized housing credits, the advances is reclassified to subdivision lot for sale and is recognized in profit or loss consistent with the cost of real estate inventory.

Advances on joint operations

Advances on joint operations pertain to costs incurred on various on-going projects under a joint venture agreements and memorandum of agreements entered into by the Group with individuals, private companies and entities under common control for the development of real estate projects.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have right to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognize in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share to the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Investment Properties

Investment properties comprise of completed property and property under construction or re-development that are held to earn rentals or for capital appreciation. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of investment properties consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use and capitalized borrowing cost. Investment properties also include right-of-use assets primarily involving land where commercial buildings are located.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject for impairment.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. CIP is not depreciated until such time as the relevant assets are completed and put into operational use. Construction-in-progress are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Depreciation and amortization commence once the investment properties are available for use and computed using the straight-line method over the estimated useful lives (EUL) of the assets, regardless of utilization. The estimated useful lives and the depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties.

	Years
Land developments	10 to 40 years or lease term, whichever is shorter
Buildings and building improvements	10 to 40 years or lease term, whichever is shorter
Right-of-use assets	11 to 30 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of the property for measurement or for disclosure purposes.

Property and Equipment
Property and equipment, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment value at initial recognition and subsequently. The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation of property and equipment commences once the property and equipment are available for use and computed using the straight-line basis over the estimated useful life of property and equipment as follows:

	Years
Building and building improvements	10 to 40
Transportation equipment	2 to 5
Office furniture, fixtures and equipment	2 to 5
Construction equipment	2 to 5
Other fixed assets	1 to 5

Building and building improvements are amortized on a straight-line basis over the term of the lease or the EUL of the asset, whichever is shorter.

The useful lives and depreciation method are reviewed annually to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated and amortized property and equipment are retained in the accounts until they are no longer in use. No further depreciation is charged against current operations.

Systems Development Costs
Costs associated with developing or maintaining computer software programs are recognized as expense as incurred. Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets to be measured at cost less accumulated amortization and provision for impairment losses, if any.

System development costs recognized as assets are amortized using the straight-line method over their useful lives, but not exceeding a period of three years. Where an indication of impairment exists, the carrying amount of computer system development costs is assessed and written down immediately to its recoverable amount.

Impairment of Nonfinancial Assets
The Group assesses as at reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its

recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase in OCI. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Security Deposits
Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. These also include deposits of homeowners for their extension, fence construction and landscaping works which will be refunded after considering any charges.

Advance Rent
Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings.

Equity
Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the shares are sold at premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Retained earnings represent accumulated earnings of the Group less dividends declared. It includes the accumulated equity in undistributed earnings of consolidated subsidiaries which are not available for dividends until declared by the subsidiaries.

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

The retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in operating expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Revenue and Cost Recognition for Real Estate Sales

Revenue from Contract with Customers
The Group primarily derives its real estate revenue from the sale of developed horizontal and vertical real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity services in its mall retail spaces and office leasing activities, wherein it is acting as agent.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 5.

Real estate sales
The Group derives its real estate revenue from sale of developed house and lot and condominium units. Revenue from the sale of these real estate project spread over time across the course of the construction since the Group's performance does not create an asset with an alternative use and the Group has an enforceable right for performance completed to date.

In measuring the progress of performance obligation over time, the Group uses input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method excludes the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs include costs of land, land development, house construction costs, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contracts receivable, is included in the "Receivables" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contracts receivable are included in the "contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Other income is recognized if buyers forfeit their reservation fees and partial payments when not proceeding with the contract. The income recognized is net of any amount required to be returned to the buyers.

Cost of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of real estate sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes cost as an asset only when it give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Contract Balances
Installment Contracts Receivable
An installment contracts receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). It also includes the difference between the consideration received from the customer and the transferred goods or services to a customer.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Cost to obtain contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Operating expenses" account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, derecognition and impairment of capitalized costs to obtain a contract
The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within operating expenses.

Capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgment is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Rental Income
The Group earn revenue from acting as a lessor in operating leases which do not transfer substantially all of the risk and rewards incidental to the ownership of the investment properties. Rental income from leased properties is accounted for on a straight-line basis over the lease term and is included in the revenue in the consolidated statement of comprehensive income due to its operating nature, except for contingent rental income which is recognized when it arises.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognized as a reduction of rental income on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise the option. For more information on the judgment involved, refer to Note 5.

The tenant lease incentives are considered in the calculation of “Accrued rent receivable” in the line item “Receivables” in the consolidated statement of financial position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of comprehensive income when the right to receive them arises.

The contracts for commercial and office spaces leased out by the Group to its tenants include the rights to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The consideration charged to tenants for these services is based on a fixed amount as agreed with the tenants.

The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis. For more information, please refer to Note 5.

Interest income
Interest is recognized using the effective interest method, i.e, the rate, that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Unearned discount is recognized as income over the terms of the financial assets at amortized cost using the effective interest method and is shown as deduction for the financial assets.

Other revenue
Other revenue is recognized when earned.

Pension Cost
Defined benefit plan
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value

of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit (PUC) method.

Defined benefit costs comprise the following:

(a) service cost;
(b) net interest on the net defined benefit liability or asset; and
(c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

<u>Income Taxes</u>

Current tax

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

The Group periodically evaluates the income tax positions taken in situations where the applicable tax regulations are subject to interpretation and considers these positions separately from other uncertainties. The Group assesses whether or not it is probable that those income tax positions will be accepted by the tax authorities, where if not, the Group recognizes additional income tax expense and liability relating to those positions.

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax liabilities shall be recognized for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in foreseeable future. Otherwise, no deferred tax liability is set up.

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

Deferred tax assets shall be recognized for deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss in the consolidated statement of comprehensive income. Deferred tax items recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in “Real estate inventories” and “Investment properties” accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Borrowings originally made to develop a specific qualifying asset are transferred to general borrowings (a) when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete, and (b) the entity chooses to use its funds on constructing other qualifying assets rather than repaying the loan.

Operating Expenses
Operating expenses constitute costs of administering the business. These are recognized as expenses when incurred.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessee
The Group applies a single recognition and measurement approach for all leases, except short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease Liabilities
At the commencement date of the lease, the Group recognizes the liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term Leases and Leases of Low-value Assets
The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group applies the low-value assets recognition exemption to leases of underlying assets with a value, when new, of ₱0.25 million and below. Lease payments on short-term leases and low-value assets are recognized as expense on a straight-line basis over the lease term.

Lease Modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessee recognizes the right-of-use assets and lease liability as a separate new lease after assessing that the consideration for the lease increases by an amount commensurate with the stand-alone price and any adjustments to that stand-alone price reflects the circumstances of the particular contract. The Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use assets, without affecting profit or loss. For lease termination, the difference between the right-of-use assets and lease liability is recognized in the profit or loss.

Group as a Lessor
Leases where the lessor does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Foreign Currency Translation
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

The functional currency of C&P International Limited and VII is the US Dollar. As of reporting date, the assets and liabilities of foreign subsidiaries, with functional currencies other than the functional currency of the Parent Company, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and their respective income and expenses at the weighted average rates for the year. The exchange differences arising on the translation are recognized in OCI under “Cumulative Translation Adjustment”. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation shall be recognized in profit or loss in the consolidated statement of comprehensive income.

Basic and Diluted Earnings Per Share (EPS)
Basic EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income attributable to the equity holders of the Parent Company by the weighted average number of common

shares issued and outstanding during the year after giving effect to assumed conversion of potential common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

As of December 31, 2021, 2020 and 2019, the Group has no potential dilutive common shares (Note 30).

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 6 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risk specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized only when the reimbursement is virtually certain. The expense relating to any provision is presented in consolidated statement of comprehensive income net of any reimbursement.

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

Events After the Financial Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. **Significant Accounting Judgments and Estimates**

The preparation of accompanying consolidated financial statements in compliance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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

Revenue from contracts with customers

Existence of a contract

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contracts to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as payment history of customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs after considering the impact of coronavirus pandemic, if it would still support its current threshold of customers' equity before commencing revenue recognition.

Determining performance obligation

With respect to real estate sales, the Group concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output.

In relation to the services provided to tenants of investment property (such as cleaning, security, utilities, maintenance) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Group.

Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

The Group has determined that input method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Principal versus agent considerations
The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility company, and not the real estate developer, is primary responsible for the provisioning of the utilities while the Group, administers the leased spaces and coordinates with the utility companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For the connection to air conditioning system and services in the CUSA, the Group acts as a principal. This is because it is the Group who retains the right to direct the service provider of CUSA as it chooses and the party responsible to provide proper ventilation and air conditioning to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air conditioning charges.

Property lease classification - the Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases

Assessment on whether lease concessions granted constitute a lease modification
In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16. Consequently, this is treated as a variable lease.

The rent concessions granted by the Group for the years ended December 31, 2021 and 2020 amounted to ₱240.65 million and ₱1,544.82 million, respectively (see Note 7).

Determination of the lease term
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

As a lessor, the Group enters into lease agreements that contain options to terminate or to extend the lease. At commencement date, the Group determines whether the lessee is reasonably certain to extend the lease term or not to terminate the lease. To make this analysis, the Group takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases, the Group does not identify sufficient evidence to meet the required level of certainty.

As a lessee, the Group has a lease contract for the land where investment properties are situated that includes an extension and a termination option. The Group applies judgement in evaluating whether or not it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Accounting for lease modification - the Group as lessee
In 2021, the Group and one of the lessors amended the lease contract covering parcels of land where one of the Group's commercial building is situated by extending the lease period and amending the lease rates. The Group assessed that the lease modification did not result in a separate lease and the Group remeasured the lease liability based on the amended lease period and lease rates and recognized the difference between the carrying amount of the modified lease liability and the carrying amount of the lease liability immediately before the modification as an adjustment to the right-of-use asset. The lease contract further subjects the lease payments starting 2036 to be reviewed by both parties in accordance with certain stipulations in the contract. As such, the Group used the market rate at the date the lease is modified for lease period where lease payments are yet to be agreed.

Definition of default and credit-impaired installment contracts receivable
The Group defines the account as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria*
  The customer receives a notice of cancellation and does not continue the payments.

- *Qualitative criteria*
  The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:
  a. The customer is experiencing financial difficulty or is insolvent
  b. The customer is in breach of financial covenant(s)
  c. An active market for that financial assets has disappeared because of financial difficulties

d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information, including the impact of the COVID-19 pandemic into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. To do this, the Group considers a range of relevant forward-looking macro-economic assumptions (i.e., inflation rate and GDP growth rate for commercial segment and bank lending rate, inflation rate or GDP growth rate for residential segment) for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Significant increase in credit risk
The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors. The Group's cash and cash equivalents, short term cash investments, investments at amortized cost, and restricted cash are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, are considered to be low credit risk investments. For the Group's accounts receivable and receivables from related parties, the Group performs an assessment, at the end of each reporting period, of whether the receivables' credit risk has increased significantly, considering the impact of COVID-19 pandemic, since initial recognition, by considering the change in the risk of default occurring over the remaining life of the receivables. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs. Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

Determining Taxable Profit, Tax Bases, Unused Tax Losses, Unused Tax Credits and Tax Rates
Upon adoption of the Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments,* the Group has assessed whether it has any uncertain tax position. The Group applies significant judgment in identifying uncertainties over its income tax treatments. The Group determined based on its assessment, in consultation with its tax counsel, that it is probable that its income tax treatments will be accepted by the taxation authorities. Accordingly, the interpretation did not have an impact on the consolidated financial statements of the Group.

Assessment of Joint Control
The investment in VVTI is accounted for as investment in joint venture despite the Group owning 60%, this is because the relevant activities such as matters related to project development, approval of annual budget and programme, change in joint venture business structure and distribution of dividends among others of the Group and Mitsubishi Estate Co., Ltd. require the unanimous consent of both parties. Even though the Group holds 60% ownership interest on these arrangements, their respective joint arrangement agreements require unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements.

<u>Management's Use of Estimates</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Measurement of progress when revenue is recognized over time
The Group's real estate sales is recognized over time and the percentage-of-completion is determined using input method measured principally based on total actual cost of resources consumed such as materials, labor hours expended, and actual overhead incurred over the total expected project development cost. Actual costs also include incurred costs but not yet billed which are estimated by the project engineers. Total estimated project development cost involves significant estimate since it requires technical determination by management's specialists (project engineers). Estimated project development costs include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

See Notes 7, 11, and 12 for the related balances.

Provision for expected credit losses of financial assets
Cash and cash equivalents, short term cash investments, investments at amortized cost and restricted cash:

The Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group uses external credit rating approach to calculate ECL for cash and cash equivalents and restricted cash. This approach leverages on available market data (i.e., S&P and Moody's and Fitch credit ratings for default rates). S&P, Moody's, Fitch and Reuters are reliable market data sources that provide default and recovery rate data. These information are widely used by investors and stakeholders in decision-making in terms of investment, credit activities, etc.

Installment contracts receivables, accounts receivable and accrued rental receivable:

The Group uses vintage analysis to calculate ECLs for installment contracts receivable. The PD rates using vintage analysis are based on default counts of contract issuances in a given period for groupings of various customer segments that have similar loss patterns (e.g., by customer's type of financing and employment).

The vintage analysis is initially based on the Group's historical observed default rates. The Group will calibrate the matrices to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

On the other hand, for receivable from tenants and accrued rental receivables, the Group recognizes a loss allowance based on lifetime ECLs effective January 1, 2021 and applied retrospectively. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss.

The assessment of the relationship between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has determined that the COVID-19 pandemic has impacted the current operations of the Group and is expected to impact its future business activities.

The collectability of the significant portion of its receivables from real estate sales is impacted by the continuing employment of its customers, both the overseas contract workers and locally employed customers, particularly those working within the industry adversely affected by COVID-19 pandemic.

Tenants which belong to micro, small and medium enterprise and those operating under entertainment, non-essentials and food industries are also adversely affected due to temporary closure of mall operations. This increases the risk of non-collection of the remaining receivables.

Considering the above, the Group revisited the expected credit loss exercise as at December 31, 2021 for its receivables.

For the installment contracts receivable, the calculation of the probability of default (PD) was updated by further segmenting the buyers tagged as overseas Filipino workers based on location of employment (e.g., Middle East, Europe, East Asia, etc.).

For installment contracts receivable and receivables from tenants, the PD scenario used in the calculation of ECL were 30% best, 33% base, and 37% worse and 31% best, 33% base, and 36% worst case probability scenario as of December 31, 2021 and 31% best, 33% base, and 35% worse and 25% best, 33% base, and 42% worst case probability scenario as of December 31, 2020, respectively, from the previous 33% equal probability of all scenarios as of December 31, 2019. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

As a result of the loss estimation, management recognized impairment loss for receivable from tenants and investments at amortized cost in each period presented. The Group, however, did not identify an impairment for installment contracts receivable primarily because of the recoveries from resale of repossessed inventories that are higher than the exposure at default.

Further details are provided in Notes 10, 11 and 32.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

Further details about the fair value of financial instruments are provided in Note 31.

Evaluation of net realizable value of real estate inventories
Real estate inventories are valued at the lower of cost or NRV. This requires the Group to make an estimate of the estimated selling price of the real estate inventories in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of these assets. In determining the recoverability of these assets, management considers whether these assets are damaged, if their selling prices have declined and management's plan in discontinuing the real estate projects. Estimated selling price is derived from publicly available market data and historical experience, while estimated selling costs are basically commission expense based on historical experience. In line with the impact of COVID-19, the Group experienced limited selling activities that resulted to lower sales in 2021 and 2020. In evaluating NRV, recent market conditions and current market prices have been considered.

Further details are provided in Note 12.

Evaluation of impairment of nonfinancial assets
The Group reviews project development cost, property and equipment, investment properties, goodwill, and other nonfinancial assets for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends, considering the impact of COVID-19 pandemic.

The Group estimates the recoverable amount as the higher of the fair value less costs to sell and value in use. Fair value less costs to sell pertain to quoted prices and for fair values determined using discounted cash flows or other valuation technique such as multiples. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect project development cost, property and equipment, investment properties, goodwill, and other nonfinancial assets.

For goodwill, this requires an estimation of the recoverable amount which is the fair value less costs to sell or value in use of the cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the future cash flows for the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of cash flows.

Further details are provided in Notes 13, 14, 15, 16, and 17.

Determining the fair value of investment properties
The Group discloses the fair values of its investment properties. The Group's investment properties consist of land and land developments and building and building improvements. For properties for leasing, the fair values were derived using income approach as determined by third party appraisers while land properties held for capital appreciation were based on market-based listing of the properties of the same features and locations as determined by management. Fair values of Right of Use asset were determined using the latest discount rate every end of reporting period based on remaining cash flows while that of construction in progress is aligned with cost as management believes the values of cost represents the current replacement cost as of balance sheet date.

Further details are provided in Note 14.

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Useful lives of property and equipment and investment properties
The Group estimated the useful lives of its property and equipment and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. For investment properties located in parcels of land that the Group leases, the Group also considers the non-cancellable term of the lease in determining the useful lives of the leasehold improvements.

Deferred tax assets
The Group reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

Further details are provided in Note 27.

6. **Segment Information**

For management purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has three reportable operating segments as follows:

Horizontal Projects
This segment pertains to the development and sale of residential house and lot across the Philippines.

Vertical Projects
This segment caters on the development and sale of residential condominium projects across the Philippines.

Commercial and others
This segment pertains to rental of malls and office spaces, hotel operations, and activities of holding companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss before income tax and earnings before income tax, depreciation and amortization (EBITDA). Segment operating income or loss before income tax is based on the same accounting policies as consolidated operating income or loss. No operating segments have been aggregated to form the above reportable operating business segments. The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Group's internal reports in order to assess performance of the Group.

Transfer prices between operating segments are based on the agreed terms between the related parties.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statements of financial position which is in accordance with PFRS. The segment assets are presented separately from the receivables from related parties, investments at FVOCI, investments at amortized cost and deferred taxes. Segment liability are presented separately from the deferred tax liabilities.

The financial information about the operations of these operating segments is summarized below:

	December 31, 2021				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
	(Amounts in thousands)				
Real estate revenue	**₱13,602,441**	**₱3,795,490**	**₱–**	**₱–**	**₱17,397,931**
Rental income	–	–	**9,851,733**	**(539,013)**	**9,312,720**
Parking, hotel, tenant fees, and others	**1,282,740**	**178,395**	**901,204**	**(215,465)**	**2,146,874**
	14,885,181	**3,973,885**	**10,752,937**	**(754,478)**	**28,857,525**
Costs and operating expenses	**10,074,372**	**1,842,673**	**4,092,032**	**(754,478)**	**15,254,599**
Segment income before income tax	**4,810,809**	**2,131,212**	**6,660,905**	–	**13,602,926**
Interest income and other income from investments (Note 25)	**763,936**	**26,230**	**1,533,716**	–	**2,323,882**
Interest and other financing charges (Note 25)	**(355,563)**	**(29,651)**	**(3,930,116)**	–	**(4,315,330)**
Depreciation and amortization (Notes 14, 15, 17 and 24)	**(200,479)**	**(482,119)**	**(2,003,985)**	–	**(2,686,583)**
Income before income tax	**5,018,703**	**1,645,672**	**2,260,520**	–	**8,924,895**
Provision for income tax (Note 27)	**977,371**	**324,020**	**656,258**	–	**1,957,649**
Net income	**₱4,041,332**	**₱1,321,652**	**₱1,604,262**	**₱–**	**₱6,967,246**

	December 31, 2021				
	Horizontal	**Vertical**	**Commercial and Others**	**Intersegment Adjustments**	**Consolidated**
	(Amounts in thousands)				
Other Information					
Segment assets	**₱157,006,893**	**₱17,782,356**	**₱83,175,042**	**(₱511,958)**	**₱257,452,333**
Receivables from related parties (Notes 29, 31 and 32)	**6,085,189**	**–**	**–**	**–**	**6,085,189**
Investment in joint venture (Note 17)	**–**	**458,772**	**–**	**–**	**458,772**
Investments at FVOCI (Note 10)	**41,499**	**–**	**83,000**	**–**	**124,499**
Investments at amortized cost (Note 10)	**–**	**–**	**49,817,450**	**–**	**49,817,450**
Deferred tax assets - net (Note 27)	**48,279**	**–**	**105**	**–**	**48,384**
Total Assets	**₱163,181,860**	**₱18,241,128**	**₱133,075,597**	**(₱511,958)**	**₱313,986,627**
Segment liabilities	**₱27,576,766**	**₱5,707,468**	**₱163,704,772**	**(₱511,958)**	**₱196,477,048**
Deferred tax liabilities - net (Note 27)	**1,017,709**	**133,280**	**3,831,662**	**–**	**4,982,651**
Total Liabilities	**₱28,594,475**	**₱5,840,748**	**₱167,536,434**	**(₱511,958)**	**₱201,459,699**
Capital expenditures	**₱14,615,731**	**₱4,078,229**	**₱2,445,640**	**₱–**	**₱21,139,600**

