



November 14, 2023

Securities and Exchange Commission

17/F SEC Headquarters, 7907 Makati Avenue

Barangay Bel-Air, Makati City

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.

Director, Markets & Securities Regulation Department

PHILIPPINE STOCK EXCHANGE

9th Floor, Philippine Stock Exchange Tower,

28th Street corner 5th Avenue, BGC Taguig City

Attention: Ms. Alexandra D. Tom Wong

OIC, Disclosure Department

PHILIPPINE DEALING AND EXCHANGE CORPORATION

29th Floor, BDO Equitable Tower

Paseo de Roxas, Makati City

Attention: Atty. Marie Rose M. Magallen-Lirio

Head, Issuer Compliance and Disclosure Department

Subject: Vista Land & Lifescapes, Inc.: **SEC 17Q – September 30, 2023**

Gentlemen:

Please see attached SEC Form 17Q for the nine months ended September 30, 2023 of Vista Land & Lifescapes, Inc.

Very truly yours,

A handwritten signature in black ink, appearing to read 'B. Edang', is written over the typed name and title.

Brian N. Edang
Officer-in-Charge

COVER SHEET

C	S	2	0	0	7	0	3	1	4	5
S.E.C. Registration Number										

V	I	S	T	A		L	A	N	D		&		L	I	F	E	S	C	A	P	E	S	,		
I	N	C	.																						

(Company's Full Name)

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L	A	S	P	I	Ñ	A	S		C	I	T	Y																	

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

Brian N. Edang
Contact Person

3226-3552 ext. 0088
Company Telephone Number

1	2		3	1
<i>Month</i>			<i>Day</i>	

17-Q
FORM TYPE

0	6		1	5
<i>Month</i>			<i>Day</i>	

Calendar Year

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.		

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number									

LCU

Document I.D.									

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended : September 30, 2023
2. SEC Identification number: CS-200703145
3. BIR Tax Identification No: 006-652-678
4. Vista Land & Lifescapes, Inc.
Exact name of issuer as specified in its charter
5. Philippines
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. Lower Ground Floor, Building B, Evia Lifestyle Center, Vista City,
Daanghari Almanza II, Las Pinas City 1747
Address of issuer's principal office Postal Code
8. (632) 874-5758 / (632) 872-6947 / (632) 226-3552
Issuer's telephone number, including area code
9. N/A
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding And amount of debt outstanding
Common Stock, net of 416,128,700 Treasury Shares	12,698,007,676
VLL Retail Bonds issued in 2017 (as of 09/30/2023)	Php 5,000,000,000
VLL Retail Bonds issued in 2018 (as of 09/30/2023)	Php 10,000,000,000
VLL Retail Bonds issued in 2019 (as of 09/30/2023)	Php 10,000,000,000

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange – 13,114,136,376 Common Stocks

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and SRC Rule 17 thereunder, and Section 25 and 177 of the Revised Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period of the registrant was required to file such reports.)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

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Vista Land & Lifescapes, Inc.
Consolidated Statements of Financial Position
As of September 30, 2023 and December 31, 2022
(In Million Pesos)

	Audited 09/30/2023	Audited 12/31/2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 28 and 29)	₱6,905	₱15,070
Short-term cash investments (Notes 8, 28 and 29)	7	47
Current portion of:		
Receivables (Notes 9, 26, 28 and 29)	57,650	53,235
Cost to obtain (Note 5)	295	386
Investments at amortized cost (Notes 8, 28 and 29)	20,512	9,440
Real estate inventories (Note 10)	62,427	53,534
Other current assets (Note 11)	6,315	5,725
Total Current Assets	154,111	137,437
Noncurrent Assets		
Investments at amortized cost (Notes 8, 28 and 29)	23,043	32,059
Investments at fair value through other comprehensive income (Notes 8, 28 and 29)	147	117
Receivables – net of current portion (Note 9, 26, 28 and 29)	22,631	21,166
Cost to obtain contract – net of current portion (Note 5)	228	355
Project development cost (Note 14)	1,629	1,269
Advances to a related party (Note 26)	7,812	7,042
Investment in a joint venture (Note 15)	491	468
Property and equipment (Note 13)	2,428	2,301
Investment properties (Note 14)	123,672	118,344
Goodwill	147	147
Pension assets	316	321
Deferred tax assets - net (Note 24)	99	111
Other noncurrent assets (Note 15)	1,083	1,077
Total Noncurrent Assets	183,726	184,777
	₱337,837	₱322,214

LIABILITIES AND EQUITY

Current Liabilities

Accounts and other payables (Notes 16, 28 and 29)	21,523	15,891
Security deposits and advance rent (Note 17)	2,005	1,857
Income tax payable (Note 24)	153	127
Dividends payable (Notes 21, 26, 28, and 29)	845	96
Current portion of:		
Contract liabilities (Note 5)	1,603	1,085
Bank loans (Notes 18, 28 and 29)	7,305	11,562
Loans payables (Notes 18, 28 and 29)	4,733	3,767
Notes payable (Notes 19, 28 and 29)	15,801	12,746
Lease liabilities (Note 25, 28 and 29)	383	368
Total Current Liabilities	₱54,351	₱47,499