**For the year ended December 31, 2021, EBITDA amounts to ₱15,652.27 million.*

	December 31, 2020				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
	(Amounts in thousands)				
Real estate revenue	₱17,943,287	₱3,857,277	₱–	₱–	₱21,800,564
Rental income	–	–	7,286,366	(89,636)	7,196,730
Parking, hotel, tenant fees, and others	721,440	170,838	890,745	(152,477)	1,630,546
	18,664,727	4,028,115	8,177,111	(242,113)	30,627,840
Costs and operating expenses	13,477,256	3,110,423	2,512,363	(242,113)	18,857,929
Segment income (loss) before income tax	5,187,471	917,692	5,664,748	–	11,769,911
Interest income and other income from investments (Note 25)	598,411	40,646	1,426,455	–	2,065,512
Interest and other financing charges (Note 25)	(84,721)	(214,674)	(3,672,512)	–	(3,971,907)
Depreciation and amortization (Notes 14, 15, 17 and 24)	(240,738)	(35,642)	(1,971,333)	–	(2,247,713)
Income before income tax	5,460,423	708,022	1,447,358	–	7,615,803
Provision for income tax (Note 27)	662,181	84,963	482,047	–	1,229,191
Net income	₱4,798,242	₱623,059	₱965,311	₱–	₱6,386,612
Other Information					
Segment assets	₱95,288,403	₱25,616,912	₱115,537,982	(₱72,172)	₱236,371,125
Receivables from related parties (Notes 29, 31 and 32)	879,187	–	4,808,563	–	5,687,750
Investments at FVOCI (Note 10)	–	–	116,499	–	116,499
Investments at amortized cost (Note 10)	–	–	41,693,291	–	41,693,291
Deferred tax assets - net (Note 27)	188,106	–	–	–	188,106
Total Assets	₱96,355,696	₱25,616,912	₱162,156,335	(₱72,172)	₱284,056,771
Segment liabilities	₱15,018,896	₱7,647,351	₱151,757,364	(₱72,172)	₱174,351,439
Deferred tax liabilities - net (Note 27)	211,878	14,955	3,798,855	–	4,025,688
Total Liabilities	₱15,230,774	₱7,662,306	₱155,556,219	(₱72,172)	₱178,377,127
Capital expenditures	₱17,698,619	₱3,804,681	₱3,108,100	₱–	₱24,611,400

**For the year ended December 31, 2020, EBITDA amounts to ₱13,767.97 million*

	December 31, 2019				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
	(Amounts in thousands)				
Real estate revenue	₱28,432,942	₱4,394,992	₱–	₱–	₱32,827,934
Rental income	–	–	7,842,945	(94,525)	7,748,420
Parking, hotel, tenant fees, and others	769,065	158,606	1,044,867	(228,399)	1,744,139
	29,202,007	4,553,598	8,887,812	(322,924)	42,320,493
Costs and operating expenses	18,791,595	2,984,107	3,510,712	(322,924)	24,963,490
Segment income (loss) before income tax	10,410,412	1,569,491	5,377,100	–	17,357,003
Interest income and other income from investments (Note 25)	549,278	27,500	1,508,880	–	2,085,658
Interest and other financing charges (Note 25)	(49,494)	(26,785)	(3,491,603)	–	(3,567,882)
Depreciation and amortization (Notes 14, 15, 17 and 24)	(230,503)	(21,129)	(2,040,512)	–	(2,292,144)
Income before income tax	10,679,693	1,549,077	1,353,865	–	13,582,635
Provision for income tax (Note 27)	1,354,316	143,209	475,897	–	1,973,422
Net income	₱9,325,377	₱1,405,868	₱877,968	₱–	₱11,609,213

	December 31, 2019				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
Other Information					
Segment assets	₱90,577,519	₱23,820,733	₱118,779,272	(₱188,458)	₱232,989,066
Receivables from related parties (Notes 29, 31 and 32)	310,638	–	4,844,952	–	5,155,590
Investments at FVOCI (Note 10)	–	–	117,499	–	117,499
Investments at amortized cost (Note 10)	–	–	33,792,219	–	33,792,219
Deferred tax assets - net (Note 27)	484,270	–	–	–	484,270
Total Assets	₱91,372,427	₱23,820,733	₱157,533,942	(₱188,458)	₱272,538,644
Segment liabilities	₱14,450,732	₱5,856,540	₱148,459,383	(₱188,458)	₱168,578,197
Deferred tax liabilities - net (Note 27)	1,487,767	214,263	2,305,743	–	4,007,773
Total Liabilities	₱15,938,499	₱6,070,803	₱150,765,126	(₱188,458)	₱172,585,970
Capital expenditures	₱20,222,919	₱3,899,800	₱14,162,489	₱–	₱38,285,208

**For the year ended December 31, 2019, EBITDA amounts to ₱17,933.78 million*

Capital expenditures consists of construction costs, land acquisition and land development costs.

Rental income amounting to ₱7,113.08 million or 76.38%, ₱5,360.84 million or 74.49% and ₱4,431.53 million or 57.19% of the commercial segment of the Group was generated from anchor tenants as defined in Note 29 for the years ended December 31, 2021, 2020 and 2019, respectively.

There is no cyclicality in the Group’s operations.

7. Revenue from Contracts with Customers

a. Disaggregated Revenue Information

The Group derives revenue from the transfer of services and goods over time and at a point in time, respectively, in different product types and other geographical location within the Philippines.

The Group’s disaggregation of each sources of revenue from contracts with customers are presented below:

	2021	2020	2019
	(Amounts in Thousands)		
Type of Product			
Real estate sales			
Horizontal	**₱14,885,825**	₱17,943,287	₱28,428,354
Vertical	**2,512,106**	3,857,277	4,399,580
	17,397,931	21,800,564	32,827,934
Hotel operations	**89,267**	48,511	184,357
	₱17,487,198	₱21,849,075	₱33,012,291

All of the Group’s real estate sales are revenue from contracts with customers that are recognized over time except for hotel operation’s sale of food and beverages which are at point in time. There are no inter-segment eliminations among revenue from contracts with customers on real estate, as these are all sold to external customers as disclosed in the segment information in 2021, 2020 and 2019
(Note 6).

Due to the impact of COVID-19 pandemic, buyer's appetite has softened and prefers to stay liquid amid the current recession, with layoffs, travel restrictions, repatriations, nationwide lockdowns beginning on the third week of March 2020, and uncertainty surrounding future economic recovery. The latter, coupled with the imposed quarantine which temporarily suspended construction activities and delivery of materials to sites, resulted to lower progress of work which impacted the real estate sales recognized in 2021 and 2020.

Contract Balances

	December 31, 2021	December 31, 2020
Installment contracts receivable (Note 11)	**₱41,235,173,571**	₱39,972,199,134
Cost to obtain contract	**898,663,714**	1,281,715,425
Contract liabilities	**1,801,470,690**	2,678,745,143

Installment contracts receivable are from real estate sales which are collectible in equal monthly principal installments with various terms up to a maximum of 15 years. These are recognized at amortized cost using the effective interest method. Interest rates, which vary depending on the term of the receivable, ranges from 2.81% to 19.00% per annum, 5.37% to 19.00% per annum and 4.63% to 19.00% per annum in 2021, 2020 and 2019, respectively. The corresponding titles to the residential units sold under this arrangement are transferred to the customers only upon full payment of the contract price.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on percentage of completion. The movement in contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in percentage of completion.

The amount of revenue recognized in 2021 and 2020 from amounts included in contract liabilities at the beginning of the year amounted to ₱953.80 million and ₱447.20 million,

b. Performance obligations

Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into reservation agreements with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the reservation agreement is fixed and has no variable consideration.

The sale of real estate unit covers subdivision land, residential house units, and condominium units and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the reservation agreement and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% - 20% of the contract price to be paid over a maximum of 24 months at a fixed payment for horizontal developments and 20% - 40% of the contract price to be paid over a maximum of 60 months at a fixed payment for vertical developments with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from 2 to 15 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an installment contracts receivable or contract liability.

After the delivery of the completed real estate unit, the Group provides one-year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2021 and 2020 are, as follows:

	2021	2020
Within one year	**₱9,188,744,994**	₱22,978,400,076
More than one year	**10,721,047,549**	16,075,541,120
	₱19,909,792,543	₱39,053,941,196

The remaining performance obligations expected to be recognized within one year and more than one year relate to the continuous development of the Group’s real estate projects. The Group’s condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

Rental agreements
The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space, (b) provisioning of water and electricity, and (c) connection to air conditioning system, (d) CUSA services, and (e) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within 30 days upon receipt of the bill. In case of delay in payments, a penalty of 5% is charged for the amount due and shall be charged another 5% the following month of delay and every month thereafter inclusive of penalties previously charged. Except for related party tenants, the lease arrangement would typically require a tenant to pay advance rental equivalent to three months and a security deposit equivalent to three months rental to cover any breakages after the rental period, with the excess returned to the tenant.

In various dates in 2021 and 2020, certain third party and related party tenants of the Group operating within the entertainment, food and low-priced apparel retailing have requested for the termination of their lease contracts with the Group prior to the original end dates. The requests, as granted by the Group, are primarily due to the impact of COVID 19 pandemic to their business. As agreed with these tenants, all billed receivables up to termination date will be collected. As a result, the Group reversed the accrued rental receivable which is the effect of straight-line calculation of rental income of those tenants who pre-terminated the contracts, amounting to ₱38.81 million and ₱1,560.95 million against rental income for the year ended December 31, 2021 and 2020, respectively (see Note 11). The related deferred tax liability of ₱9.70 million and ₱468.28 million for the reversed accrued rental receivable from tenants was reversed in 2021 and 2020, respectively. Of these terminated tenants in 2021 and 2020, ₱2.84 million and ₱1,556.12 million were related parties. The specific portion relating to the termination of related party tenants are included in the related party transactions disclosure of the Group (see Note 29).

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19 pandemic, the Group came up with its own waiver scheme that applies to different classifications of lessees based on their respective financial position and performance before and during the community quarantine, their status as an essential vis-à-vis non-essential service, and their growth projections. The Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions. Granting of concessions were extended up to December 31, 2021 and beyond depending on the tenant's profile and credit. The rent concessions granted by the Group to its tenants for the year ended December 31, 2021 and 2020 amounted to ₱240.65 million and ₱1,544.82 million, respectively.

c. Cost to Obtain Contract

The balances below pertain to the cost to obtain contract presented in consolidated statements of financial position:

	2021	2020
Balance at the beginning of the year	**₱1,281,715,425**	₱1,565,949,038
Net additions	**489,086,609**	1,039,857,559
Amortization (Note 24)	**(872,138,320)**	(1,324,091,172)
	₱898,663,714	₱1,281,715,425

8. **Treasury Shares and Goodwill**

The treasury shares of ₱5,378.29 million is attributable to the 752.21 million shares issued by VLLI to Manuela Corporation (Manuela) during the VLLI acquisition of Vistamalls Group (formerly, Starmalls Group) in 2015. Manuela still holds the VLLI shares as of December 31, 2021 and 2020.

On December 29, 2015, VLCC, a wholly owned subsidiary of VRI, acquired 100% ownership of MRHI for a total cash consideration of ₱157.00 million. MRHI owns and operates the Boracay Sands Hotel. The transaction was accounted for as a business combination under acquisition method. Fair values of identifiable net assets of MRHI amounted to ₱9.73 million, which resulted to recognition of goodwill of ₱147.27 million.

The Group included the impact of COVID-19 pandemic and the various community quarantine restricting movements and business operations in its annual impairment testing of goodwill for the year ended December 31, 2021.

The recoverable amount is based on value in use calculations using cash flow projections from financial budgets approved by the Group's management covering the period the CGU is expected to be operational. Based on management's assessment, there is no impairment loss to be recognized on goodwill as at December 31, 2021 and 2020, despite temporary closure. In December 2021, Boracay Sands Hotel resumed operations. The pre-tax discount rate used on December 31, 2021 and 2020 is 12.65% and 11.26% respectively, which is based on weighted average cost of capital of comparable entities. The average growth rate used as of December 31, 2021 and 2020 is 4.00%. The value-in-use computation is most sensitive to the discount rate and growth rate applies to the cash flow projection.

9. Cash and Cash Equivalents

This account consists of:

	2021	2020
Cash on hand	**₱10,614,562**	₱9,072,689
Cash in banks	**11,805,653,656**	6,680,152,399
Cash equivalents	**40,387,680**	1,096,569,584
	₱11,856,655,898	₱7,785,794,672

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest as follows:

	2021	2020	2019
Philippine Peso	**0.03% to 0.50%**	0.25% to 1.00%	0.25% to 3.88%
US Dollar	**0.05% to 0.13%**	0.04% to 0.13%	0.13% to 1.33%

Interest earned from cash in banks and cash equivalents for the years ended December 31, 2021, 2020 and 2019 amounted to ₱34.08 million, ₱63.64 million and ₱91.27 million, respectively (Note 25).

No cash and cash equivalents are used to secure the obligations of the Group.

10. Investments

Short-term cash investments
Short-term cash investments consist of money market placements with maturities of more than three months up to one year and earn annual interest at the respective short-term investment rates, as follows:

	2021	2020	2019
Philippine Peso	**1.00% to 4.00%**	2.50% to 2.63%	3.00% to 3.25%

As of December 31, 2021, and 2020, short-term cash investments amounted to ₱336.02 million and ₱116.93 million, respectively.

Interest earned from short-term cash investments for the years ended December 31, 2021, 2020 and 2019 amounted to ₱2.47 million, ₱3.66 million and ₱11.37 million, respectively (see Note 25).

Investments at amortized cost
This account consists of the Group's investments in various US dollar-denominated debt securities with nominal interest rates ranging from 1.00% to 7.75% and 3.75% to 4.25% for the years ended December 31, 2021 and 2020, respectively.

In 2021 and 2020, effective interest rate ranges from 0.39% to 10.82% and 2.23% to 10.18%, respectively.

Investments at amortized cost amounting to $753.34 million (₱38,419.75 million) and $439.03 million (₱21,083.55 million) are used to secure the bank loans of the Parent Company amounting to ₱33,557.33 million and ₱19,665.90 million as of December 31, 2021 and 2020, respectively.

The fair values of the investments used as collateral amounted to ₱23,992.35 million and ₱22,394.43 million as of December 31, 2021 and 2020 respectively (see Note 20).

Interest income from these investments including amortization of premium amounted to ₱1,529.21 million, ₱1,359.72 million and ₱1,394.38 million in 2021, 2020 and 2019, respectively (see Note 25).

Provision for expected credit loss amounting to ₱15.53 million and ₱65.63 million was recognized in 2021 and 2020 on these investments (nil in 2019) (see Note 24).

The following presents the breakdown of investments by contractual maturity dates as of December 31, 2021 and 2020.

	2021	2020
Due in one (1) year or less	**₱15,751,510,319**	₱7,721,198,593
Due after one (1) year through five (5) years	**33,806,339,516**	33,712,492,850
Due after five (5) years	**259,600,004**	259,600,004
	₱49,817,449,839	₱41,693,291,447

The rollforward analysis of investments at amortized cost follow:

	2021	2020
Balance at beginning of the year	**₱41,693,291,447**	₱33,792,219,093
Additions	**17,452,430,148**	14,358,230,661
Redemptions	**(12,564,870,845)**	(4,253,660,916)
Amortization of premium	**(393,165,298)**	(160,930,335)
Cumulative translation adjustment	**3,629,764,387**	(2,042,567,056)
Balance at end of the year	**₱49,817,449,839**	₱41,693,291,447

Investment at fair value through FVOCI

The investment at fair value through FVOCI consists of quoted golf and country club shares carried at fair value which the Group irrevocably elected to measure at FVOCI.

	2021	2020
Balance at beginning of year	**₱116,499,183**	₱117,499,183
Unrealized fair value gain (loss) during the year	**8,000,000**	(1,000,000)
Balance at end of year	**₱124,499,183**	₱116,499,183

11. **Receivables**

This account consists of:

	2021	2020
Installment contracts receivable (Notes 7 and 31)	**₱41,235,173,571**	₱39,972,199,134
Accounts receivable:		
Tenants (Note 29)	**8,259,791,965**	5,646,088,933
Home Development Mutual Fund (HDMF)	**322,873,996**	286,825,983
Buyers	**162,854,404**	221,933,975
Others	**112,967,013**	44,025,800
Advances to:		
Contractors and suppliers	**8,291,879,437**	8,990,448,743
Private companies	**1,567,865,004**	1,763,004,946
Brokers	**151,209,360**	195,932,615
Accrued rental receivable (Note 29)	**11,146,694,070**	7,202,334,449
Accrued interest receivable	**543,893,498**	439,871,319
	71,795,202,318	64,762,665,897
Less allowance for impairment losses	**561,770,897**	134,841,306
	71,233,431,421	64,627,824,591
Less noncurrent portion	**20,316,701,320**	21,487,825,457
	₱50,916,730,101	₱43,139,999,134

Installment Contracts Receivable

Installment contracts receivable consist of accounts collectible in equal monthly installments with various terms up to a maximum of 15 years. These are carried at amortized cost. The corresponding titles to the subdivision or condominium units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. The installment contracts receivables are interest-bearing except for those with installment terms within two years. Annual nominal interest rates on installment contracts receivables range from 12.00% to 19.00% in 2021 and 2020. Total interest income recognized amounted to ₱726.01 million, ₱541.31 million and ₱478.57 million in 2021, 2020 and 2019, respectively (see Note 25).

As of December 31, 2021 and 2020, installment contracts receivables with a total nominal amount of ₱725.07 million and ₱972.64 million, respectively, were recorded at amortized cost amounting to ₱699.50 million and ₱917.93 million, respectively. These are installment contracts receivables that are to be collected in two years which are noninterest-bearing. The fair value upon initial recognition is derived using discounted cash flow model at discount rates ranging from 2.44% to 5.23% and 2.90% to 7.43% in 2021 and 2020, respectively.

Interest income recognized from these receivables amounted to ₱48.43 million, ₱86.93 million, and ₱98.21 million in 2021, 2020 and 2019, respectively (see Note 25). The unamortized discount amounted to ₱32.46 million and ₱47.14 million as of December 31, 2021 and 2020, respectively.

Rollforward in unamortized discount arising from noninterest-bearing receivables is as follows:

	2021	2020
Balance at beginning of year	**₱47,135,999**	₱79,353,573
Additions	**25,570,116**	54,713,213
Accretion (Note 25)	**(48,432,788)**	(86,930,787)
Balance at end of year	**₱24,273,327**	₱47,135,999

In 2021 and 2020, the Group entered into various purchase agreements with financial institutions whereby the Group sold its installment contracts receivables on a with recourse basis. These installment contracts receivables on a with recourse basis are used as collateral to secure the corresponding loans payable obtained. The purchase agreements provide substitution of contracts which default. The Group still retains the sold receivables in the installment contracts receivables account and records the proceeds from these sales as loans payable.

As of December 31, 2021, the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱2,604.47 million and ₱3,804.53 million, respectively (see Note 20).

As of December 31, 2020, the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱3,103.17 million and ₱4,321.89 million, respectively (see Note 20).

Accounts Receivable:
The accounts receivables are noninterest-bearing and collectible within one year.

This consists of the following:

Receivable from tenants
Receivables from tenants represent the outstanding receivables arising from the lease of commercial centers relating to the Group's mall and offices and are collectible within 30 days from billing date. Except for lease contracts with related parties, these are covered by security deposit of tenants' equivalent to 2 to 4-month rental and 2 to 4-month advance rental paid by the lessees. This includes both the billed fixed and contingent portion of lease.

Receivable from HDMF
Receivable from HDMF pertains to amounts retained by HDMF from the proceeds of loans availed by real estate buyers. This amount is released by HDMF upon the release of the related title to the property by the Group to HDMF within a six-month to one year period from loan takeout date.

Receivable from buyers
Receivables from buyers mainly consist of receivables from buyers of real estate arising from penalties for late payments. These are non-interest bearing and are due and demandable.

Others
Other receivables are noninterest-bearing and are due and demandable.

Advances to contractors and suppliers
Advances to contractors are advance payments in relation to the Group's construction activities and are recouped through reduction against progress billings as the construction progresses. Recoupment occur within one to five years from the date the advances were made. Current portion of these

advances are for the construction of inventories, while advance payments for the construction of investment properties are presented as noncurrent portion.

Advances to private companies
Advances to private companies pertain to advances made by the Group to third parties to facilitate the transfer of title to the buyers. These include expected charges for documentary stamp taxes, transfer fees, registration fees, city and business tax and notarial expenses. These advances are liquidated by the private companies once the purpose for which the advances were made had been accomplished and accordingly will be charged to miscellaneous customer charges.

Advances to brokers
Advances to brokers are cash advances for operating use. These are applied to subsequent commission payout to brokers.

Accrued rental receivable
Accrued rent receivable pertains to the effect of straight-line calculation of rental income. The noncurrent portion of accrued rent receivable are expected to be realized beyond one year from the reporting date.

Accrued interest receivable
Accrued interest receivable pertains to income earned from investments at amortized cost.

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

In 2021 and 2020, the Group, in addition to the reliefs provided under Bayanihan 1 Act and Bayanihan 2 Act, has offered temporary financial reliefs (e.g., short-term extension of payment terms) to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not significant.

The rollforward analysis of allowance for impairment losses are as follow:

	2021	2020
Allowance for impairment losses, beginning	**₱134,841,306**	₱117,214,724
Provision during the year (Note 24)	**427,750,934**	17,626,582
Recoveries	**(821,343)**	–
Allowance for impairment losses, ending	**₱561,770,897**	₱134,841,306

Set out below is the information about the credit risk exposure on the Group's accounts receivable from third party tenants using a provision matrix:

	2021					
	Days past due					
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Total**
Average expected credit loss rates	**2.39%**	**18.60%**	**3.51%**	**18.60%**	**17.03%**	
Amount of exposure at default net of advance rent and security deposits	**₱48,695,879**	**₱4,621,437**	**₱–**	**₱3,576,397**	**₱129,806,056**	**₱186,699,769**
Expected credit loss	**₱1,163,655**	**₱860,164**	**₱–**	**₱665,382**	**₱22,103,040**	**₱24,792,241**

	2020					
	Days past due					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Average expected credit loss rates	2.22%	1.44%	2.58%	3.08%	3.13%	
Amount of exposure at default net of advance rent and security deposits	₱19,456,930	₱–	₱–	₱–	₱–	₱19,456,930
Expected credit loss	₱431,234	₱–	₱–	₱–	₱–	₱431,234

Out of the total impairment loss of ₱427.75 million in 2021, ₱402.96 million pertains to specifically impaired receivables, while ₱24.79 million is from generally impaired receivables from expected credit loss testing. For 2021 the specifically identified impaired accounts pertain to tenants which were affected by the pandemic, thus terminated the lease contracts prior to the original end date.

For the accounts receivable from related party tenants, the expected credit loss from the impairment exercise using a provision matrix is zero.

12. Real Estate Inventories

The rollforward of the account follows:

	2021	2020
Balance at beginning of year	**₱44,371,142,367**	₱43,908,654,706
Construction/development costs incurred	**7,974,884,814**	7,756,481,884
Purchases of construction materials and others	**2,808,258,415**	1,231,129,040
Additions to land	**223,604,528**	1,195,632,838
Borrowing costs capitalized (Note 25)	**2,752,396,474**	2,299,958,019
Cost of real estate sales (Note 24)	**(8,533,403,321)**	(12,020,714,120)
	₱49,596,883,277	₱44,371,142,367

The real estate inventories are carried at cost. No inventory is recorded at amount lower than its cost in 2021 and 2020.

This account consists of:

	2021	2020
Subdivision land for sale	**₱22,396,410,973**	₱19,101,187,551
Subdivision land for development	**15,571,966,320**	15,553,522,460
Condominium units for sale and development	**8,032,052,902**	7,323,285,872
Residential house and lots for sale and development	**1,261,951,203**	1,243,778,592
Construction materials and others	**2,334,501,879**	1,149,367,892
	₱49,596,883,277	₱44,371,142,367

Subdivision land (e.g. lot only for sale) for sale and development includes real estate subdivision projects in which the Group has been granted License to Sell (LTS) by the Housing and Land Use Regulatory Board of the Philippines. It also includes raw land inventories that are under development and those that are about to undergo development.

Construction materials pertain to supplies, such as but not limited to steel bars, cement, plywood and hollow blocks, used in the construction and development. These are to be utilized within one year and included in the cost of real estate inventories upon utilization.

Real estate inventories recognized as cost of sales amounted to ₱8,533.40 million in 2021, ₱12,020.71 million in 2020 and ₱15,768.51 million in 2019, and are included as cost of real estate sales in the consolidated statements of comprehensive income (see Note 24).

Borrowing cost capitalized to inventories amounted to ₱2,752.40 million, ₱2,299.96 million and ₱2,728.68 million in 2021, 2020 and 2019, respectively (see Note 25). The capitalization rate used to determine the borrowing costs eligible for capitalization is 6.66%, 6.51% and 7.04% in 2021, 2020 and 2019, respectively.

13. Other Current Assets

This account consists of:

	2021	2020
Input value added tax (VAT)	**₱3,363,988,757**	₱3,356,967,997
Creditable withholding taxes	**1,593,959,198**	1,382,642,782
Prepaid expenses	**472,954,047**	716,594,486
Restricted cash	**147,980,409**	335,827,460
Others	**8,327,049**	37,937,342
	₱5,587,209,460	₱5,829,970,067

Input value added tax (VAT)
Input VAT is a tax imposed on purchases of goods, professional and consulting services and construction costs. These are available for offset against output VAT in future periods.

Creditable withholding taxes
Creditable withholding taxes pertain to taxes withheld by the customer and are recoverable and can be applied against income tax in future periods. For the years ended December 31, 2021, and 2020, creditable withholding taxes applied to income tax payable amounting to ₱857.63 million and ₱738.95 million, respectively.

Prepaid expenses
Prepaid expenses mainly include advertising and marketing fees, taxes and licenses, rentals and insurance paid in advance. These are to be fully amortized within one year.

Restricted cash
Cash restricted for use are deposits restricted solely for payment of the principal amortization and interest of certain bank loans. These deposits bear prevailing interest rates and will be retained as deposits until the bank loans are fully paid. Deposit balance should be equivalent to two quarters of debt amortization. Interest income from cash restricted for use amounted to ₱5.40 million, ₱10.25 million and ₱11.86 million in 2021, 2020 and 2019, respectively (see Note 25). The current and noncurrent portion of the restricted cash pertain to the two quarters of debt amortization for the bank loans maturing on or before December 31, 2022 and bank loans maturing beyond December 31, 2022, respectively. The noncurrent portion of this account is presented as noncurrent restricted cash under "Other noncurrent assets" in the Group's consolidated statements of financial position (see Note 17).

14. Investment Properties

The rollforward of analysis of this account follows:

	2021				
	Land and Land Developments	**Building and Building Improvements**	**Construction in Progress**	**Right-of-use Assets**	**Total**
Cost					
Balances at beginning of year	**₱52,827,294,001**	**₱36,646,397,951**	**₱24,220,924,186**	**₱2,218,032,322**	**₱115,912,648,460**
Additions	**2,057,765,900**	**332,121,577**	**4,322,012,893**	**2,848,073,975**	**9,559,974,345**
Reclassifications	**–**	**18,251,936,111**	**(18,251,936,111)**	**–**	**–**
Balances at end of year	**54,885,059,901**	**55,230,455,639**	**10,291,000,968**	**5,066,106,297**	**125,472,622,805**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**–**	**9,699,091,194**	**–**	**340,638,998**	**10,039,730,192**
Depreciation and amortization (Note 24)	**–**	**2,265,075,872**	**–**	**175,989,721**	**2,441,065,593**
Balances at end of year	**–**	**11,964,167,066**	**–**	**516,628,719**	**12,480,795,785**
Net Book Value	**₱54,885,059,901**	**₱43,266,288,573**	**₱10,291,000,968**	**₱4,549,477,578**	**₱112,991,827,020**

	2020				
	Land and Land Developments	Building and Building Improvements	Construction in Progress	Right-of-use Assets	Total
Cost					
Balances at beginning of year	₱52,827,294,001	₱34,411,356,825	₱19,684,763,499	₱2,706,071,236	₱109,629,485,561
Additions	–	34,417,263	6,736,784,550	–	6,771,201,813
Transfers	–	2,200,623,863	(2,200,623,863)	–	–
Reclassifications	–	–	–	(488,038,914)	(488,038,914)
Balances at end of year	52,827,294,001	36,646,397,951	24,220,924,186	2,218,032,322	115,912,648,460
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	8,030,628,548	–	163,980,143	8,194,608,691
Depreciation and amortization (Note 24)	–	1,668,462,646	–	210,760,224	1,879,222,870
Termination (Note 28)	–	–	–	(34,101,369)	(34,101,369)
Balances at end of year	–	9,699,091,194	–	340,638,998	10,039,730,192
Net Book Value	₱52,827,294,001	₱26,947,306,757	₱24,220,924,186	₱1,877,393,324	₱105,872,918,268

Investment properties consist mainly of land and land developments while the building and building improvements, construction in progress and right of use asset pertain to leasehold improvements related to leasing activities as commercial centers. These include properties, currently being leased out, for future leasing or currently held for capital appreciation. The commercial centers include retail malls, commercial centers within residential projects, Vistamalls and Starmalls that are located in key cities and municipalities in the Philippines and office spaces.

Rental income earned from investment properties amounted to ₱9,312.72 million, ₱7,196.73 million and ₱7,748.42 million in 2021, 2020 and 2019, respectively. Repairs and maintenance costs recognized under "Operating expenses" arising from investment properties amounted to ₱160.53 million, ₱188.80 million and ₱173.70 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 24). Cost of property operations amounted to ₱4,069.32 million, ₱3,983.47 million and ₱3,931.54 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 24). For the terms and conditions on the lease, refer to Note 34.

As of December 31, 2021 and 2020, the aggregate fair values of investment properties amounted to ₱371,951.70 million and ₱233,731.67 million, respectively, using Level 3 (significant unobservable inputs).

The fair values of the investment properties held for leasing were determined by independent professionally qualified appraisers while that for land and land developments were determined by management.

In both years, in the determination of fair values, market value approach method was used for land and land development, income approach method was used for completed and substantially completed malls and office buildings for rent and cost approach method was used for construction in progress under early stage of construction and discounted cash flow method was used for right-of-use asset.

The key assumptions used to determine the fair value of the investment properties held for leasing are the estimated rental value per sqm per year, rental growth rate per annum, and discount rate. The discount rate used in the valuation are discount rates range from 8.10% to 8.69% and 8.67% in 2021 and 2020, respectively. Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate, and an opposite change in the long-term vacancy rate.

The parcels of land are located in cities and municipalities like Mandaluyong, Las Piñas, Taguig, Naga, Bacoor, Imus, San Jose del Monte, Sta. Rosa, Muntinlupa, Bataan, Pampanga, Rizal, Iloilo and Kawit. The fair value measurement using unobservable data in active market is Level 3 of the fair value hierarchy.

The estimated useful life of the investment properties other than land is 10 to 40 years.

Investment properties with carrying value of ₱4,547.55 million and ₱5,610.90 million are used to secure the bank loans of the Group as of December 31, 2021 and 2020, respectively (see Note 20). The fair value of the investment properties used as collateral amounted to ₱36,091.97 million and ₱52,956.21 million under income approach as of December 31, 2021 and 2020, respectively.

Borrowing cost capitalized to investment properties amounted to ₱3,671.16 million, ₱3,716.70 million and ₱3,183.43 million for years ended December 31, 2021, 2020 and 2019, respectively (see Note 25). The capitalization rates used to determine the borrowing costs eligible for capitalization is 6.66%, 6.51% and 7.04% in 2021, 2020 and 2019, respectively, for general borrowings and range from 5.70% to 8.25% for specific borrowings in 2021, 2020 and 2019.

Amortization expense related to right-of-use assets amounted to ₱175.99 million and ₱210.76 million for the years ended December 31, 2021 and 2020, respectively. Right-of-use asset is amortized over a period of 11 to 30 years.

The total contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancement amounted to ₱2,688.67 million and ₱3,484.35 million as of December 31, 2021 and 2020, respectively.

15. **Property and Equipment**

The rollforward analyses of this account follow:

	2021						
	Land	**Building and Building Improvements**	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**Construction Equipment**	**Other Fixed Assets**	**Total**
Cost							
Balances at beginning of year	**₱83,333,600**	**₱1,179,408,402**	**₱934,606,012**	**₱1,001,574,083**	**₱1,201,371,112**	**₱286,813,261**	**₱4,687,106,470**
Additions	**–**	**11,319,241**	**6,752,942**	**48,269,494**	**132,041,071**	**18,755,059**	**217,137,807**
Balances at end of year	**83,333,600**	**1,190,727,643**	**941,358,954**	**1,049,843,577**	**1,333,412,183**	**305,568,320**	**4,904,244,277**
Accumulated Depreciation and Amortization							
Balances at beginning of year	**–**	**420,281,412**	**694,259,371**	**860,094,753**	**233,807,661**	**173,163,617**	**2,381,606,814**
Depreciation and amortization (Note 24)	**–**	**40,506,417**	**49,407,725**	**69,195,300**	**26,245,634**	**20,391,976**	**205,747,052**
Balances at end of year	**–**	**460,787,829**	**743,667,096**	**929,290,053**	**260,053,295**	**193,555,593**	**2,587,353,866**
Net Book Value	**₱83,333,600**	**₱729,939,814**	**₱197,691,858**	**₱120,553,524**	**₱1,073,358,888**	**₱112,012,727**	**₱2,316,890,411**

	2020						
	Land	Building and Building Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction Equipment	Other Fixed Assets	Total
Cost							
Balances at beginning of year	₱83,333,600	₱1,151,480,420	₱923,529,838	₱996,927,982	₱1,176,113,971	₱284,888,135	₱4,616,273,946
Additions	–	27,927,982	11,076,174	4,646,101	25,257,141	1,925,126	70,832,524
Balances at end of year	83,333,600	1,179,408,402	934,606,012	1,001,574,083	1,201,371,112	286,813,261	4,687,106,470
Accumulated Depreciation and Amortization							
Balances at beginning of year	–	370,789,749	613,864,039	747,435,142	189,437,774	147,459,049	2,068,985,753
Depreciation and amortization (Note 24)	–	49,491,663	80,395,332	112,659,611	44,369,887	25,704,568	312,621,061
Balances at end of year	–	420,281,412	694,259,371	860,094,753	233,807,661	173,163,617	2,381,606,814
Net Book Value	₱83,333,600	₱759,126,990	₱240,346,641	₱141,479,330	₱967,563,451	₱113,649,644	₱2,305,499,656

Depreciation and amortization expense charged to operations amounted to ₱205.75 million, ₱312.62 million, and ₱215.82 million for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 24).

The Group performed impairment testing on its hotel property and equipment and right-of-use assets with carrying value of ₱626.12 million and ₱14.62 million, respectively as of December 31, 2021, by assessing its recoverable amount through estimation of its value-in-use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rates of 8.05% with an average growth rate of 4.00%. The Group also considered in its assumptions the impact of COVID-19 on the occupancy rate and room rates which are not expected to normalize until 2024. As COVID-19 continued, starting September 2020, the hotel property was used as quarantine facility by government which improved its operations. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment, and right-of-use assets.

The Group's transportation equipment with a carrying value of ₱7.69 million and ₱71.42 million as of December 31, 2021 and 2020, respectively, were pledged as collateral under chattel mortgage to secure the car loans of the Group with various financial institutions (see Note 20).

16. Project Development Costs

Project development costs pertain to (a) advances to a related party, covered by memorandum of agreement for the purchase of socialized housing units, (b) advances to third and related parties for project developments.

The requirement for socialized housing units is required by the Housing and Land Use Regulatory Board (HLURB) (see Note 29). These advances are recouped upon receipt of the socialized housing units from Bria Homes. On December 23, 2019, the Group entered into a Memorandum of Agreement with Bria Homes, Inc. that stipulated the allocated socialized housing units to the Group from the latter's ongoing and new projects. On December 21, 2020, the Group executed an amended Memorandum of Agreement with Bria Homes, Inc. that stipulated the number of socialized housing credits to be delivered as final settlement of the advances from its on-going projects under different documentation stages after deducting the partial delivery of social housing credits and cash payments.

The account also includes deposits, cash advances and other charges in connection with joint venture agreements and memorandum of agreements entered into by the Group with individuals, corporate entities and related parties for the development of real estate projects. These agreements provide, among others, the following: a) the Group will undertake the improvement and development of the real estate project within a certain period, subject to certain conditions to be fulfilled by the real estate property owner; and b) the parties shall divide among themselves all saleable inventory and commercial development of the real estate project in accordance with the ratio mutually agreed. The real estate projects are in various stages of development from planning to ongoing construction.

17. Investment in Joint Venture and Other Noncurrent Assets

Investment in Joint Venture

Vista Ventures Taft, Inc. (VVTI) was incorporated in the Republic of the Philippines primarily to engage in real estate activities particularly from construction and sale of condominium project at Taft Avenue, Manila. VRI originally subscribed for 4,587,718 shares of stock of VVTI with par value of 100 per share amounting to 458.77 million. VVTI was previously wholly owned subsidiary of the VRI until the Company executed a joint venture agreement (JVA) with Mitsubishi Estate Corp. (MEC). The ownership is 60% VRI and 40% MEC. It was agreed in the JVA that at least affirmative vote of four board representatives are required in board reserved matters which include the budget and design of the condominium project.

VVTI's principal place of business is LGF Bldg B Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City.

At the date control was lost, gain on disposal amounted to ₱6.74 million coming from the measurement of the retained interest at fair value.

Below is the financial information on VVTI as of December 31, 2021:

Current assets	₱827,965,230
Noncurrent assets	48,246,923
Current liabilities	51,620,390
Noncurrent liabilities	39,989,183
Revenue	40,294,783
Net income	11,738,425
Total comprehensive income	11,738,425

Below is the reconciliation with the carrying amount of the investment in the consolidated financial statements:

Net assets as at January 1, 2021	₱543,603,255
Collection of subscription receivable from MEC in 2021	229,260,900
Net asset as at December 31, 2021	772,864,155
60% Share in Net Asset	463,718,493
60% Share in Net income	7,043,055
Other Adjustments	(11,989,749)
Carrying value of Investment, December 31, 2021	₱458,771,799

Other Noncurrent Assets
This account consists of:

	2021	2020
Deposits	**₱648,218,371**	₱719,421,446
Model house accessories at cost	**158,064,972**	167,591,636
Cash restricted for use - net (Note 13)	**71,428,571**	272,019,451
Systems development costs	**22,577,696**	15,795,468
Others	**30,172,860**	11,824,005
	₱930,462,470	₱1,186,652,006

Deposits include deposits for real estate purchases and deposits to utility companies which will either be applied or recouped against future billings or refunded upon completion of the real estate projects. These deposits are necessary for the continuing construction and development of real estate projects of the Group.

Amortization of system development costs amounted to ₱39.77 million, ₱56.71 million and ₱55.87 million for the years ended December 31, 2021, 2020 and 2019, respectively. These are included in the "Depreciation and amortization" account under "Operating expenses" in the consolidated statements of comprehensive income (see Note 24).

18. **Accounts and Other Payables**

This account consists of:

	2021	2020
Accounts payable		
Suppliers	**₱2,380,857,413**	₱1,996,391,484
Incidental costs	**2,143,941,415**	2,700,160,528
Contractors	**1,493,497,345**	2,414,128,171
Buyers	**1,234,398,158**	1,273,657,037
Commissions payable	**2,053,698,257**	1,960,661,472
Accrued expenses	**1,854,419,766**	1,593,555,079
Current portion of liabilities for purchased land (Notes 22 and 31)	**1,828,135,487**	2,195,422,411
Current portion of retention payable (Notes 22 and 31)	**999,205,387**	1,301,106,490
Current portion of deferred output tax (Note 22)	**968,504,270**	787,309,793
Other payables	**264,788,222**	547,912,927
	₱15,221,445,720	₱16,770,305,392

Accounts payable - suppliers
Accounts payable - suppliers represent construction materials, marketing collaterals, office supplies and property and equipment ordered and delivered but not yet due. These are expected to be settled within a year from recognition date.

Accounts payable - incidental costs
Accounts payable - incidental costs pertain to liabilities incurred in relation to land acquired. This includes payable for titling costs, clearing, security and such other additional costs incurred.

Accounts payable - contractors
Accounts payable - contractors pertain to contractors' billings for construction services related to the development of various projects of the Group. These are expected to be settled within a year after the financial reporting date.

Accounts payable - buyers
Accounts payable - buyers pertain to refunds arising from the cancellation of contract to sell agreement which is determined based on the required refund under the Maceda Law.

Commissions payable
Commissions payable pertains to fees due to brokers for services rendered which are expected to be settled within one year.

Accrued expenses
Details of accrued expenses as follow:

	2021	2020
Interest	**₱1,464,726,858**	₱943,809,186
Marketing	**72,738,402**	368,545,878
Subdivision maintenance	**59,965,057**	49,595,806
Repairs and maintenance	**52,279,396**	46,717,920
Security	**41,807,446**	58,402,906
Light and power	**39,299,860**	29,341,329
Rental	**22,538,894**	11,646,900
Management fees	**6,243,900**	15,708,240
13th month/bonus	**5,621,381**	9,747,667
Contracted services	**5,451,619**	9,637,454
Others	**83,746,953**	50,401,793
	₱1,854,419,766	₱1,593,555,079

Current portion of liabilities for purchased land
Liabilities for purchased land are payables to various real estate property sellers. Under the terms of the agreements executed by the Group covering the purchase of certain real estate properties, the titles of the subject properties shall be transferred to the Group only upon full payment of the real estate payables. Liabilities for purchased land that are payable beyond one year from reporting date are presented as noncurrent liabilities (see Note 22).

Current portion of retention payable
Retention payable pertains to 10.00% retention from the contractors' progress billings which will be released after the completion of contractors' project and upon acceptance of the work by the Group. The retention serves as a holdout amount withheld from the contractor to cover for back charges that may arise from quality issues in affected projects. Retention payables that will be settled beyond one year from reporting date are presented as noncurrent liabilities (see Note 22).

Current portion of deferred output tax
Deferred output tax pertains to the VAT charged to the buyers on installment upon contracting of real estate sale but were not yet collected as of reporting date. Further, upon collection of the VAT portion of installment receivables, the equivalent output tax is included in the current VAT payable of the month. Deferred output VAT pertaining to installment receivables that are beyond one year after reporting date are presented as noncurrent liabilities (see Note 22).

Other payables
Other payables include statutory payables which are remitted on a monthly basis.

19. Security Deposits and Advance Rent

This account consists of:

	2021	2020
Current portion of security deposits (Note 22)	**₱929,877,182**	₱534,775,286
Current portion of advance rent (Note 22)	**799,388,643**	305,061,924
	₱1,729,265,825	₱839,837,210

Current portion of security deposits
Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. Security deposit also include bond deposits of homeowners for their house extension, fence construction and landscaping works which will be refunded after considering any charges. Current portion are those to be settled within one year from financial reporting date.