(Forward)



Vista Land & Lifescapes, Inc.
Consolidated Statements of Financial Position
 As of September 30, 2023 and December 31, 2022
 (In Million Pesos)

	Unaudited 09/30/2023	Audited 12/31/2022
Noncurrent Liabilities		
Contract liabilities - net of current portion (Note 5)	₱565	₱1,058
Notes payable - net of current portion (Notes 19, 28 and 29)	95,082	89,702
Bank loans - net of current portion (Notes 18, 28 and 29)	39,457	44,385
Loans payable - net of current portion (Notes 18, 28 and 29)	1,989	1,567
Lease liabilities – net of current portion (Note 25, 28 and 29)	5,058	5,066
Deferred tax liabilities - net (Note 24)	7,669	6,107
Other noncurrent liabilities (Note 20)	2,793	3,179
Total Noncurrent Liabilities	152,613	151,064
Total Liabilities	206,964	198,563
Equity (Note 21)		
Attributable to equity holders of the Parent Company		
Capital stock	13,147	13,147
Additional paid-in capital	30,685	30,685
Other comprehensive income	925	799
Treasury shares	(7,740)	(7,740)
Retained earnings	84,419	78,311
	121,437	115,202
Non-controlling interest	9,436	8,449
Total Equity	130,873	123,651
	₱337,837	₱322,214

See accompanying Notes to Interim Consolidated Financial Statements.



Vista Land & Lifescapes, Inc.
Consolidated Statements of Comprehensive Income
For the nine months ended September 30, 2023 and 2022
(In Million Pesos, except per share)

	Unaudited Jul-Sep Q3-2023	Unaudited Jan-Sep 2023	Unaudited Jul-Sep Q3-2022	Unaudited Jan-Sep 2022
REVENUE				
Real estate (Notes 4 and 5)	₱4,141	₱12,158	₱1,701	₱10,411
Rental income (Notes 4 and 5)	3,911	11,833	3,837	10,229
Interest income from installment contracts receivable (Notes 4, 9 and 22)	132	428	154	526
Parking, hotel, forfeitures, mall administrative and processing fees, and others (Notes 5 and 22)	483	1,728	272	1,041
	8,667	26,147	5,964	22,207
COSTS AND EXPENSES				
Costs of real estate sales (Note 23)	1,608	4,937	863	4,726
Operating expenses (Note 23)	2,764	9,183	1,600	7,929
	4,372	14,120	2,463	12,655
OTHER INCOME (EXPENSES)				
Gain from insurance proceeds	-	1,841	428	-
Interest and other income from investments	335	1,208	263	976
Interest and other financing charges	(1,540)	(4,395)	(1,231)	(4,219)
Unrealized foreign exchange (losses) gains	-	-	-	-
	(1,205)	(1,346)	(540)	(3,243)
INCOME BEFORE INCOME TAX	3,091	10,681	2,104	6,308
PROVISION FOR INCOME TAX (Note 24)	677	2,463	460	1,486
NET INCOME	2,414	8,218	1,644	4,822
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company	1,964	6,850	1,197	3,936
Non-controlling interest	450	1,368	447	886
	₱2,414	₱8,218	₱1,644	₱4,822
Basic/Diluted earnings per share (Note 27)				
	0.164	0.573	0.100	0.329

See accompanying Notes to Interim Consolidated Financial Statements.



Vista Land & Lifescapes, Inc.
Consolidated Statements of Comprehensive Income
 For the nine months ended September 30, 2023 and 2022
 (In Million Pesos)

	Unaudited Jul-Sep Q3-2023	Unaudited Jan-Sep 2023	Unaudited Jul-Sep Q3-2022	Unaudited Jan-Sep 2022
NET INCOME	₱2,414	₱8,218	₱1,644	₱4,822
OTHER COMPREHENSIVE INCOME				
Cumulative translation adjustments	-	30	20	22
Changes in fair value on equity investments at fair value through other comprehensive income	38	96	94	150
TOTAL COMPREHENSIVE INCOME	2,452	8,344	1,758	4,994
Total comprehensive income attributable to:				
Equity holders of Parent Company	2,002	6,976	1,311	4,108
Noncontrolling interest	450	1,368	447	886
	₱2,452	₱8,344	₱1,758	₱4,994

See accompanying Notes to Interim Consolidated Financial Statements.