Current portion of advance rent
Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings. Current portion are those to be settled within one year from financial reporting date.

20. Bank Loans and Loans Payable

Bank Loans
Bank loans pertain to the borrowings of the Group from various local financial institutions. These bank loans are obtained to finance capital expenditures and for general corporate purposes.

The rollforward analysis of this account follows:

	December 31, 2021	December 31, 2020
Balance at beginning of year	**₱42,506,424,550**	₱47,368,935,673
Availment*	**42,057,325,534**	21,973,981,100
Payment*	**(27,466,924,577)**	(26,836,492,223)
Balance at end of year	**57,096,825,507**	42,506,424,550
Debt issue cost		
Balance at beginning of the year	**132,635,349**	193,790,508
Additions	**37,500,000**	25,000,000
Amortizations	**(65,651,705)**	(86,155,159)
Balance at end of the year	**104,483,644**	132,635,349
Carrying value	**56,992,341,863**	42,373,789,201
Less current portion	**(8,067,321,815)**	(7,177,334,341)
Noncurrent portion	**₱48,925,020,048**	₱35,196,454,860

**Gross of bank loans that were rolled over during the period.*

Details of the bank loans as of December 31, 2021 and 2020 follow:

Loan Type	Date of Availment	2021	2020	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
VLLI							
Bank Loan	June 2021	**₱4,480,362,099**	₱–	June 2026	4.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank Loan	June 2021	**2,353,055,000**	–	May 2023	3.80%	Interest payable annually, principal payable upon maturity	Secured by hold-out investments at amortized cost
Bank Loan	May 2021	**2,488,958,333**	–	May 2026	4.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank Loan	September 2016	**846,273,985**	1,306,180,356	September 2023	5.00%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	October 2016	**1,400,000,000**	2,199,702,833	October 2023	5.00%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank Loan	April 2018	**2,800,000,000**	3,600,000,000	April 2025	7.36%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank Loan	October 2018	**996,047,132**	1,490,803,909	October 2023	7.99%	Interest and principal payable quarterly	Change of control provision wherein a material change of ownership of the major shareholder is not permitted; Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank Loan	November 2018	**1,000,000,000**	1,500,000,000	November 2023	7.77%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	May 2019	**994,050,173**	1,388,144,450	May 2024	7.15%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	October 2019	**1,578,947,368**	2,210,526,316	May 2024	5.263%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries

(Forward)

Loan Type	Date of Availment	2021	2020	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
Bank loan	March 2020	**₱3,410,303,073**	₱4,455,643,122	March 2025	4.89%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	December 2021	**1,000,000,000**	1,000,000,000	Various maturities, renewed upon maturity subject to change in interest rate	6.65% in 2020, 5% in 2021	Interest payable monthly, principal payable annually upon maturity	None
Bank loan	Availed and/or renewed in various dates in 2021 and 2020	**31,204,270,534**	19,665,895,624	Various maturities, renewed upon maturity subject to change in interest rate	3.25% to 4.75%	Interest payable monthly and quarterly, principal payable upon maturity	Secured by hold-out of investments at amortized cost
		54,552,267,697	38,816,896,610				
MAPI							
Bank loan	Availed in various dates in 2015	88,433,700	567,287,594	March 2022	5.46%	Interest and principal payable monthly	With collateral
Bank loan	July 2017	384,622,370	421,875,000	June 2027	6.23%	Interest and principal payable monthly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00
		473,056,070	989,162,594				
MC							
Bank loan	July 2016	**1,533,885,970**	1,976,287,909	July 2022	5.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 3.00:1.00; with collateral
		1,533,885,970	1,976,287,909				
Brittany							
Bank loan	July 2019	–	1,613,289	July 2021	9%	Interest and principal payable monthly	Chattel mortgage
		–	1,613,289				
CAPI							
Bank Loan	December 2019	–	1,009,280	December 2021	9.33%	Interest and principal payable monthly	Chattel mortgage
		–	1,009,280				
CHI							
Bank loan	February 2010	–	3,264,507	December 2019	10.50%	Interest and principal payable monthly	Chattel mortgage
		–	3,264,507				
CPI							
Bank loan	February 2010	–	4,288,792	Various Dates up to 2021	Various	Interest and principal payable monthly	Chattel mortgage
		–	4,288,792				

(Forward)

Loan Type	Date of Availment	2021	2020	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
VRI							
Bank loan	December 2017	**₱433,132,126**	₱575,078,471	December 2024	6.70%	Interest payable quarterly, principal payable upon maturity	Unsecured
Bank loan	May 2010	–	1,263,946	August 2020	10.50%	Interest and principal payable monthly	Chattel mortgage
		433,132,126	576,342,417				
PCLHI							
Bank loan	February 2013	–	4,923,803	Various Dates up to 2021	Various	Interest and principal payable monthly	Chattel mortgage
		56,992,341,863	42,373,789,201				
Less current portion		**8,067,321,815**	7,177,334,341				
Bank loans, net of current portion		**₱48,925,020,048**	₱35,196,454,860				

In June 2021, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱5,000.00 million which bears annual fixed interest of 4.75%, payable quarterly. The principal balance of the loan will be paid in 20 equal quarterly installments commencing on the second interest payment date subject to prepayment option.

In May 2021, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱2,500.00 million which bears annual fixed interest of 4.75%, payable quarterly. The principal balance of the loan will be paid in 16 equal quarterly installments commencing on the fifth interest payment date subject to prepayment option.

In March 2020, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱5,000.00 million which bears annual fixed interest of 4.89%, payable quarterly. The principal balance of the loan will be paid in 19 equal quarterly installments commencing September 2020.

The Parent Company has various peso-denominated bank loans with fixed interest-rates ranging from 3.25% to 5.00% per annum. In 2021 and 2020, these bank loans are renewable upon maturity subject to change in interest rates and/or hold-out amount of the investments in debt securities investments of VII. These loans are secured by hold-out of the investments at amortized cost of VII amounting to US$753.34 million (₱38,419.75 million) and US$439.03 million (₱21,083.55 million) as of December 31, 2021 and 2020, respectively. No fees are charged by VII for its investments held as security.

As disclosed in Notes 10, 14, and 15, certain investments at amortized cost, property and equipment, and investment properties are used as collateral to the bank loans.

Subsidiaries of the Parent Company namely, Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences, Inc. acted as guarantors for selected bank loans of the Parent Company. No fees are charged for these guarantee agreements.

Loans Payable
These loans bear annual fixed interest rates ranging from 6.00% to 8.00% as at December 31, 2021 and 2020, payable on equal monthly installment over a maximum period of 3 to 15 years. Installment contracts receivable serve as collateral to the loans payable (see Note 11).

Movement of loans payable follows:

	December 31, 2021	December 31, 2020
Balance at beginning of year	**₱4,321,894,645**	₱3,404,980,820
Availments	**2,859,085,791**	2,066,281,574
Payments	**(3,401,469,422)**	(1,149,367,749)
Balance at end of year	**3,779,511,014**	4,321,894,645
Less current portion	**3,460,145,095**	3,195,007,367
	₱319,365,919	₱1,126,887,278

Interest expense on bank loans and loans payable amounted to ₱2,883.09 million, ₱2,685.36 million, ₱3,372.14 million in 2021, 2020 and 2019, respectively (see Note 25).

The Group was able to comply with the loan covenants as of December 31, 2021 and 2020.

21. **Notes Payable**

This account consists of:

	2021	2020
Dollar denominated bonds	**₱58,035,394,989**	₱43,567,135,154
Corporate note facility	**25,050,886,919**	29,969,713,712
Retail bonds	**24,843,951,615**	25,466,719,648
	107,930,233,523	99,003,568,514
Less current portion	**24,170,708,067**	5,647,208,388
Noncurrent portion	**₱83,759,525,456**	₱93,356,360,126

A. Dollar Denominated Bonds

a. US$220.00 million Notes (Due July 2027)
On May 17, 2021, VII (the Issuer) issued US$170.00 million notes ("Notes") with a term of six years from initial drawdown date. The interest rate is 7.25% per annum, payable semi-annually in arrears on January 20 and July 20 of each year beginning on January 20, 2022. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2021, outstanding balance of the note amounted to US$168.42 million (₱8,887.39 million).

On June 1, 2021, VII issued an additional US$50.00 million unsecured note, with similar terms and conditions as the above notes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2021, outstanding balance of the note amounted to US$49.54 million (₱2,620.38 million).

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after July 20, 2024 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on July 20 of the years set forth below:

Period	Price
2024	103.6250%
2025	101.8125%
2026 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2021 and 2020.

b. US$200.00 million Notes (Due July 2027)
On July 20, 2020, VII (the Issuer) issued US$ 200.00 million notes ("Notes") with a term of seven years from initial drawdown date. The interest rate is 7.25% per annum, payable semi-annually in arrears on January 20 and July 20 of each year beginning on January 20, 2021. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2021 and 2020, outstanding balance of the note amounted to US$197.99 million (₱10,097.07 million) and US$198.07 million (₱9,511.86 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after July 20, 2024 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on July 20 of the years set forth below:

Period	Price
2024	103.6250%
2025	101.8125%
2026 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2021 and 2020.

c. US$350.00 million Notes (Due November 2024)
On November 28, 2017, VII (the Issuer) issued US$350.00 million notes ("Notes") with a term of seven years from initial drawdown date. The interest rate is 5.75% per annum, payable semi-annually in arrears on May 28 and November 28 of each year beginning on November 28, 2017. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2021, and 2020, outstanding balance of the note amounted to US$345.42 million (₱17,616.19 million) and US$343.81million (₱16,510.73 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after November 28, 2021 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on November 28 of the years set forth below:

Period	Price
2021	102.8750%
2022	101.4375%
2023 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2021 and 2020.

d. US$425.00 million Notes (Due June 2022)
On June 18, 2015, VII (the Issuer) issued US$300.00 million notes ("Notes") with a term of seven years from initial draw down date. The interest rate is 7.375% per annum, payable semi-annually in arrears on June 18 and December 17 of each year beginning on December 17, 2015. The Notes were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2021, and 2020, outstanding balance of the note amounted to US$243.94 million (₱12,440.81 million) and US$240.47million (₱11,547.94 million), respectively.

On February 2, 2016, an additional unsecured note, with the same terms and conditions with the above notes, were issued by the Group amounting to US$125.00 million. The notes were issued at 102% representing yield to maturity of 6.979%. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2021, and 2020, outstanding balance of the note amounted to US$124.97 million (₱6,373.55 million) and US$124.87 million (₱5,996.60 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes, by giving notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of the person in whose name the Notes is registered on the relevant record date to receive interest due on the relevant interest payment date.

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers and acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2021 and 2020.

B. Corporate Note Facility

a. ₱15,000.00 million Corporate Notes (Due July 2024)
On July 15, 2019, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Five-Year Corporate Notes due 2024 amounting to ₱14,500.00 million at a fixed rate of 6.77% per annum, payable quarterly.

On October 17, 2019, an additional issuance of Corporate Notes was made in the amount of ₱500.00 million due 2024, at a fixed interest of 6.77% per annum, payable quarterly.

The proceeds of the corporate notes were utilized for the 2019 capital expenditures for commercial property projects, and to fund other general corporate expenses of the Group. The issue cost amounted to ₱159.91 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2021, and 2020, the outstanding balance of the Corporate Notes is ₱10,264.44 million and ₱13,973.50 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
3rd anniversary from issue date and interest payment thereafter	101.00%
4th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2021 and 2020.

b. ₱8,200.00 million Corporate Notes (Due July 2025 and 2028)
On July 11, 2018, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long term corporate notes consisting of Seven-Year Corporate Notes due 2025 amounting to ₱1,700.00 million at a fixed rate of 7.4913% per annum, payable quarterly and Ten-Year Corporate Notes due 2028 amounting to ₱6,000.00 million at a fixed rate of 7.7083% per annum, payable quarterly.

On July 25, 2018, an additional issuance of Corporate Notes was made in the amount of ₱500.00 million due 2025, at a fixed interest of 7.4985% per annum.

The proceeds of the corporate notes were utilized for the 2018 capital expenditures for commercial property projects, and to fund other general corporate expenses of the Group. The issue cost amounted to ₱105.30 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2021, and 2020, the outstanding balance of the Corporate Notes is ₱5,830.13 million and ₱6,847.66 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Seven Year Notes:

Early Redemption Date	Early Redemption Amount
5th anniversary from issue date and interest payment thereafter	101.00%
6th anniversary from issue date and interest payment thereafter	100.50%

Ten Year Notes:

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2021 and 2020.

c. ₱10,000.00 million Corporate Notes (Due December 2026)
On December 28, 2016, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes with a principal amount of up to ₱8,000.00 million. On April 21, 2017, a consent solicitation was made for amendments to include among others, increasing the Corporate Notes principal amount to up to ₱10,000.00 million in respect to the second drawdown. Such amendments were consented by Note Holders representing at least fifty one percent (51%) of the outstanding Corporate Notes.

On April 27, 2017, the Issuer made such amendments to the Corporate Note Facility dated December 28, 2016. The first drawdown was at ₱5,150.00 million in 2016, at fixed interest of 6.19% per annum, payable quarterly. On May 3, 2017, the Issuer made its second drawdown at ₱4,850.00 million, at fixed interest of 6.23% per annum, payable quarterly.

The proceeds of the Corporate Notes were utilized for the 2017 capital expenditures, refinancing of existing indebtedness and to fund other general corporate expenses. The issue cost amounted to ₱38.72 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2021, and 2020, the outstanding balance of the Corporate Notes is ₱8,956.32 million and ₱9,148.55 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2021 and 2020.

C. Retail Bonds

a. 2019 Fixed-rate Peso Retail Bonds
On December 18, 2019, the Parent Company (the Issuer) issued an unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance were used to fund the construction and completion of the various malls and condominium projects, redevelopment of existing malls, as well as for general corporate purposes. The issue costs amounted ₱91.07 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on June 18, 2025 with interest rate of 5.70% per annum. This is the third and last tranche offered out of the shelf registration of Peso Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million and initial tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱30,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 18, 2020, for the first interest payment date and on June 18, September 18, December 18 each year for each subsequent payment date.

As of December 31, 2021, and 2020, the outstanding balance of the Retail Bonds is ₱9,941.34 million and ₱9,925.08 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

i. Three (3) years from issue date at early redemption price of 101.00%
ii. Four (4) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2021 and 2020.

b. <u>2018 Fixed-rate Peso Retail Bonds</u>
On December 21, 2018, the Parent Company (the Issuer) issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance were used to fund the construction and completion of the various malls and for general corporate purposes. The issue costs amounted to ₱130.20 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on December 21, 2023 with interest rate of 8.00% per annum and 7-year Retail Bonds due on December 21, 2025 with interest rates 8.25% per annum. This is the second tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 21, 2019 for the first interest payment date and on March 21, June 21, September 21 and December 21 each year for each subsequent payment date.

As of December 31, 2021, and 2020, the outstanding balance of the Retail Bonds is ₱9,935.40 million and ₱9,909.80 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

a) 5-year Bonds:
   i. Three (3) years from issue date at early redemption price of 101.00%
   ii. Four (4) years from issue date at early redemption price of 100.50%
b) 7-year Bonds:
   i. Five (5) years from issue date at early redemption price of 101.00%
   ii. Six (6) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2021, and 2020.

c. <u>2017 Fixed-rate Peso Retail Bonds</u>
On August 8, 2017, the Parent Company (the Issuer) issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱5,000.00 million. The proceeds of the issuance were used to partially finance certain commercial development projects and for general corporate purposes. The issue costs amounted to ₱64.87 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 7-year Retail Bonds due on August 8, 2024 with interest rate of 5.75% per annum and 10-year Retail Bonds due on August 9, 2027 with interest rate of 6.23% per annum. This is the initial tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on November 8, 2017 for the first interest payment date and on February 8, May 8, August 8 and November 8 each year for each subsequent payment date.

As of December 31, 2021, and 2020, the outstanding balance of the Retail Bonds is ₱4,967.26 million and ₱4,959.06 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

a) 7-year Bonds:
   i. Five (5) years and six (6) months from issue date at early redemption price of 101.00%
   ii. Six (6) years from issue date at early redemption price of 100.50%

b) 10-year Bonds:
   i. Seven (7) years from issue date at early redemption price of 102.00%
   ii. Eight (8) years from issue date at early redemption price of 101.00%
   iii. Nine (9) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2021 and 2020.

d. <u>2014 Fixed-rate Peso Retail Bonds</u>
On May 9, 2014, the Parent Company (the Issuer) issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱3,000.00 million and an overallotment option of up to ₱2,000.00 million. The proceeds of the issuance were used to partially finance certain commercial development projects of CPI and its subsidiaries. The issue costs amounted to ₱98.77 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on November 9, 2019 with interest rate of 5.65% per annum and seven-year fixed rate bonds due on May 9, 2021 with interest rates of 5.94% per annum. Interest on the Retail Bonds shall be payable quarterly in arrears starting on August 9, 2014 for the first interest payment date and on February 9, May 9, August 9 and November 9 each year for each subsequent interest payment date. On November 9, 2019, the Issuer fully paid the 5-year Retail Bonds amounting to ₱4,326.27 million.

As of December 31, 2021, and 2020, the outstanding balance of the Retail Bonds is nil and ₱672.78 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

a) 5-year Bonds:
   i. Three (3) years and six (6) months from issue date at early redemption price of 101.00%
   ii. Four (4) years from issue date at early redemption price of 100.50%

b) 7-year Bonds:
   i. Five (5) years and six (6) months from issue date at early redemption price of 101.00%
   ii. Six (6) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Retail Bonds, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a debt-service coverage ratio (DSCR) of at least 1.00:100. These were complied with by the Group as at December 31, 2021 and 2020.

Movement of notes payable follows:

	December 31, 2021	December 31, 2020
Principal		
Balance at beginning of year	**₱100,326,059,510**	₱94,495,734,794
Drawdown	**10,909,807,626**	9,883,000,000
Principal payments	**(5,657,071,600)**	(2,170,841,600)
Translation adjustment	**3,441,210,031**	(1,881,833,684)
Balance at end of year	**109,020,005,567**	100,326,059,510
Debt issue cost		
Balance at January 1	**1,322,490,996**	1,305,576,909
Addition	**104,094,100**	278,399,999
Debt issue cost amortization	**(267,559,605)**	(122,311,613)
Translation adjustment	**(69,253,447)**	(139,174,299)
Balance at end of year	**1,089,772,044**	1,322,490,996
Carrying value	**107,930,233,523**	99,003,568,514
Less current portion	**24,170,708,067**	5,647,208,388
	₱83,759,525,456	₱93,356,360,126

Interest expense on Notes payable amounted to ₱7,560.99 million, ₱6,754.93 million, ₱5,790.12 million in 2021, 2020 and 2019, respectively (see Note 25).

The Group was able to comply with the loan covenants as of December 31, 2021 and 2020.

22. **Other Noncurrent Liabilities**

This account consists of:

	2021	2020
Liabilities for purchased land - net of current portion (Notes 18 and 31)	**₱1,454,202,032**	₱1,546,089,225
Deferred output tax - net of current portion (Note 18)	**865,199,085**	1,005,777,048
Retentions payable - net of current portion (Notes 18 and 31)	**620,456,341**	1,588,460,373
Security deposits - net of current portion (Note 19)	**462,052,831**	855,059,280
Advance rent - net of current portion (Note 19)	**119,495,067**	555,685,952
	₱3,521,405,356	₱5,551,071,878

23. **Equity**

Capital Stock
The details of the Parent Company's capital stock as at December 31 follow:

	2021	2020	2019
Common			
Authorized shares	**17,900,000,000**	17,900,000,000	17,900,000,000
Par value per share	**₱1.00**	₱1.00	₱1.00
Issued shares	**13,114,136,376**	13,114,136,376	13,114,136,376
Outstanding shares	**11,945,799,461**	11,945,799,461	11,945,799,461
Value of shares issued	**₱13,114,136,376**	₱13,114,136,376	₱13,114,136,376
Preferred Series 1			
Authorized shares	**8,000,000,000**	8,000,000,000	8,000,000,000
Par value per share	**₱0.01**	₱0.01	₱0.01
Issued and outstanding shares	**3,300,000,000**	3,300,000,000	3,300,000,000
Value of shares issued	**₱33,000,000**	₱33,000,000	₱33,000,000
Preferred Series 2			
Authorized shares	**200,000,000**	200,000,000	200,000,000
Par value per share	**₱0.10**	₱0.10	₱0.10
Issued and outstanding shares	**–**	–	–
Value of shares issued	**₱–**	₱–	₱–

Preferred Series 1
Voting, non-cumulative, non-participating, non-convertible and non-redeemable. The BOD may determine the dividend rate which shall in no case be more than 10.00% per annum.

Preferred Series 2
On June 17, 2019, the Stockholders approved the reclassification of the unissued preferred capital stock of the Parent Company to create Two Hundred Million (200,000,000) non-voting, cumulative, non-participating, non-convertible and redeemable Series 2 preferred shares with par value of ₱0.10 each and the corresponding amendment of the Articles of Incorporation of the Parent

Company. The Board likewise approved the shelf registration and listing of such redeemable Series 2 preferred shares.

The terms and conditions of any offering of the Series 2 preferred shares, including the dividend rate, redemption prices, and similar matters will be determined by the Board of Directors at a later date. None of these reclassified preferred shares are issued as of December 31, 2021 and 2020.

Registration Track Record
On July 26, 2007, the Parent Company launched its follow-on offer where a total of 8,538,740,614 common shares were offered at an offering price of ₱6.85 per share. The registration statement was approved on June 25, 2007.

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2021:

	Number of Shares Registered	Number of holders of securities as of year end
December 31, 2019	13,114,136,376	946
Add/(Deduct) Movement	–	–
December 31, 2020	13,114,136,376	946
Add/(Deduct) Movement	–	(2)
December 31, 2021	**13,114,136,376**	**944**

Treasury Shares
Treasury shares totaling 416,128,700 of the Parent Company amounting to ₱2,361.98 million as of December 31, 2021 and 2020, respectively, represents the shares of stock held by the Parent Company, while treasury shares (752,208,215) amounting to ₱5,378.29 million for both 2021 and 2020 represents Parent Company stocks held by Manuela. These treasury shares are recorded at cost.

On November 5, 2018, the BOD of the Parent Company approved the extension of the Share Buyback Program up to November 5, 2020 subject to the prevailing market price at the time of the buyback over a 24-month period but subject to periodic review by the management.

The movement in the Parent Company's treasury shares follows:

	2021		2020		2019	
	Shares	Amount	Shares	Amount	Shares	Amount
At January 1	**1,168,336,915**	**₱7,740,264,387**	1,168,336,915	₱7,740,264,387	1,078,220,015	₱7,184,331,182
Additions	–	–	–	–	90,116,900	555,933,205
At December 31	**1,168,336,915**	**₱7,740,264,387**	1,168,336,915	₱7,740,264,387	1,168,336,915	₱7,740,264,387

Retained Earnings
Retained earnings include the accumulated equity in undistributed earnings of consolidated subsidiaries amounting to ₱68,470.10 million and ₱63,192.49 million as at and December 31, 2021 and 2020, respectively.

Also, the retained earnings is restricted to payments of dividends to the extent of cost of treasury shares in the amount of ₱2,361.98 million as at December 31, 2021 and 2020.

The BOD of the Parent Company approved the declaration of regular cash dividend amounting to ₱298.64 million or ₱0.03 per share and ₱597.29 million or ₱0.05 per share on September 30, 2021 and September 30, 2020, respectively. The dividend declarations are in favor of all stockholders of record as of October 15, 2021 and October 16, 2020 paid on October 29, 2021 and October 30, 2020, respectively.

As at December 31, 2021 and 2020, the Group's dividends payable amounted to ₱15.86 million and ₱28.10 million, respectively.

Noncontrolling Interest
The BOD of the Vistamalls, Inc. (formerly Starmalls, Inc.) approved the declaration of regular cash dividend amounting to ₱135.99 million or ₱0.02 per share and ₱131.82 million or ₱0.02 per share on September 30, 2021 and September 30, 2020, respectively. The dividend declarations are in favor of all stockholders of record as of October 28, 2021 and October 29, 2020 paid on October 29, 2020 and October 23, 2019, respectively. Consequently, dividends to noncontrolling interest amounted to ₱15.86 million and ₱15.33 million in 2021 and 2020, respectively.

Capital Management
The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of December 31, 2021, 2020 and 2019, the Group had the following ratios:

	2021	2020	2019
Current ratio	**248%**	316%	395%
Debt-to-equity ratio	**147%**	134%	140%
Net debt-to-equity ratio	**91%**	87%	92%
Asset-to-equity ratio	**279%**	269%	273%

As of December 31, 2021, 2020 and 2019, the Group had complied with all externally imposed capital requirements (Notes 20 and 21). No changes were made in the objectives, policies or processes for managing capital for the years ended December 31, 2021, 2020 and 2019.

The Group considers as capital the equity attributable to equity holders of the Parent Company. The following table shows the component of the Group's equity which it manages as capital as of December 31, 2021, 2020 and 2019:

	2021	2020	2019
Total paid-up capital	**₱43,802,565,725**	₱43,802,565,725	₱43,802,565,725
Retained earnings	**72,539,569,939**	66,411,673,066	60,952,947,290
Treasury shares	**(7,740,264,387)**	(7,740,264,387)	(7,740,264,387)
Other comprehensive income	**778,073,767**	585,601,339	633,485,331
	₱109,379,945,044	₱103,059,575,743	₱97,648,733,959

Financial Risk Assessment
The Group's financial condition and operating results would not be materially affected by the current changes in liquidity, credit, interest, currency and market conditions.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's counterparties remain diverse and outstanding balance of selected related parties are guaranteed by Fine Properties, Inc., ultimate parent company. Out of the total rental income in 2021, ₱7,326.14 million or 78.67% are transactions with related parties.

Exposure to changes in interest rates is reduced by regular availment of short-term loans which is collateralized by the installment contracts receivables in order to cushion the impact of potential increase in loan interest rates.

The Parent Company has a formal foreign exchange and interest risk management policy. The Parent Company actively monitors foreign exchange exposure and interest rate changes. And in addition, the Parent Company ensures that all loan covenants and regulatory requirements are complied with.

Exposure to foreign currency holdings are as follows:

	2021	2020
Cash and cash equivalents	**US$156,006,842**	US$28,597,247
Investments in amortized cost	**978,423,422**	868,248,468
Notes payable	**1,137,971,235**	907,213,942

Liquidity risk is addressed with long-term funding already locked in, while funds are placed on a short-term placement.

24. Costs and Expenses

Cost of real estate sales
Cost includes acquisition cost of land, materials, labor, and overhead in construction and development and capitalized borrowing costs. Cost of real estate sales recognized for the years ended December 31, 2021, 2020 and 2019 amounted to ₱8,533.40 million, ₱12,020.71 million and ₱15,768.51 million, respectively (see Note 12).

Operating expenses
This account consists of:

	2021	2020	2019
Depreciation and amortization (Notes 14, 15 and 17)	**₱2,686,583,410**	₱2,247,713,931	₱2,292,144,027
Salaries, wages and employee benefits (Note 26)	**1,240,164,577**	1,276,763,379	1,255,630,815
Taxes and licenses	**956,976,222**	923,735,133	945,745,362
Repairs and maintenance	**891,734,526**	1,071,070,828	1,233,598,714
Contracted services	**836,836,233**	833,238,872	794,600,896
Commissions	**829,743,095**	1,031,485,162	1,566,701,544
Occupancy costs (Note 28)	**629,177,751**	499,686,169	1,167,255,083

(Forward)

	2021	2020	2019
Provision for impairment losses on receivables and investments (Notes 10 and 11)	**₱443,283,830**	₱83,259,949	₱52,629,873
Advertising and promotions	**314,467,795**	713,971,409	1,427,965,332
Transportation and travel	**68,997,839**	65,996,106	170,225,728
Office expenses	**50,873,791**	42,048,881	62,889,123
Representation and entertainment	**29,379,618**	24,851,714	66,514,673
Miscellaneous	**429,561,405**	271,106,708	451,223,751
	₱9,407,780,092	₱9,084,928,241	₱11,487,124,921

Operating expenses represent the cost of administering the business of the Group. These are recognized when the related services and costs have been incurred.

Occupancy cost
Occupancy cost consists of utilities expense such as light, power, and telephone charges.

Amortization of right-of-use assets of ₱175.99 million and ₱210.76 million is included under "Depreciation and amortization" in 2021 and 2020, respectively (see Note 14).

Miscellaneous expenses
Miscellaneous expenses include dues and subscriptions, donations and other expenditures.

25. **Interest and Other Income from Investments, Parking, Hotel, Mall Administrative and Processing Fees, and Other Revenue, and Interest and Other Financing Charges**

Interest and other income from investments consist of:

	2021	2020	2019
Installment contracts receivable (Note 11)	**₱726,012,272**	₱541,310,589	₱478,569,158
Accretion of unamortized discount (Note 11)	**48,432,788**	86,930,787	98,207,930
	774,445,060	628,241,376	576,777,088
Interest income from:			
Cash and cash equivalents, short-term investments and cash restricted for use (Notes 9, 10 and 13)	**41,946,510**	77,554,532	114,502,399
Investments at amortized cost (Note 10)	**1,507,491,031**	1,359,716,861	1,394,378,231
	1,549,437,541	1,437,271,393	1,508,880,630
	₱2,323,882,601	₱2,065,512,769	₱2,085,657,718

Parking, hotel, mall administrative and processing fee, and other revenue consist of:

	2021	2020	2019
Mall administrative and processing fee	**₱890,906,111**	₱546,104,024	₱452,787,766
Forfeitures	**686,415,538**	620,094,918	508,656,392
Loan processing fees from banks	**276,951,662**	262,277,117	282,249,336
Parking	**121,887,432**	117,585,865	193,166,256
Hotel	**89,266,555**	48,511,184	184,357,086
Penalty and others	**81,446,903**	35,973,013	122,922,302
	₱2,146,874,201	₱1,630,546,121	₱1,744,139,138

Forfeitures pertain to forfeited reservation fees and payments for cancelled sales less of any amount refundable to buyers.

Loan processing fees from banks pertain to payments from banks for processing of loan requirements in their behalf.

Parking pertains to payments from mall goers and tenants for use of the parking slots both for commercial and residential buildings.

Penalty and others are payments from interest and surcharge for past due accounts.

Interest and other financing charges consist of:

	2021	2020	2019
Interest incurred on:			
Bank loans and loans payable (Note 20)	**₱2,883,093,299**	₱2,685,358,656	₱3,372,136,766
Notes payable	**7,560,993,895**	6,754,934,909	5,790,121,886
Lease liabilities (Note 28)	**287,930,761**	386,720,482	268,913,565
Other bank charges	**6,872,652**	161,555,350	48,820,634
	10,738,890,607	9,988,569,397	9,479,992,851
Amounts capitalized (Notes 12 and 14)	**(6,423,560,753)**	(6,016,661,794)	(5,912,110,623)
	₱4,315,329,854	₱3,971,907,603	₱3,567,882,228

26. **Retirement Plan**

The Group has noncontributory defined benefit pension plan covering substantially all of its regular employees. The benefits are based on current salaries and years of service and related compensation on the last year of employment. The retirement benefit is the only long-term employee benefit.

The principal actuarial assumptions used to determine the pension benefits with respect to the discount rate, salary increases and return on plan assets were based on historical and projected normal rates.

The components of pension expense follow:

	2021	2020	2019
Current service cost	**₱52,137,336**	₱44,743,319	₱32,702,479
Interest cost (income)	**(7,563,001)**	(10,352,624)	(17,508,109)
Total pension expense	**₱44,574,335**	₱34,390,695	₱15,194,370

Pension expense is included in "Salaries, wages and employee benefits" under Operating expenses in the consolidated statements of comprehensive income.

Funded status and amounts recognized in the consolidated statements of financial position for the pension plan follow:

	2021	2020	2019
Plan assets	**₱772,695,349**	₱681,936,788	₱616,020,191
Defined benefit obligation	**(489,729,931)**	(517,927,481)	(348,142,599)
Pension assets recognized in the consolidated statements of financial position	**₱282,965,418**	₱164,009,307	₱267,877,592

Changes in the combined present value of the combined defined benefit obligation are as follows:

	2021	2020	2021
Balance at beginning of year	**₱517,927,481**	₱348,142,599	₱324,320,751
Current service cost	**52,137,336**	44,743,319	32,702,479
Interest cost	**20,369,791**	20,729,711	22,880,158
Benefits paid	**–**	–	(13,400,000)
Actuarial losses (gains) due to:			
Experience adjustments	**(8,820,557)**	7,505,584	(81,118,963)
Changes in demographic assumptions	**–**	(3,146,246)	(21,708,402)
Changes in financial assumptions	**(91,884,120)**	99,952,514	84,466,576
Balance at end of year	**₱489,729,931**	₱517,927,481	₱348,142,599

Changes in the fair value of the combined plan assets are as follows:

	2021	2020	2019
Balance at beginning of year	**₱681,936,788**	₱616,020,191	₱537,582,047
Contributions	**58,425,850**	3,000,000	60,652,837
Interest income included in net interest cost	**27,932,792**	31,082,335	40,388,267
Actual gains (losses) on return of plan assets excluding amount included in net interest cost	**4,399,919**	31,834,262	(9,202,960)
Benefits paid	**–**	–	(13,400,000)
Balance at end of year	**₱772,695,349**	₱681,936,788	₱616,020,191

The movements in the combined net pension assets follow:

	2021	2020	2019
Balance at beginning of year	**(₱164,009,307)**	(₱267,877,592)	(₱213,261,296)
Pension expense	**44,574,335**	34,390,695	15,194,370
Total amount recognized in OCI	**(105,104,596)**	72,477,590	(9,157,829)
Contributions	**(58,425,850)**	(3,000,000)	(60,652,837)
Balance at end of year	**(₱282,965,418)**	(₱164,009,307)	(₱267,877,592)

The assumptions used to determine the pension benefits for the Group are as follows:

	2021	2020	2019
Discount rates	**5.20%**	4.21%	5.52%
Salary increase rate	**7.75%**	7.75%	7.75%

The turn-over rate used to compute the retirement liability is ranging from 10% at age 18 to 0% at age 60 in 2021 and 2020.

The distribution of the plan assets at year-end follows:

	2021	2020	2019
Assets			
Cash and cash equivalents	**₱164,471,897**	₱109,508,011	₱113,925,155
Investments in private companies	**325,688,164**	451,232,452	433,356,248
Investments in government securities	**280,012,287**	118,611,794	65,073,689
Receivables	**3,533,694**	4,276,416	4,490,637
	773,706,042	683,628,673	616,845,729
Liabilities			
Trust fee payables	**938,628**	1,674,175	771,428
Other payable	**72,065**	17,710	54,110
	1,010,693	1,691,885	825,538
Net plan assets	**₱772,695,349**	₱681,936,788	₱616,020,191

The carrying amounts disclosed above reasonably approximate fair value at reporting date. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The net unrealized (losses) gains on investments in government securities amounted to (₱2.65 million), ₱5.20 million and ₱1.51 million in 2021, 2020 and 2019, respectively.

The Group does not expect to contribute to its retirement fund in 2021.

The composition of the fair value of the Fund includes:

- *Cash* - include savings and time deposit with various banks and special deposit account.
- *Investments in private companies* - include investments in long-term debt notes and corporate bonds.
- *Investments in government securities* - include investment in Philippine RTBs.
- *Receivables* - includes interest and dividends receivable generated from investments included in the plan.

- *Trust fee payable* - pertain mainly to charges of trust or in the management of the plan.

The Group retirement benefit fund is in the form of a trust being maintained by a trustee bank. The fund includes investment in the form of fixed-rate peso retail bonds issued by the Parent Company due 2021 and 2027 with interest rates of 5.94% and 6.23%, respectively. As of December 31, 2021 and 2020, the fair value of investment amounted to ₱596.30 million and ₱20.74 million, respectively. Interest income earned from the investments in bonds amounted to ₱4.57 million, ₱1.27 million and ₱0.91 million in 2021, 2020 and 2019, respectively.

The allocation of the fair value of plan assets follows:

	2021	2020
Deposits	**21.29%**	16.02%
Corporate bonds	**42.15%**	66.01%
Government bonds	**36.24%**	17.35%

The funds are administered by a trustee bank under the supervision of the Board of Directors of the plan. The Board of Directors is responsible for investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity.

Shown below is the maturity analysis of the undiscounted benefit payments:

Plan Year	**2021**	2020
Less than 1 year	**₱6,048,830**	₱14,703,960
More than 1 year to 5 years	**40,392,964**	55,571,315
More than 5 years to 10 years	**224,384,747**	152,390,811
More than 10 years to 15 years	**375,853,689**	317,500,445
More than 15 years to 20 years	**454,204,395**	412,931,845
20 years and beyond	**3,602,877,067**	2,905,351,723
	₱4,703,761,692	₱3,858,450,099

The average duration of the expected benefit payments at the end of the reporting period is 27.82 years.

Sensitivity analysis on the actuarial assumptions
Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

		Increase (decrease) on Defined Benefit Obligation	
	Rates	**2021**	2020
Discount rate	+1%	**(₱67,084,119)**	(₱75,816,781)
	-1%	**82,180,394**	88,724,297
Salary increase	+1%	**81,431,005**	86,885,515
	-1%	**(67,984,296)**	(76,050,455)

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles with mandate of management. Union Bank's (UB) current strategic investment strategy consists of 16.08% of cash, 38.75% of investments in government securities, 44.86% of investment in private companies and 0.49% receivables.

27. Income Tax

Provision for income tax consists of:

	2021	2020	2019
Current:			
RCIT/MCIT	**₱866,932,587**	₱922,515,389	₱1,570,600,208
Final	**2,088,378**	14,339,565	27,420,374
Deferred	**1,088,627,884**	292,335,550	375,401,751
	₱1,957,648,849	₱1,229,190,504	₱1,973,422,333

The components of the Group's deferred taxes are as follows:

Net deferred tax assets:

	2021	2020	2019
Deferred tax assets on:			
Excess of tax basis over book basis of deferred gross profit on real estate sales	**₱125,085,013**	₱236,520,715	₱665,711,928
Accrual of retirement costs	**54,174,310**	31,109,061	37,909,542
NOLCO	**50,636,525**	–	–
Unamortized discount on receivables	**1,850,959**	6,411,938	7,887,917
Allowance for probable losses	**1,750,543**	–	–
MCIT	**1,478,024**	–	–
Unrealized foreign exchange losses	–	920,696	1,556,479
	234,975,374	274,962,410	713,065,866

(Forward)

	2021	2020	2019
Deferred tax liabilities on:			
Excess of book basis over tax basis of deferred gross profit on real estate sales	**₱77,588,311**	₱–	₱127,253,489
Remeasurement gain on defined benefit obligation	**50,996,567**	30,722,495	46,445,657
Capitalized interest and other expenses	**45,061,370**	56,133,986	55,034,375
Straight line lease adjustment on rent income	**10,518,073**	–	–
Unrealized foreign exchange losses	**2,427,126**	–	–
Accrual of retirement costs	**–**	–	62,637
	186,591,447	86,856,481	228,796,158
	₱48,383,927	₱188,105,929	₱484,269,708

Net deferred tax liabilities:

	2021	2020	2019
Deferred tax assets on:			
Lease liabilities	**₱1,358,960,110**	₱802,455,715	₱934,180,246
Allowance for probable losses	**138,692,181**	40,452,392	18,177,031
Accrual of retirement costs	**73,024,521**	125,684,991	137,845,865
MCIT	**10,621,570**	26,385,483	46,744,581
Unamortized discount on receivables	**8,615,812**	10,282,438	21,583,845
Excess of tax basis over book basis of deferred gross profit on real estate sales	**5,699,672**	12,427,164	6,954,380
NOLCO	**1,633,171**	502,153,590	365,295,377
	1,597,247,037	1,519,841,773	1,530,781,325
Deferred tax liabilities on:			
Straight line lease adjustment on rent income	**2,776,155,445**	2,160,700,335	1,219,307,957
Capitalized interest and other expenses	**1,402,821,564**	1,819,593,645	1,406,390,397
Right-of-use assets	**1,137,369,394**	563,217,997	762,627,328
Excess of book basis over tax basis of deferred gross profit on real estate sales	**1,099,342,052**	800,138,769	1,914,309,222
Remeasurement gain on defined benefit obligation	**146,943,619**	175,274,349	181,294,464
Fair value adjustments from business combination	**15,746,143**	21,257,292	23,619,214
Discount on rawland payable	**1,519,459**	5,347,486	2,689,869
Accrual of retirement costs	**–**	–	28,315,926
	6,579,897,676	5,545,529,873	5,538,554,377
	(₱4,982,650,639)	(₱4,025,688,100)	(₱4,007,773,052)

Out of the ₱1,096.68 million movement in net deferred tax liabilities, ₱8.06 million was booked as movement in OCI in 2021.

Out of the ₱314.08 million movement in net deferred tax liabilities, ₱21.74 million was booked as movement in OCI in 2020.

As of December 31, 2021, 2021 and 2020, the Group has deductible temporary differences, NOLCO and MCIT that are available for offset against future taxable income for which no deferred tax assets have been recognized, as follows:

	2021	2020	2019
NOLCO	**₱12,840,423,648**	₱11,069,296,116	₱9,096,968,632
MCIT	**22,353,211**	11,715,152	10,104,745

The related unrecognized deferred tax assets on these deductible temporary differences, NOLCO and MCIT amounted to ₱3,232.46 million, ₱3,332.51 million and ₱2,739.20 million as of December 31, 2021, 2020 and 2019, respectively. These are mostly coming from holding companies namely, VLL, Vistamalls, Inc., CHI and CPI.

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. The subsidiaries recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

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

As of December 31, 2021, the Company has incurred NOLCO before taxable year 2020 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

NOLCO

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2018	₱3,809,370,770	(₱3,908,370,770)	₱–	2021
2019	3,605,826,305	(750,165,459)	2,855,660,846	2022
	₱7,415,197,075	(₱4,658,536,229)	₱2,855,660,846	

As of December 31, 2021, the Company has incurred NOLCO in taxable year 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2021	₱4,754,517,183	₱–	₱4,754,517,183	2026
2020	5,327,944,341	(11,152,577)	5,316,791,764	2025
	₱10,082,461,524	(₱11,152,577)	₱10,071,308,947	

MCIT

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2021	₱8,028,967	₱–	₱8,028,967	2024
2020	19,699,060	–	19,699,060	2023
2019	11,477,493	–	11,477,493	2022
2018	6,929,443	(6,929,443)	–	2021
	₱46,134,963	(₱6,929,443)	₱39,205,520	

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in profit or loss follows:

	2021	2020	2019
Provision for income tax computed at the statutory income tax rate	**25.00%**	30.00%	30.00%
Additions to (reductions in) income tax resulting from:			
Nondeductible interest and other expenses	**11.60**	12.02	9.79
Expired MCIT and NOLCO	**10.71**	9.87	3.92
Change in unrecognized deferred tax assets	**0.52**	7.79	2.15
Tax-exempt income on BOI-projects	**(9.80)**	(40.62)	(20.13)
Changes in tax rate arising from CREATE Act	**(7.75)**	–	–
Tax-exempt interest income	**(4.28)**	(5.36)	(5.67)
Interest income already subjected to final tax	**(0.02)**	(0.10)	(0.10)
Others	**(4.05)**	2.54	(5.43)
Provision for income tax	**21.93%**	16.14%	14.53%

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

On April 8, 2021, the Secretary of Finance, with recommendation from the Commissioner of the Bureau of Internal Revenue, promulgated the Implementing Rules and Regulations for the effectivity of the approved provisions of CREATE Act and clarified how the taxable income for the period beginning July 1, 2020 will be computed.

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

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding Php5 million and with total assets not exceeding Php100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.

- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.
- Foreign-sourced dividends received by domestic corporations are exempt from income tax subject to the following conditions:
    - The funds from such dividends actually received or remitted into the Philippines are reinvested in the business operations of the domestic corporation in the Philippines within the next taxable year from the time the foreign-sourced dividends were received;
    - Shall be limited to funding the working capital requirements, capital expenditures, dividend payments, investment in domestic subsidiaries, and infrastructure project; and
    - The domestic corporation holds directly at least 20% of the outstanding shares of the foreign corporation and has held the shareholdings for a minimum of 2 years at the time of the dividend distribution.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Group is subjected to lower regular corporate income tax rate of either 25% or 20% effective July 1, 2020. The rate applicable to the Group is 25%.

As a result of reduction in RCIT/MCIT rate, the provision for current income tax for the year ended December 31, 2020 and income tax payable as of December 31, 2020 decreased by ₱81.60 million. In addition, the provision for deferred tax for the year then ended December 31, 2020 and net deferred tax liabilities as of December 31, 2020 decreased by ₱609.66 million. For financial reporting purposes, these changes are recognized in the 2021 financial statements in accordance with PIC Q&A 2020-07.

The total reduction in income tax expense in 2021 amounting to ₱691.26 million is composed of ₱81.60 million coming from reduction in tax rate from 30% to 25% for 2021 taxable income and ₱609.66 million coming from the 5% tax expense for 2020 taxable income recorded as reduction for financial reporting in 2021.

Board of Investments (BOI) Incentives

The BOI issued in favor of certain subsidiaries in the Group a Certificate of Registration as Developer of Mass Housing Projects for its 78 projects in 2021, 84 projects in 2020 and 11 projects in 2019, in accordance with the Omnibus Investment Code of 1987. Pursuant thereto, the projects have been granted an Income Tax Holiday for a period of either three years for new projects, or four years for expansion projects, commencing from the date of issuance of the Certificate of Registration.

The Group availed of tax incentive in the form of ITH on its income under registered activities amounting to ₱285.16 million, ₱321.08 million and ₱357.66 million in 2021, 2020 and 2019, respectively.

28. **Lease Liabilities**

The Group, as lessee, has lease contracts for parcels of land where its commercial centers are situated with lease terms of 11 - 30 years. Rental due is based on prevailing market conditions. Generally, the Group is not restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The following are the amounts recognized in consolidated statements of comprehensive income:

	2021	2020
Depreciation expense of right-of-use assets included in investment properties (Note 14)	**₱175,989,721**	₱210,760,224
Interest expense on lease liabilities	**287,930,761**	386,720,482
Expenses relating to short-term leases (included in operating expenses)	**119,987,200**	92,674,563
Expenses relating to leases of low-value assets (included in operating expenses)	**–**	1,364,522
Total amount recognized in statement of comprehensive income	**₱583,907,682**	₱691,519,791

The rollforward analysis of lease liabilities follows:

	2021	2020
Balances at beginning of year	**₱2,674,852,382**	₱3,113,934,152
Additions due to lease modification	**2,756,247,692**	–
Termination	**–**	(579,441,297)
Interest expense (Note 25)	**287,930,761**	386,720,482
Payments	**(283,190,395)**	(246,360,955)
Balances at end of year	**5,435,840,440**	2,674,852,382
Less current portion	**348,214,986**	201,995,190
Noncurrent portion	**₱5,087,625,454**	₱2,472,857,192

On July 2, 2021, the Group and one of the lessors amended the lease contract covering parcels of land where one of the Group's commercial building is situated by extending the lease period and amending the lease rates. The lease modification did not result in a separate lease and the Group remeasured the lease liability based on the amended lease period and lease rates and recognized the difference between the carrying amount of the modified lease liability and the carrying amount of the lease liability immediately before the modification as an adjustment to the right-of-use asset.

On September 30, 2020, the Group terminated two lease contracts with third party lessors covering parcels of land previously used as open space parking facility. This resulted to reversal of the related right-of-use asset and lease liability and gain on pre termination amounting to ₱74.16 million presented under other income in the consolidated statement of comprehensive income.

The Group has no lease contract that contains variable payments. The Group's fixed payments amounted to ₱403.18 million and ₱340.40 million in 2021 and 2020, respectively.

The Group's lease contracts include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 5).

Shown below is the maturity analysis of the undiscounted lease payments:

	December 31, 2021	December 31, 2020
Within 1 year	**₱348,214,986**	₱296,152,952
More than 1 year to 2 years	**368,459,297**	359,507,916
More than 2 years to 3 years	**377,749,481**	370,907,752
More than 3 years to 4 years	**421,788,247**	385,827,095
More than 4 years to 5 years	**442,927,197**	391,431,387
More than 5 years	**9,327,257,720**	5,830,285,936
	₱11,286,396,928	₱7,634,113,038

29. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence. Entities under common control are those entities outside the Group but are related parties of Fine Properties, Inc. Related parties may be individuals or corporate entities.

All publicly listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirement under Revised SRC Rule 68 and SEC Memorandum Circular 10, series 2019.

The Parent Company has an approval requirement such that material related party transaction (RPT) shall be reviewed by the Risk Management Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the threshold value as approved by the Committee amounting to 10% or higher of the Group's total consolidated assets based on its latest audited financial statements.

The Group in their regular conduct of business has entered into transactions with related parties principally consisting of trade transactions from mall leasing, advances, reimbursement of expenses and purchase and sale of real estate properties. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The consolidated statements of financial position include the following amounts resulting from the foregoing transactions which represent amounts receivable from (payable to) related parties as of December 31, 2021 and 2020:

December 31, 2021

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
Receivable from tenants and accrued rental receivable (Note 11)					
Entities under Common Control	a) Rental of mall spaces	₱7,326,143,498	₱17,778,258,321	Non-interest bearing	Certain receivables with letter of financial support from Fine Properties Inc., No impairment
Ultimate Parent	a) Rental of office spaces	4,583,723	3,577,888	Non-interest bearing	Unsecured, No impairment
		₱7,330,727,221	₱17,781,836,209		
Receivable from/advances to related parties					
Ultimate Parent	f) Sale of VLLI shares	(₱1,960,071,572)	₱–	Noninterest-bearing; Due and demandable	Unsecured, No impairment
Ultimate Parent (Note 14)	b) Joint venture advances	3,236,698,012	6,085,189,231	Non-interest bearing	Unsecured, No impairment
Entities under Common Control	b) Advances	(879,187,160)	–	Non-interest bearing	Unsecured, No impairment
		₱397,439,280	₱6,085,189,231		
Advances in project development cost (Note 16)					
Ultimate Parent	b) Joint venture advances	₱–	₱91,646,033	Non-interest bearing	Unsecured, No impairment
Entities under Common Control	b) Purchase and return of advances for housing credits	(481,115,121)	398,433,913	Non-interest bearing	Unsecured, No impairment
		(₱481,115,121)	₱490,079,946		
Accounts payable to contractors					
Ultimate Parent	c) Payables for construction contracts	₱426,045,294	₱–	Due and demandable; noninterest-bearing	Unsecured
Lease liabilities (Note 28)					
Ultimate Parent	d) Rental of parcels of land	(₱47,022,775)	(₱356,095,355)	Interest-bearing	Unsecured
Interest expense (Note 28)					
Ultimate Parent	d) Rental of parcels of land	(₱37,050,794)	₱–	Interest-bearing	Unsecured
Dividends Declared/Payable					
Stockholders	e) Dividends	₱314,501,440	₱15,856,454		

December 31, 2020

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
Receivable from tenants and accrued rental receivable (Note 11)					
Entities under Common Control	a) Rental of mall spaces	₱5,265,407,527	₱11,599,370,413	Non-interest bearing	Certain receivables with letter of financial support from Fine Properties Inc., No impairment
Ultimate Parent	a) Rental of office spaces	(1,005,835)	477,604	Non-interest bearing	Unsecured, No impairment
		₱5,264,401,692	₱11,599,848,017		
Receivable from related parties					
Ultimate Parent	f) Sale of VLLI shares	₱–	₱1,960,071,562	Noninterest-bearing; Due and demandable	Unsecured, No impairment
Ultimate Parent (Note 14)	c) Advances	833,898,865	2,848,491,219	Non-interest bearing	Unsecured, No impairment
Entities under Common Control	b) Advances	565,597,650	879,187,160	Non-interest bearing	Unsecured, No impairment
		₱1,399,496,515	₱5,687,749,941		
Advances in project development cost (Note 16)					
Ultimate Parent	b) Joint venture advances	₱1,450,686	₱1,018,871,798	Non-interest bearing	Unsecured, No impairment
Entities under Common Control	b) Purchase and return of advances for housing credits	(1,971,016,970)	879,549,034	Non-interest bearing	Unsecured, No impairment
		(1,969,566,284)	₱1,898,420,832		
Accounts payable to contractors					
Ultimate Parent	c) Payables for construction contracts	₱914,085,171	(₱426,045,294)	Due and demandable; noninterest-bearing	Unsecured
Lease liabilities (Note 28)					
Ultimate Parent	d) Rental of parcels of land	(₱109,716,598)	(₱346,123,373)	Interest-bearing	Unsecured
Interest expense (Note 28)					
Ultimate Parent	d) Rental of parcels of land	(₱25,294,927)	₱–	Interest-bearing	Unsecured
Dividends Declared/Payable					
Stockholders	e) Dividends	₱612,616,496	₱28,103,938		

a) The Group has operating lease agreements with entities under common control for the leases of commercial centers. The lease agreements are renewable and contain escalation clauses. Rental income and receivables including the effect of straight-line calculation from related parties amounted to ₱7,326.14 million and ₱17,778.26 million, respectively, as of December 31, 2021, ₱5,265.41 million and ₱11,599.37 million, respectively, as of December 31, 2020. These receivables from related parties which are recognized as 'Accrued rent receivable' under 'Receivables' are not impaired (see Note 11).

   Included in the related party tenants are the AllValue HOLDINGS CORP. group of companies (AllValue Group), an anchor tenant, which is comprised of AllHome Corp., AllDay Marts, Inc., All Day Retail Concepts, Inc., Family Shoppers Unlimited, Inc., and CM Star Management, Inc. AllValue Group is engaged in retail businesses covering supermarkets, retail of apparel, construction materials and home/building appliances and furnishings. The lease agreements are renewable annually and contains escalation clauses.

   Rental income and receivables from All Value Group including the effect of future lease rate escalation amounted to ₱7,113.08 million and ₱16,549.24 million, respectively, as of December 31, 2021 and ₱5,360.84 million and ₱10,536.21 million, respectively, as of December 31, 2020. These receivables from All Value Group which are recognized as 'Accrued rental receivable' under 'Receivables' are not impaired (see Note 11).

   Rental income and receivables from All Value Group without the effect of future escalation amounted to ₱3,594.82 million and ₱5,595.94 million, respectively, as of December 31, 2021 and ₱2,186.99 million and ₱3,645.57 million, respectively, as of December 31, 2020. These receivables from All Value Group which are recognized as 'Receivable from tenants' under 'Receivables' are noninterest-bearing and are not impaired (see Note 11).

   Related parties with outstanding rent receivables without the effect of future escalation amounting to ₱973.41 million and ₱1,732.23 million were provided with financial support letter by Fine Properties, Inc. as of December 31, 2021 and 2020, respectively.

   As discussed in Note 5, certain related party tenants which are entities under common control requested to terminate certain lease contracts in various malls in 2021 and 2020. Accrued rent receivable from anchor tenants from straight-lining of rental income of ₱38.81 million and ₱1,569.91 million was reversed against rental income for the year ended December 31, 2021 and 2020, respectively.

   In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19 pandemic, the Group based on its scheme waived its right to collect rent and other charges as part of various lease concessions it granted to its related party lessees such as lease payment holidays or lease payment reductions. The rent concession granted by the Group to its related party tenants for the year ended December 31, 2021 and 2020 amounted to ₱32.11 million and ₱975.17 million, respectively.

   In May and November 2019, the Group amended certain lease contracts with All Value Group. The amendments of the lease contracts are as follow:

   a. Extension of the lease term by 10-15 years commencing from the lease modification date; and
   b. From annual fixed rent to variable rent based on agreed percentage on gross sales or agreed minimum guaranteed rent (MGR) with annual escalation, whichever is higher

The Ultimate Parent Company also has lease agreements with the Group for the lease of its office spaces. The rental due is based on prevailing market conditions.

b) On December 23, 2017, the Group entered into a Memorandum of Agreement (MOA) with Bria Homes, Inc.(Bria), a developer of socialized housing projects located in various areas in the Philippines, to assign portions of the socialized housing projects to various entities in the Group in compliance with the requirements of Republic Act No. 7279 (Urban Development and Housing Act of 1992). On November 23, 2018, the Group entered into another MOA with Bria to include vertical residential projects in the assignment of socialized housing projects. As such, the Group makes cash advances to Bria Homes, Inc. for the construction of socialized housing units which are recorded under project development costs (see Note 16).

   On December 23, 2019, another MOA was executed with Bria to specify the details of the housing credits to be delivered by Bria equivalent to the advances provided by VLL. On December 21, 2020, the Group executed an amendment updating the number of housing credit that Bria will deliver to the Group to settle its outstanding balance.

   In 2021, CAPI, VMI and various other VLLI subsidiaries executed a Deed of Assignment of Advances (DOA) to Fine Properties, Inc. totaling ₱5.75 billion after deducting the partial delivery of social housing credits and cash payments in 2020 which was consolidated to BC. The DOA effectively consolidates all receivables from Fine Properties, Inc. to BC while BC recognizes payable to the respective entities within VLLI group. These intercompany transactions between VLLI subsidiaries were eliminated at consolidated level.

   Furthermore, BC and Fine Properties, Inc. entered into a Land Development Agreement (LDA) to develop 159, 208 square meters in Molino, Bacoor, Cavite to be developed into mixed-use residential and commercial subdivisions over a 15-year period. Fine Properties, Inc. will contribute land while the contribution of BC will be the planning, conceptualization, design, construction and financing of the Project. Both parties agreed to share the saleable lots into sharing of 60% for Fine Properties, Inc. and 40% for BC. The intention of the parties is for Fine Properties, Inc. to settle the resulting advances by BC of ₱5.75 billion in addition to the existing advances to Fine Properties, Inc. of ₱340.00 million totaling to ₱6.09 billion, from its share of the saleable lots in the LDA. The expected settlement will start upon completion of land development but shall in no case be earlier than 36 months from execution of the agreement dated December 17,2021.

c) These are advances for working capital and investment requirements of the related parties and are due and demandable.

   On December 28, 2018, MGS Construction, Inc. assigned its receivables from Vista Residences, Inc. in the total amount of ₱1,340.13 million in favor of Fine Properties, Inc. This resulted to recognition of payable to Fine Properties, Inc. of the same amount. The liability was offset with the receivables from Fine Properties, Inc. in 2018. In 2021, these receivables were included in the executed DOA of VLL subsidiaries to Fine Properties, Inc.

d) The Group entered into lease agreements with Fine Properties, Inc. pertaining to parcels of land wherein the Group's commercial centers are situated. These leases have terms of 25 years, with rental escalation clauses and renewal options.

e) Details of dividends declared to stockholders are discussed in Note 23.

f) In May 2013, VMI sold the remaining 399,397,000 shares of its investments in VLLI, with a carrying amount of ₱1,906.22 million, for a total consideration of ₱2,772.30 million to Fine Properties Inc. In 2021, the outstanding receivables was included in the consolidation of all receivables from Fine Properties, Inc. to BC. The outstanding receivables as at December 31, 2021 and 2020 amounted to nil and ₱1,960.07 million.

As of December 31, 2021 and 2020, the retirement plan asset includes investment in fixed-rate peso retail bonds of the Parent Company with fair value amounting to ₱14.99 million and ₱20.74 million, respectively (see Note 26).

The compensation of key management personnel by benefit type follows:

	2021	2020	2019
Short-term employee benefits	**₱110,070,514**	₱133,520,360	₱127,602,314
Post-employment benefits	**24,036,406**	30,088,552	29,546,896
	₱134,106,920	₱163,608,912	₱157,149,210

30. Earnings Per Share and Noncontrolling Interest

The following table presents information necessary to compute the EPS:

	2021	2020	2019
Net income attributable to equity holders of Parent	**₱6,426,541,859**	₱6,056,015,749	₱11,266,164,165
Weighted average common shares*	**11,945,799,461**	11,945,799,461	12,670,318,529
Basic/Diluted Earnings per share	**₱0.538**	₱0.507	₱0.889

**Weighted average common shares consider the effect of treasury shares*

The basic and dilutive earnings per share are the same due to the absence of potentially dilutive common shares for the years ended December 31, 2021, 2020 and 2019.

The summarized financial information of Vistamalls, Inc. and Subsidiaries, for which there are noncontrolling interests, are provided below. The information is based on amounts before inter-company eliminations.

	2021	2020	2019
Assets	**₱81,344,912,519**	₱73,715,364,620	₱73,721,559,667
Liabilities	**50,145,045,273**	47,381,253,239	47,826,891,287
Equity	**31,199,867,243**	26,334,111,381	25,894,668,380
Net income	**1,869,784,689**	2,757,777,147	2,880,877,472

As of December 31, 2021, 2020 and 2019, the accumulated balances of and net income attributable to noncontrolling interests follows:

	2021	2020	2019
Accumulated balances:			
Noncontrolling interest share in equity	**₱3,146,983,827**	₱2,620,068,365	₱2,303,939,726
Share in dividend	**15,856,454**	15,326,523	56,099,003
Net income attributable to noncontrolling interests	**540,704,437**	330,596,120	343,048,347
Other comprehensive income	**2,067,480**	859,042	(56,420)

31. **Fair Value Determination**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Other valuation techniques involving inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents, short-term cash investments, accrued interest receivable, receivables from tenants, buyers and HDMF, receivables from related parties and accounts and other payables except for deferred output VAT and other statutory payables: Due to the short-term nature of the accounts, the fair value approximate the carrying amounts in the consolidated statements of financial position.

Installment contracts receivable: The fair value of installment contracts receivable due within one year approximates its carrying amount. Noncurrent portion of installment contracts receivable are discounted using the applicable discount rates for similar types of instruments. The discount rates used range from 2.44% to 19.00% and 4.63% to 19.00% as of December 31, 2021 and 2020, respectively.

Investments at FVOCI: Fair values of equity securities are based on quoted market prices.

Investments at amortized cost: The fair value of these listed bonds is determined by reference to quoted market bid prices, at the close of business on the reporting date.

Bank loans, loans payable, notes payable, liabilities for purchased land and retention payable: Estimated fair values are based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest rates used in discounting cash flows ranged from 2.22% to 10.66% in 2021 and 3.29% to 10.66% in 2020 using the remaining terms to maturity.

The following table provides the fair value measurement and the hierarchy of the Group's financial assets and liabilities recognized as of December 31, 2021 and 2020:

		December 31, 2021			
		Fair Value			
	Carrying values	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant offer observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	**₱124,499,183**	**₱124,499,183**	**₱–**	**₱124,499,183**	**₱–**
Financial assets for which fair values are disclosed:					
Installment contracts receivable	**41,235,173,571**	**43,092,512,215**	**–**	**–**	**43,092,512,215**
Investments at amortized cost	**49,817,449,839**	**50,311,215,649**	**50,311,215,649**	**–**	**–**
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	**56,992,341,863**	**57,355,033,204**	**–**	**–**	**57,355,033,204**
Notes payable	**107,930,233,523**	**112,508,499,731**	**–**	**–**	**112,508,499,731**
Loans payable	**3,779,511,014**	**3,670,237,853**	**–**	**–**	**3,670,237,853**
Liabilities for purchased land	**3,282,337,519**	**3,170,096,006**	**–**	**–**	**3,170,096,006**
Retention payable	**1,619,661,728**	**1,547,698,569**	**–**	**–**	**1,547,698,569**

		December 31, 2020			
		Fair Value			
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	₱116,499,183	₱116,499,183	₱–	₱116,499,183	₱–
Financial assets for which fair values are disclosed:					
Installment contracts receivable	39,972,199,134	43,100,029,647	–	–	43,100,029,647
Investments at amortized cost	41,693,291,447	42,801,968,911	42,801,968,911	–	–
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	42,373,789,201	43,016,458,095	–	–	43,016,458,095
Notes payable	99,003,568,514	105,493,361,353	–	–	105,493,361,353
Loans payable	4,321,894,645	4,178,628,139	–	–	4,178,628,139
Liabilities for purchased land	3,741,511,636	3,555,944,597	–	–	3,555,944,597
Retention payable	2,889,566,863	2,757,591,995	–	–	2,757,591,995

In 2021 and 2020, there were no transfers between Levels of fair value measurements.

Significant increases (decreases) in discount rate would result in significantly higher (lower) fair value of the installment contracts receivable, notes payable, loans payable, bank loans, retention payable and liabilities for purchased land.

Description of significant unobservable inputs to valuation follows:

Account	**Valuation Technique**	**Significant Unobservable Inputs**
Installment contracts receivable	Discounted cash flow analysis	Discount rate
Bank loans	Discounted cash flow analysis	Discount rate
Notes payable	Discounted cash flow analysis	Discount rate
Loans payable	Discounted cash flow analysis	Discount rate
Retention payable	Discounted cash flow analysis	Discount rate
Liabilities for purchased land	Discounted cash flow analysis	Discount rate

32. **Financial Assets and Liabilities**

Financial Risk Management Objectives and Policies

Financial risk

The Group's principal financial liabilities comprise of bank loans, loans payable, notes payable, accounts and other payables (except for deferred output VAT and other statutory payables) and liabilities for purchased land. The main purpose of the Group's financial liabilities is to raise financing for the Group's operations. The Group has various financial assets such as installment contracts receivable, cash and cash equivalents, short-term and long-term cash investments, investments at fair value through other comprehensive income and investments at amortized cost which arise directly from its operations. The main risks arising from the use of financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The BOD reviews and approves with policies for managing each of these risks. The Group monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD.

The Group's risk management policies are summarized below. The exposure to risk and how they arises, as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior years.

Cash flow interest rate risk

The Group's exposure to market risk for changes in interest rates, relates primarily to its financial assets and liabilities that are interest-bearing.

The Group's policy is to manage its interest cost by entering into fixed rate debts. The Group also regularly enters into short-term loans with its installment contracts receivables as collateral to cushion the impact of potential increase in loan interest rates.

The table below shows the financial assets and liabilities that are interest-bearing:

	December 31, 2021	
	Effective Interest Rate	**Amount**
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	**0.03% to 0.50%**	**₱3,889,848,401**
Cash and cash equivalents in US Dollar	**0.05% to 0.13%**	**7,956,192,935**
Short-term cash investments	**1.00% to 4.00%**	**336,019,645**
Investments at amortized cost	**0.39% to 10.82%**	**49,817,449,839**
Installment contracts receivable	**2.44% to 19.00%**	**41,235,173,571**
		₱103,234,684,391
Financial liabilities		
Fixed rate		
Notes payable	**5.70% to 8.25%**	**₱107,930,233,523**
Bank loans	**3.25% to 8.17%**	**56,992,341,863**
Loans payable	**2.22% to 6.50%**	**3,779,511,014**
Lease liabilities	**5.55% to 10.66%**	**5,435,840,440**
		₱174,137,926,840

	December 31, 2020	
	Effective Interest Rate	Amount
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	0.25% to 1.00%	₱6,400,427,516
Cash and cash equivalents in US Dollar	0.04% to 0.13%	1,376,294,467
Short-term cash investments	2.50% to 2.63%	116,928,301
Investments at amortized cost	2.23% to 10.18%	41,693,291,447
Installment contracts receivable	2.90% to 19.00%	39,972,199,134
		₱89,559,140,865
Financial liabilities		
Fixed rate		
Notes payable	5.75% to 8.86%	₱99,003,568,514
Bank loans	4.09% to 10.50%	42,373,789,201
Loans payable	3.29% to 5.04%	4,321,894,645
Lease liabilities	7.51% to 10.66%	2,674,852,382
		₱148,374,104,742

As of December 31, 2021, and 2020, the Group's leasing income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk
The Group's foreign exchange risk is limited to certain USD denominated cash and cash equivalents, resulting primarily from movements of the Philippine Peso against the United States Dollar (USD). Below is the carrying amount of USD-denominated cash and cash and sensitivity analysis on exchange rate for effect on income before income tax.

	December 31, 2021		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on income before tax**
Cash and cash equivalents	**US$4,108,745**	**+2.60%**	**₱5,435,760**
	US$4,108,745	**-2.60%**	**(5,435,760)**

	December 31, 2020		
	Amount	Increase/Decrease in US Dollar rate	Effect on income before tax
Cash and cash equivalents	US$1,013,258	+0.73%	₱357,045
	(US$1,013,258)	-0.73%	(357,045)

The functional currency of VII, a wholly owned subsidiary, is USD. VII has Cash and cash equivalents, Investments at amortized costs and Notes payable in USD. VII's financial assets and liabilities are translated into Philippine peso, the presentation currency of the Group, using closing exchange rate prevailing at the reporting date, and the respective income and expenses at the weighted average rates for the period. The exchange differences arising on the translation are recognized in OCI under "Cumulative Translation Adjustments" (CTA).

See below for the carrying amounts and sensitivity analysis on Other comprehensive income.

	December 31, 2021		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on Other Comprehensive Income**
Assets			
Cash and cash equivalents	**US$156,006,842**	**+2.60%**	**₱206,520,705**
	US$156,006,842	**-2.60%**	**(206,520,705)**
Investments at amortized costs	**US$978,423,422**	**+2.60%**	**1,295,229,695**
	US$978,423,422	**-2.60%**	**(1,295,229,695)**
Liabilities			
Notes payable	**US$1,137,971,235**	**+2.60%**	**(1,506,437,910)**
	US$1,137,971,235	**-2.60%**	**1,506,437,910**

	December 31, 2020		
	Amount	Increase/Decrease in US Dollar rate	Effect on Other Comprehensive Income
Assets			
Cash and cash equivalents	US$28,597,247	+0.73%	₱10,098,682
	US$28,597,247	-0.73%	(10,098,682)
Investments at amortized costs	US$868,248,468	+0.73%	249,001,253
	US$868,248,468	-0.73%	(249,001,253)
Liabilities			
Notes payable	US$907,213,942	+0.73%	(318,040,086)
	US$907,213,942	-0.73%	318,040,086

In translating the foreign currency- denominated monetary assets and liabilities in peso amounts, the Philippine Peso - US dollar exchange rates as at December 31, 2021 and 2020 used were ₱51.00 to US$1.00 and ₱48.02 to US$1.00, respectively.

The assumed movement in basis points for foreign exchange sensitivity analysis is based on the management's forecast of the currently observable market environment, showing no material movements as in prior years.

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily installment contracts receivables and receivables from tenants) and from its investing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Receivables are regularly monitored.

In respect of installment contracts receivable from the sale of real estate inventories, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed.

The Group evaluates the concentration of risk with respect to non-related party trade receivables as low, as its customers are located in several jurisdictions and various income brackets, and operate in largely independent markets.

The Group evaluates the concentration of risk with respect to receivable from related parties (see Note 29). This is discussed in Note 6. The related parties have a strong capacity to meet their contractual cash flows and collectability is guaranteed by Fine Properties, Inc., ultimate parent company.

Credit risk arising from receivable from tenants - third parties is primarily managed through a screening of tenants based on credit history and financial information submitted. Tenants are required to pay security deposits equivalent to 2 to 4-month lease payment to cover any defaulting amounts and advance rentals also equivalent to 2 to 4-month rent.

Credit risk arising from receivables from related parties is minimal as they have a low risk of default and have a strong capacity to meet their contractual cash flows in the near term.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk as of December 31, 2021 and 2020 is equal to the carrying values of its financial assets.

As of December 31, 2021 and 2020, the credit quality per class of financial assets is as follows:

	2021					
	Neither Past Due nor Impaired					
	High Grade	Standard	Substandard Grade	Past due but not Impaired	Impaired	Total
Cash and cash equivalents	₱11,846,041,336	₱–	₱–	₱–	₱–	₱11,846,041,336
Short-term cash investments	336,019,645	–	–	–	–	336,019,645
Investments at amortized cost	49,817,449,839	–	–	–	81,166,262	49,898,616,101
Investments at FVOCI	124,499,183	–	–	–	–	124,499,183
Installment contract receivable	10,442,133,473	573,616,115	20,912,446	30,194,394,350	–	41,231,056,384
Receivables from tenants and accrued rent receivable	12,972,076,459	–	–	5,937,223,530	497,186,046	19,406,486,035
Receivables from HDMF	188,381,927	–	–	134,492,069	–	322,873,996
Receivables from buyers	–	–	–	162,854,404	–	162,854,404
Accrued interest receivable	543,893,498	–	–	–	–	543,893,498
Restricted cash	219,408,980	–	–	–	–	219,408,980
	₱86,489,904,340	₱573,616,115	₱20,912,446	₱36,428,964,353	₱578,352,308	₱124,091,749,562

	2020					
	Neither Past Due nor Impaired					
	High Grade	Standard	Substandard Grade	Past due but not Impaired	Impaired	Total
Cash and cash equivalents	₱7,776,721,983	₱–	₱–	₱–	₱–	₱7,776,721,983
Short-term cash investments	116,928,301	–	–	–	–	116,928,301
Investments at amortized cost	41,693,291,447	–	–	–	65,633,366	41,758,924,813
Investments at FVOCI	116,499,183	–	–	–	–	116,499,183
Receivables from related parties	5,687,749,941	–	–	–	–	5,687,749,941
Installment contract receivable	12,847,625,743	570,782,955	21,048,743	26,532,741,693	–	39,972,199,134
Receivables from tenants and accrued rent receivable	7,900,880,363	–	–	4,877,286,565	70,256,455	12,848,423,383
Receivables from HDMF	236,347,254	–	–	50,478,729	–	286,825,983
Receivables from buyers	–	–	–	221,933,975	–	221,933,975
Accrued interest receivable	439,871,319	–	–	–	–	439,871,319
Restricted cash	607,846,911	–	–	–	–	607,846,911
	₱77,423,762,445	₱570,782,955	₱21,048,743	₱31,682,440,962	₱135,889,821	₱109,833,924,926

The Company's basis in grading its receivables are as follow:

High-grade - pertain to receivables from related parties which based on experience are highly collectible or collectible on demand, and of which exposure to bad debt is not significant. Installment contract receivables under bank-financing, receivables from buyers and receivables from HDMF awaiting for bank and HDMF remittance but has been processed are assessed to be high grade since the accounts have undergone credit evaluation performed by two parties, the Group and the respective bank, thus credit evaluation underwent a more stringent criteria resulting to higher probability of having good quality receivables. High-grade receivables from tenants and accrued rent receivable and accrued interest receivable are receivables which have a high probability of collection (i.e., the counterparty has the apparent ability to satisfy its obligation and the security on receivables are readily enforceable).

Standard - pertain to active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard - pertain to receivables that can be collected provided the Group makes persistent effort to collect them.

The Group's investments in unquoted equity securities presented as investments at fair value through other comprehensive income are incidental to its housing projects and are considered by the Group to be of high quality.

Cash in banks and cash equivalents and short-term cash investments are deposited/placed in banks that are stable as they qualify either as universal or commercial banks. Universal and commercial banks represent the largest single group, resource-wide, of financial institutions in the country the Group is operating. They offer the widest variety of banking services among financial institutions. These financial assets are classified as high grade due to the counterparties' low probability of insolvency.

As of December 31, 2021 and 2020, the aging analyses of the Company's receivables are as follow:

	2021						
		Past due but not impaired					
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Impaired**	**Total**
Installment contracts receivable	**₱11,036,662,034**	**₱2,464,092,785**	**₱1,110,923,765**	**₱1,042,184,635**	**₱25,577,193,165**	**₱–**	**₱41,231,056,384**
Accrued rent receivable	**11,146,694,070**	**–**	**–**	**–**	**–**	**–**	**11,146,694,070**
Receivables from tenants	**1,825,382,389**	**149,812,390**	**172,138**	**180,029,144**	**5,607,209,858**	**497,186,046**	**8,259,791,965**
Accrued interest receivable	**543,893,498**	**–**	**–**	**–**	**–**	**–**	**543,893,498**
Receivables from HDMF	**188,381,927**	**8,824,496**	**14,631,835**	**14,305,121**	**96,730,617**	**–**	**322,873,996**
Receivables from buyers	**–**	**2,151,314**	**1,047,189**	**412,759**	**159,243,142**	**–**	**162,854,404**

	2020						
		Past due but not impaired					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Impaired	Total
Installment contracts receivable	₱13,439,457,441	₱3,331,769,062	₱1,747,214,427	₱1,100,178,448	₱20,353,579,756	₱–	₱39,972,199,134
Accrued rent receivable	7,202,334,449	–	–	–	–	–	7,202,334,449
Receivables from tenants	698,545,914	209,416,705	–	218,684,783	4,449,185,077	70,256,455	5,646,088,934
Accrued interest receivable	439,871,319	–	–	–	–	–	439,871,319
Receivables from HDMF	236,347,254	784,046	963,593	387,227	48,343,863	–	286,825,983
Receivables from buyers	–	13,118,419	2,413,290	1,257,592	205,144,674	–	221,933,975

Current receivables include billed lease receivables and accrued rent receivables which are not yet contractually collectible. Past due but not impaired include lease receivables which are aged 31 to over 90 days but collection is still probable. Impaired receivables are lease receivables from terminated tenants which are less likely to be collected.

The Group has collaterals in the form of security deposits and advance rent with respect to billed lease receivables that have been identified as past due but not impaired.

Applying the expected credit risk model resulted to recognition of impairment loss of ₱24.79 million and ₱0.43 million from receivables in 2021 and 2020, respectively.

Liquidity Risk

The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Group's loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.

The extent and nature of exposures to liquidity risk and how they arise as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk are the same in 2021 and 2020.

<u>Maturity Profile Financial Liabilities</u>

The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2021 and 2020 based on undiscounted contractual payments, including interest payable.

December 31, 2021

	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	Total
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	**₱–**	**₱1,783,833,959**	**₱7,476,007,618**	**₱50,824,576,623**	**₱60,084,418,200**
Loans payable	**21,238,682**	**2,173,991,977**	**1,466,067,045**	**433,703,007**	**4,095,000,711**
Liabilities for purchased land	**120,902,603**	**797,143,304**	**910,089,580**	**1,454,202,032**	**3,282,337,519**
Accounts payable and other payables*	**11,291,448,389**	**282,145,238**	**717,060,149**	**620,456,341**	**12,911,110,117**
Dividends payable	**15,856,454**	**–**	**–**	**–**	**15,856,454**
Notes payable	**–**	**2,071,165,535**	**28,355,305,463**	**101,684,199,419**	**132,110,670,417**
Lease liabilities	**–**	**83,881,609**	**264,333,377**	**10,938,181,942**	**11,286,396,928**
Total undiscounted financial liabilities	**₱11,449,446,128**	**₱7,192,161,622**	**₱39,188,863,232**	**₱165,955,319,364**	**₱223,785,790,346**

**excluding statutory payables and including noncurrent portion of retention payable*

December 31, 2020

	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	Total
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	₱–	₱2,014,667,557	₱6,617,853,803	₱36,076,248,867	₱44,708,770,227
Loans payable	292,107,732	1,249,912,506	1,652,987,129	1,226,960,524	4,421,967,891
Liabilities for purchased land	276,929,894	691,197,330	1,227,295,187	1,567,493,280	3,762,915,691
Accounts payable and other payables*	4,282,000,573	2,732,598,027	6,342,611,236	1,588,460,373	14,945,670,209
Dividends payable	28,103,938	–	–	–	28,103,938
Notes payable	–	2,911,163,242	9,348,820,640	110,632,717,923	122,892,701,805
Lease liabilities	–	72,811,078	223,341,874	7,337,960,086	7,634,113,038
Total undiscounted financial liabilities	₱4,879,142,137	₱9,672,349,740	₱25,412,909,869	₱158,429,841,053	₱198,394,242,799

**excluding statutory payables and including noncurrent portion of retention payable.*

33. Notes to Consolidated Statements of Cash Flows

Details of the movement in cash flows from financing activities follow:

			Non-cash Change					
	January 1, 2021	**Cash flows**	**Lease liabilities**	**Debt issue cost**	**Interest and other financing charges (including capitalized borrowing cost)**	**Foreign exchange movement**	**Dividends declared**	**December 31, 2021**
Notes payable	**₱99,003,568,514**	**₱5,252,736,026**	**₱–**	**(₱104,094,100)**	**₱267,559,605**	**₱3,510,463,478**	**₱–**	**₱107,930,233,523**
Bank loans	**42,373,789,201**	**14,590,400,957**	**–**	**(37,500,000)**	**65,651,705**	**–**	**–**	**56,992,341,863**
Loans payable	**4,321,894,645**	**(542,383,631)**	**–**	**–**	**–**	**–**	**–**	**3,779,511,014**
Lease liabilities	**2,674,852,382**	**(283,190,395)**	**2,756,247,692**	**–**	**287,930,761**	**–**	**–**	**5,435,840,440**
Dividends payable	**28,103,938**	**(326,748,924)**	**–**	**–**	**–**	**–**	**314,501,440**	**15,856,454**
Accrued interest expense	**943,809,186**	**(9,738,424,964)**	**–**	**141,594,100**	**10,117,748,536**	**–**	**–**	**1,464,726,858**
Total liabilities from financing activities	**₱149,346,017,866**	**₱8,952,389,069**	**₱2,756,247,692**	**₱–**	**₱10,738,890,607**	**₱3,510,463,478**	**₱314,501,440**	**₱175,618,510,152**

			Non-cash Change					
	January 1, 2020	Cash flows	Lease liabilities	Debt issue cost	Interest and other financing charges (including capitalized borrowing cost)	Foreign exchange movement	Dividends declared	December 31, 2020
Notes payable	₱93,190,157,885	₱7,712,158,400	₱–	(₱278,399,999)	₱122,311,613	(₱1,742,659,385)	₱–	₱99,003,568,514
Bank loans	47,175,145,165	(4,862,511,123)	–	(25,000,000)	86,155,159	–	–	42,373,789,201
Loans payable	3,404,980,820	916,913,825	–	–	–	–	–	4,321,894,645
Lease liabilities	3,113,934,152	(246,360,955)	(579,441,297)	–	386,720,482	–	–	2,674,852,382
Dividends payable	68,872,166	(653,384,724)	–	–	–	–	612,616,496	28,103,938
Accrued interest expense	761,994,825	(9,514,967,781)	–	303,399,999	9,393,382,143	–	–	943,809,186
Total liabilities from financing activities	₱147,715,085,013	(₱6,648,152,358)	(₱579,441,297)	₱–	₱9,988,569,397	(₱1,742,659,385)	₱612,616,496	₱149,346,017,866

The Group's noncash investing and financing activities pertain to the following:

a) The Parent Company presented in the consolidated statements of cash flow the availments and payments, net of bank loans that were rolled over during the period (loans against deposit hold-outs) amounting to ₱18,679.95 million and ₱17,971.29 million in 2021 and 2020;
b) Unpaid additions to investment properties amounted to ₱501.73 million and ₱1,885.51 million as of December 31, 2021 and 2020, respectively;
c) Unpaid additions to property and equipment amounted to ₱4.69 million and ₱18.96 million as of December 31, 2021 and 2020, respectively;
d) The Group reclassified receivables from Fine Properties, Inc. to amounting to ₱5,750.90 million as a result of the LDA entered into between BC and Fine Properties, Inc. in 2021;
e) The Group deconsolidated VVTI as subsidiary in 2020 to investment in a joint venture amounting to ₱458.77 million as of December 31, 2021; and
f) Liabilities for purchased land is comprised of unpaid additions to land improvements classified as:

	2021	2020
Real estate inventories	**₱3,282,337,518**	₱3,122,559,473
Investment properties	–	618,952,163
	₱3,282,337,518	₱3,741,511,636

34. **Lease Commitments**

The Group as Lessor

The Group has entered into non-cancellable property leases on its investment property portfolio, consisting of retail mall spaces and BPO commercial centers which generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as of December 31, 2021 and 2020 follow:

	2021	2020
Within 1 year	**₱4,193,324,153**	₱4,201,167,824
More than 1 year to 2 years	**4,274,234,541**	3,991,163,570
More than 2 years to 3 years	**4,692,293,057**	3,989,896,715
More than 3 years to 4 years	**5,172,681,847**	4,399,669,972
More than 4 years to 5 years	**5,560,155,236**	4,886,113,870
More than 5 years	**63,408,330,802**	68,202,318,625
	₱87,301,019,636	₱89,670,330,576

Rental income included in the consolidated statements of comprehensive income for the years ended December 31, 2021, 2020 and 2019 amounted to ₱9,312.72 million, ₱7,196.73 million and ₱7,748.42 million, respectively.

Contingent rent included in rental income for the years ended December 31, 2021, 2020 and 2019 amounted to ₱1,663.43 million, ₱1,492.01 million and ₱2,179.51 million, respectively.

35. **Commitments and Contingencies**

The Group has entered into several contracts with contractors for the development of its real estate properties. As at December 31, 2021 and 2020, these contracts have an estimated aggregate cost of ₱11,972.84 million and ₱10,368.55 million, respectively. These contracts are due to be completed on various dates up to December 2022.

The progress billings are settled within one year from date of billing. These are unsecured obligations and carried at cost.

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by the courts or are currently being contested by the Group, the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect in the Group's financial position and results of operations.

36. **Other Matters**

Impact of the recent Coronavirus situation

The declaration of COVID-19 outbreak by the World Health Organization as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the Philippines starting March 16, 2020 have caused disruptions to businesses and economic activities, and its impact on businesses continues to evolve.

The Group has adjusted its operations in accordance with the required measures and safety protocols. In compliance with the Government's ECQ guidelines, malls, hotels, and other businesses, except those providing essential goods and services were temporarily closed. The mall buildings continued operations because these are occupied mostly by tenants providing essential services such as supermarkets, home improvement/appliance stores, drug stores, food establishments, financial services, and are located within or near Vista Land communities. The office buildings remained open during the lockdowns since BPO tenants are allowed to conduct their businesses onsite. Other office tenants, though they adopted work from home arrangements, continued to fulfill their rental payment obligations. The Group provided rent concessions to certain tenants based on their profile and credit standing, in addition to the concessions that the Group is required to provide pursuant to the Bayanihan Act (see Note 34).

To date, commercial spaces have opened, and construction and real estate development activities have resumed at various level of activities following safety protocols mandated by the national government.

37. **Subsequent Events**

Vista REIT Formation Transactions

In contemplation of the Proposed Initial Public Offering of a REIT by VOI, and in compliance with applicable regulatory requirements of the SEC for companies seeking registration of their securities, VOI entered into and implemented the REIT Formation Transactions as follows:

Amendment of the Articles of Incorporation and By-Laws of VOI
On February 7, 2022, at least a majority of the Board of Directors (BOD) and the stockholders owning at least two- thirds (2/3) of the outstanding capital stock of VOI approved to increase its authorized capital stock to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share.

The increase in VOI's authorized capital stock from ₱2,000,000,0000 divided into 2,000,000,000 shares with par value of ₱1.00 per share to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share was approved by the SEC on March 14, 2022.

On March 16, 2022, the BOD approved various amendments to the Articles of Incorporation and By-Laws of VOI including, among others, the following: (a) change in the corporate name to "VISTAREIT, INC."; (b) change in primary purpose to engage in the business of a real estate investment trust under Republic Act No. 9856 (the REIT Law), including the Revised Implementing Rules and Regulations of the REIT Law); (c) requirement to have independent directors in the Board; and (d) other amendments in connection with the initial public offering of VOI as a REIT entity. Such amendments were approved by the SEC on April 18, 2022.

Execution of Property-for-Share Swap Agreement and Deed of Assignment of Leases between the Sponsors and VOI
On February 7, 2022, VOI entered into various Deeds of Assignment and Subscription Agreements with each of MC, MAPI, VRI, CAPI and Communities Pampanga, collectively referred as the Sponsors, for the assignment, transfer, and conveyance by the Sponsors to VOI of 10 community malls, one office building, and 10 commercial and office units with 214 parking slots, excluding the land wherein the malls, office building, and office units are situated, with an aggregate gross lease area of 256,403.95 sqm (collectively, the Assigned Properties) in exchange for the issuance by VOI to the Sponsors out of the increase in authorized capital stock described hereinabove of an aggregate of 6,990,000,000 common shares at an issue price of ₱1.50 per share, or an aggregate issue or subscription price of ₱10,485,000,000 (the Property-for-Share Swap). The difference between the issue price and the par value of ₱3,495,000,000 is accounted for as additional paid-in capital (APIC).

Accordingly, the Assigned Properties have a total fair value of ₱35,952,992,730. The difference between the said fair value of the Assigned Properties and the issue price thereof to VOI (i.e., the issue price of the shares issued to the Sponsors in the Property for Share Swap) amounting to ₱25,467,992,730 is accounted for as APIC.

The above transactions resulted to a total APIC of ₱28,962,992,730.

The Assigned Properties consists of Vista Mall Las Piñas (Main), Starmall Las Piñas (Annex), Starmall San Jose Del Monte (SJDM), Vista Mall Pampanga, SOMO - A Vista Mall, Vista Mall Antipolo, Vista Mall General Trias, Vista Mall Tanza, Starmall Talisay - Cebu, Vista Mall Imus, Vista Hub Molino and commercial and office units and parking lots in Vista Hub BGC.

On March 14, 2022, the SEC issued the confirmation of the valuation of the Property-for-Share Swap. The requisite Certificate Authorizing Registrations authorizing the transfer of legal title to the Assigned Properties from the Sponsors to VOI were issued by the BIR on April 25-29 and May 2, 2022.

On March 16, 2022, pursuant to the Deeds of Assignment and Subscription Agreements for the transfer, assignment and conveyance in favor of VOI of all of the Sponsors' rights, title and interests in the Assigned Properties in exchange for VOI's common shares, VOI and the Sponsors entered into a Deed of Assignment of Leases assigning all of the Sponsors' rights and interests in and to the

Contracts of Lease over portions of the Assigned Properties leased out to various entities (the "Leases") effective upon the issuance of VOI's common shares in the name of the Sponsors.

Amendment of the Articles of Incorporation and By-Laws of Communities Palawan, Inc.
On February 16, 2022, at least a majority of the BOD and the stockholders owning at least two- thirds (2/3) of the outstanding capital stock of Communities Palawan, Inc. approved to increase its authorized capital stock to ₱500,000,000 divided into 500,000,000 shares with par value of ₱1.00 per share.

The increase in Communities Palawan, Inc.'s authorized capital stock from ₱50,000.000 divided into 500,000 shares with par value of ₱100.00 per share to ₱500,000,000 pesos divided into 500,000,000 shares with par value of ₱1.00 per share was approved by the SEC on April 18, 2022.

On February 16, 2022, the BOD approved the following amendments to the Articles of Incorporation and By-Laws of Communities Palawan, Inc.: (a) change in the corporate name to "VFUND MANAGEMENT, INC."; (b) change in primary and secondary purpose to engage in the business of providing fund management services to REIT companies, as provided under Republic Act No. 9856; (c) requirement to have independent directors in the Board; and (d) amending the corporate term to perpetual existence. Such amendments were approved by the SEC on April 18, 2022.

The above amendments are pursuant to the Proposed Initial Public Offering of a REIT by VOI after Communities Palawan, Inc. and VOI entered into a Fund Management Agreement on March 18, 2022 for Communities Palawan, Inc. to act as the Fund Manager to VOI, to perform the functions required thereof as stated in the REIT Law and the regulations of the relevant government entities, which includes, in exchange for a fund management fee as agreed by the parties, execution of investment strategies and overseeing and coordinating property acquisition, property management, leasing, operational and financial reporting, appraisals, audits, market review, accounting and reporting procedures, as well as financing and asset deposition plans.

<u>Loss from Fire</u>
On January 8, 2022, a fire hit Star Mall Alabang in Muntinlupa City, a profit center of MC, which caused a damage estimated to be ₱820.73 million, which is equivalent to the carrying amount of the destroyed properties. Mall operations has stopped following the fire incident. Accordingly, MC has filed insurance claim to recover the losses.

<u>Loan Availments</u>
In January 2022, the Parent Company obtained short term loans from local banks totaling ₱2,800.00 million at a fixed interest rate of 3.80% to 4.00% per annum. The loans will be used to support general corporate purposes and are secured by the Group's investments at amortized cost as collateral.

In March 2022, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱4,000.00 million which bears annual fixed interest of 6.64%, payable quarterly. The principal balance of the loan will be paid in equal quarterly installments. Certain subsidiaries of the Parent Company acted as guarantors of the Parent Company. No fees are charged for these guarantee agreements.

38. **Approval of the Financial Statements**

The consolidated financial statements of the Group as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 were authorized for issue by the BOD on May 4, 2022.

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc. and Subsidiaries
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, included in this Form 17-A, and have issued our report thereon dated May 4, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 90787-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8854378, January 3, 2022, Makati City

May 4, 2022

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc. and Subsidiaries
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated May 4, 2022. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS), as modified by the application of financial reporting relief issued and approved by the SEC, as described in Note 2 to the consolidated financial statements and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the consolidated financial statements prepared in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 90787-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
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Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8854378, January 3, 2022, Makati City

May 4, 2022

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

VISTA LAND & LIFESCAPES, INC.

RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

AS OF DECEMBER 31, 2021

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	₱3,159,290,344
Add: Net income actually earned/realized during the period	
Net income during the period closed to retained earnings	1,207,457,077
Less: Non-actual/unrealized income net of tax	
Equity in net income of associate/joint venture	–
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	–
Unrealized actuarial gain	–
Fair value adjustment (M2M gains)	–
Fair value adjustment of Investment Property resulting to gain	–
Adjustment due to deviation from PFRS/GAAP-gain	–
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	–
Adjustment due to deviation from PFRS/GAAP-loss	–
Loss on fair value adjustment of investment property (after tax)	–
Net income actually earned during the period	4,366,747,421
Add (Less):	
Dividend declarations during the period	(298,644,986)
Appropriations of retained earnings during the period	–
Reversals of appropriations	–
Effects of prior period adjustments	–
Treasury shares	(2,361,975,653)
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION	₱1,706,126,782

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

DECEMBER 31, 2021

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Cash and cash equivalents and Short-term cash investments	N/A	₱12,192,675,543	₱12,192,675,543	₱41,946,510
Installment contracts receivables	N/A	41,235,173,571	41,235,173,571	774,445,060
Quoted equity securities	100	83,000,000	83,000,000	–
Unquoted equity securities	4,149,918	41,499,183	41,499,183	–
UBS Portfolio I	₱888,545,000	932,880,668	935,300,644	
UBS Portfolio II	2,744,334,700	2,879,032,054	2,896,702,397	
UBS Portfolio III	4,366,564,000	4,475,553,199	4,512,902,792	
UBS Portfolio IV	1,431,826,800	1,484,296,963	1,481,009,492	
UBS Portfolio V	2,335,096,260	2,444,326,182	2,454,995,456	
UBS Portfolio VI	1,355,665,800	1,373,339,753	1,391,962,102	1,507,491,031
UBS Portfolio VII	1,904,025,000	1,994,094,143	1,973,954,761	
UBS Portfolio VII	4,061,920,000	4,297,400,948	4,187,740,003	
UBS Portfolio IX	16,641,584,692	16,780,675,276	16,864,667,826	
HSBC Portfolio I	1,904,025,000	1,999,991,976	2,000,193,086	
HSBC Portfolio II	2,112,198,400	2,130,383,877	2,218,880,864	
CREDIT SUISSE	7,452,607,720	7,540,097,558	7,883,633,829	
J.SAFFRRA SARASSIN	1,443,911,012	1,485,377,242	1,509,272,398	
Receivable from tenants and accrued rent receivable	N/A	19,406,486,035	19,406,486,035	–
Other receivables	N/A	1,029,621,898	1,029,621,898	–
Total Financial Assets		₱123,805,906,069	₱124,299,671,880	₱2,323,882,601

See Notes 9, 10, 11 and 25 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDER (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2021

Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of period
Officers	₱43,871,014	₱2,699,424	(₱42,725,072)	₱–	₱1,299,276	₱2,546,089	₱3,845,366
Employees	154,786	298,835,316	(275,527,151)	–	18,679,495	4,783,455	23,462,951
Advances to officers and employees	₱44,025,800	₱301,534,740	(₱318,252,223)	₱–	₱19,978,771	₱7,329,544	₱27,308,317

See Note 11 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLES/PAYABLES FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2021

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Converted to APIC/Capital Stock	Current	Noncurrent	Balance at end of period
Vista Land and Lifescapes, Inc.	₱89,419,504,390	(₱60,418,372,661)	(₱76,246,467,882)	₱–	₱105,247,599,611	₱–	₱105,247,599,611
Prima Casa Land & Houses, Inc.	(3,117,953,084)	4,655,232,928	(3,226,706,451)	–	(1,689,426,608)	–	(1,689,426,608)
VLL International, Inc.	(9,212,646,296)	484,018,822	(3,502,457,634)	–	(12,231,085,108)	–	(12,231,085,108)
Crown Asia Properties, Inc.	(6,781,294,705)	859,673,982	(3,075,553,312)	–	(8,997,174,035)	–	(8,997,174,035)
Vista Residences, Inc.	(9,057,330,665)	3,330,767,675	(3,107,011,712)	–	(8,833,574,701)	–	(8,833,574,701)
Camella Homes, Inc.	(10,249,235,631)	27,671,822,010	(35,459,447,929)	–	(18,036,861,550)	–	(18,036,861,550)
Brittany Corporation	(13,987,371,100)	909,922,661	(2,733,534,911)	–	(15,810,983,349)	–	(15,810,983,349)
Communities Philippines, Inc.	(7,543,849,114)	21,452,426,146	(21,137,287,770)	–	(7,228,710,737)	–	(7,228,710,737)
Vistamalls, Inc.	(29,469,823,793)	1,054,508,436	(4,004,468,166)	–	(32,419,783,522)	–	(32,419,783,522)

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE D: LONG TERM DEBT

DECEMBER 31, 2021

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest rates	Amount	Number of periodic installments	Maturity date
Notes payable	₱5,150,000,000	₱98,900,263	₱4,514,183,491	6.19%	₱4,613,083,754	Quarterly interest payments; 0.5% principal payment for 36 quarter and 82% principal on maturity date	December 2026
Notes payable	4,850,000,000	93,144,020	4,250,087,761	6.23%	4,343,231,781	Quarterly interest payments; 1% principal payment for the 1st quarter following the issuance, 0.5% and 82% principal on maturity date	December 2026
Notes payable	6,000,000,000	657,076,885	3,806,337,454	7.71%	4,463,414,339	Quarterly interest payments; 4.1667%	July 2028
	1,700,000,000	280,877,286	775,231,437	7.49%	1,056,108,723	principal payments 1 year after issuance	July 2025
	500,000,000	82,452,812	228,151,657	7.50%	310,604,469	for 24 quarters	July 2025
Notes payable	15,000,000,000	3,721,539,606	6,542,904,247	6.77%	10,264,443,853	Quarterly interest payments; 5% principal payment 1 year after issuance for 20 quarters	July 2024
Notes payable	5,000,000,000	6,024,643	2,977,650,870	5.75% in 7 yrs	2,983,675,513	Quarterly interest payments	August 2024
		2,546,776	1,981,038,799	6.23% in 10 yrs	1,983,585,575		August 2027
Notes payable	10,000,000,000	18,275,828	6,446,629,053	8.00% in 5 yrs	6,464,904,881	Quarterly interest payments	December 2023
		6,434,318	3,464,010,205	8.25% in 7 yrs	3,470,444,523		December 2025
Notes payable	10,000,000,000	16,007,383	9,925,333,740	5.70%	9,941,341,123	Quarterly interest payments	June 2025
Notes payable	$220,000,000	$1,481,059	$224,165,838	7.25%	$225,646,897	Semi-annually interest payments; bullet on principal	July 2027
Notes payable	$200,000,000	$246,313	$197,739,417	7.25%	$197,985,730	Semi-annually interest payments; bullet on principal	July 2027
Notes payable	$350,000,000	$1,504,034	$343,918,313	5.75%	$345,422,347	Semi-annually interest payments; bullet on principal	Nov 2024
Notes payable	$425,000,000	$368,916,261	$−	7.375%	$368,916,261	Semi-annually interest payments; bullet on principal	June 2022
Bank Loans	Not Applicable	₱8,067,321,815	₱48,925,020,048	3.80% to 7.99%	₱56,992,341,863	Various payment terms (i.e., monthly and quarterly) of interest and principal	Various dates
Loans Payable	Not Applicable	3,460,145,095	319,365,919	6.00% to 8.00%	3,779,511,014	Interest and principal payable monthly	Various dates

See Notes 20 and 21 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2021

Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2021

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee

Not Applicable

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE G: CAPITAL STOCK

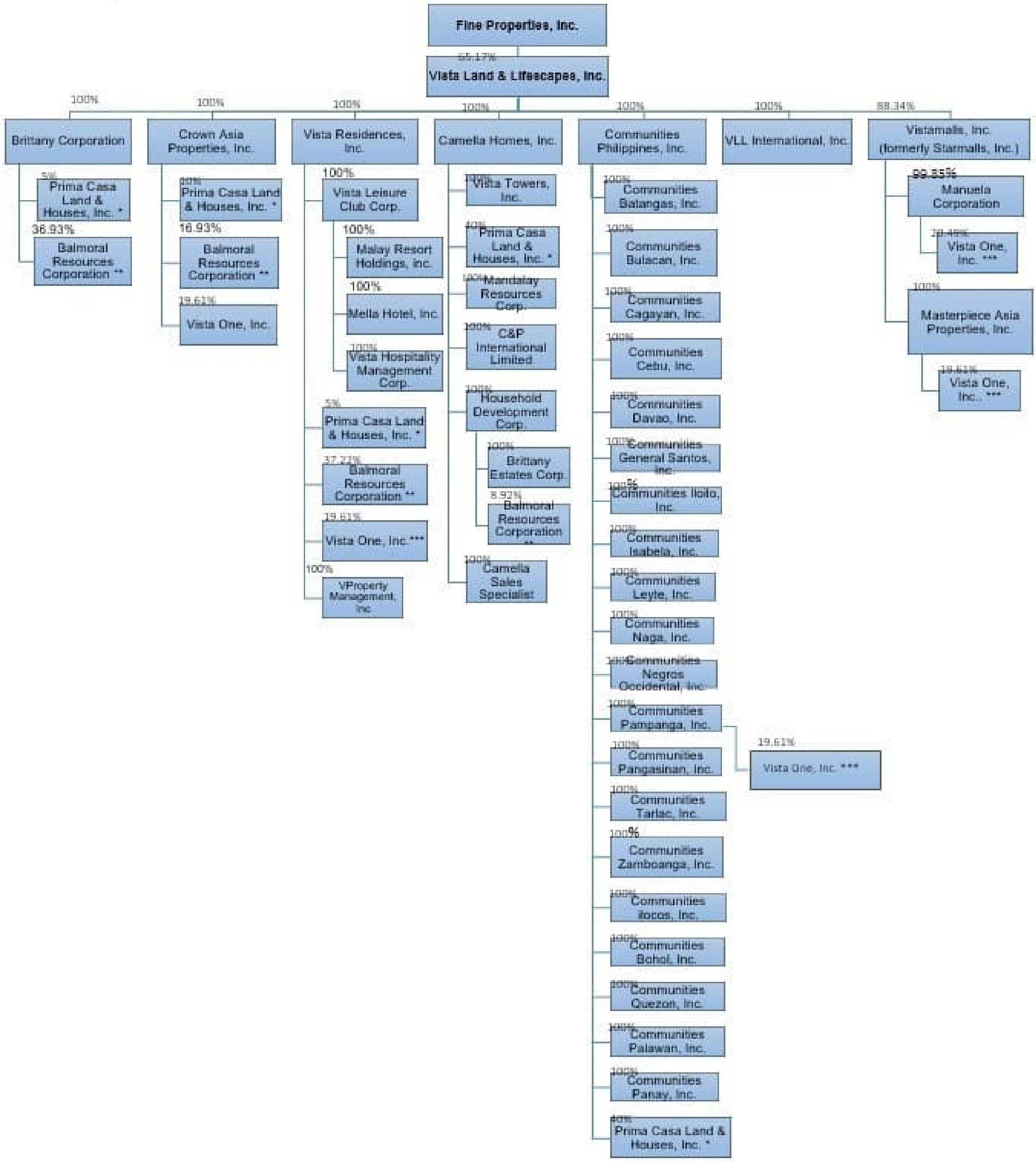
DECEMBER 31, 2021

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common Stock, ₱1 par value	17,900,000,000	13,114,136,376 shares issued; 11,945,799,461 shares outstanding	–	9,086,231,649	516,774,386	2,342,794,526
Preferred Stock Series 1, ₱0.01 par value	8,000,000,000	3,300,000,000 shares issued and outstanding	–	3,300,000,000	–	–
Preferred Stock Series 2, ₱0.10 par value	200,000,000	–	–	–	–	–

See Note 23 of the Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
GROUP STRUCTURE

Below is the map showing the relationship between and among group and its Ultimate parent company, and its subsidiaries as of December 31, 2021.



**Vista Land's combined ownership in Prima Casa Land & Houses, Inc. is 99.8%.*
***Vista Land's combined ownership in Balmoral Resources Corporation is 100%.*
****Vista Land's combined ownership in Vista One, Inc. is 100%.*

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
AS OF DECEMBER 31, 2021, 2020 and 2019

Below are the financial ratios that are relevant to the Group for the years ended December 31, 2021, 2020 and 2019:

Ratios	Formula	2021	2020	2019
Current ratio	Current assets / Current liabilities	**2.48**	3.16	3.96
Acid test ratio	Quick asset[1] / Current liabilities	**1.45**	1.55	1.89
Solvency ratio	Net income + Depreciation / Total liabilities	**0.05**	0.05	0.08
Debt ratio	Interest bearing debt[2] / Total assets	**0.54**	0.50	0.52
Asset to equity ratio	Total assets / Total equity	**2.79**	2.69	2.73
Interest service coverage ratio	EBITDA[3] / Total interest paid[4]	**1.91**	1.69	2.41
Return on equity	Net income / Total equity	**0.06**	0.06	0.12
Return on assets	Net income / Average total assets	**0.02**	0.02	0.05
Net profit margin	Net income / Net revenue	**0.24**	0.20	0.27

[1]Includes Cash and Cash Equivalents, Short-term Investments, Investment at FVTPL and Current Receivables
[2]Includes Bank loans, Notes Payable and Loans Payable
[3]EBITDA less Interest Income from Investments
[4]Total interest paid less Interest Income from Investments