Vista Land & Lifescapes, Inc.
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2023 and 2022
(In Million Pesos)

	Unaudited 09/30/2023	Unaudited 09/30/2022
CAPITAL STOCK (Note 21)		
Common – P1 par value		
Authorized – 4,000,000 shares in February 28, 2007		
12,000,000,000 shares in May 23, 2007 and		
11,000,000,000 shares in November 24, 2010		
11,900,000,000 shares in October 5, 2012		
17,900,000,000 shares in November 11, 2015		
Issued – 1,000,000 shares as of February 28, 2007;		
8,538,740,614 shares as of September 30, 2011;		
10,038,740,614 shares as of November 10, 2015;		
12,654,891,753 shares as of December 22, 2015;		
13,114,136,376 shares as of February 23, 2016;	₱13,114	₱13,114
Preferred – P0.01 par value		
Authorized – 10,000,000,000 shares in October 5, 2012;		
Series 1 - P0.01 par value		
8,000,000,000 shares in January 27, 2020;		
Series 2 - P0.10 par value		
200,000,000 shares in January 27, 2020;		
Issued – P3,300,000,000 shares in March 31, 2013 (Note 18)	33	33
Balance at end of period	13,147	13,147
ADDITIONAL PAID-IN CAPITAL (Note 21)		
Balance at beginning of period	30,685	30,655
Increase in noncontrolling interest	-	30
Balance at end of period	30,685	30,685
RETAINED EARNINGS (Note 21)		
Balance at beginning of period	78,311	72,540
Net income	6,850	3,936
Cash dividends declared	(741)	(348)
Balance at end of period	84,420	76,128
OTHER COMPREHENSIVE INCOME (Note 21)		
Balance at beginning of period	799	778
Total comprehensive income for the period	126	172
Balance at end of period	925	950
TREASURY SHARES (Notes 6 and 21)		
Balance at beginning of period	(7,740)	(7,740)
Acquisition of treasury shares	-	-
Balance at end of period	(7,740)	(7,740)
NON-CONTROLLING INTEREST (Notes 21 and 27)		
Balance at beginning of period	8,449	3,147
Net income	1,368	886
Other comprehensive income	-	-
Increase in noncontrolling interest	-	4,198
Cash dividend declared	(381)	(92)
Balance at end of period	9,436	8,139
	₱130,873	₱121,309

See accompanying Notes to Interim Consolidated Financial Statements.



Vista Land & Lifescapes, Inc.
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2023 and 2022
(In Million Pesos)

	Unaudited Jul-Sep Q3-2023	Unaudited Jan-Sep 2023	Unaudited Jul-Sep Q3-2022	Unaudited Jan-Sep 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	₱3,091	₱10,681	₱2,104	₱6,308
Adjustments for:				
Interest and other financing charges	1,540	4,395	1,231	4,219
Depreciation and amortization	698	2,164	640	1,925
Loss on retirement of investment properties	-	165	-	-
Loss from fire	(1,841)	(1,841)	(428)	559
Retirement expense, net of payments	4	11	9	40
Share in equity earnings from investment in joint venture	(15)	(23)	1	(3)
Interest income from investments and other income	(335)	(1,208)	(263)	(976)
Gain from insurance proceeds	1,841	-	-	-
Operating income before working capital changes	4,983	14,344	3,294	12,072
Decrease (increase) in:				
Receivables	(2,832)	(7,792)	2,698	(6,541)
Real estate inventories (excluding capitalized borrowing costs)	(1,622)	(6,322)	2,397	(1,995)
Other current assets and cost to obtain contract	(501)	(414)	32	77
Increase (decrease) in:				
Accounts and other payables	2,280	6,339	(4,039)	3,063
Contract liabilities	178	25	(396)	(79)
Security deposits	61	132	(13)	(1)
Other noncurrent liabilities	(40)	(62)	-	(46)
Plan assets contribution	(6)	(6)	-	(61)
Net cash flows provided by (used in) operations	2,501	6,244	3,973	6,489
Income tax paid	(212)	(839)	(248)	(613)
Net cash flows provided by (used in) operating activities	2,289	5,405	3,725	5,876
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from insurance company	-	1,841	428	428
Interest received	336	1,209	339	1,035
Decrease (increase) in:				
Receivables from related parties	-	(770)	(391)	(863)
Project development costs	(181)	(360)	(480)	(416)
Restricted cash	-	(29)	(4)	(136)
Other noncurrent assets	348	12	(98)	(481)
Disposal (acquisition) of short-term cash investments	1	41	(94)	231
Additions to:				
Investment Property and PPE	(599)	(4,780)	269	(3,644)
Investment at amortized cost	(1,586)	(1,417)	580	11,600
Net cash flows provided by (used in) investing activities	(1,681)	(4,253)	549	7,754
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from (payments of):				
Notes payable – net	(1,580)	7,829	(1,245)	(16,630)
Bank loans – net	(517)	(9,220)	(1,288)	(304)
Loans payable – net	1,147	1,388	789	853
Lease liabilities	(74)	(274)	(90)	(287)
Dividends to noncontrolling interest	248	-	-	-
Dividends declared	(373)	(373)	(16)	(16)
Interest	(2,993)	(8,667)	(2,841)	(7,757)
Increase in noncontrolling interest	-	-	261	4,227
Net cash flows provided by (used in) financing activities	(4,142)	(9,317)	(4,430)	(19,914)
Net decrease in cash and cash equivalents	(3,534)	(8,165)	(156)	(6,284)
Cash and cash equivalents at beginning of period	10,439	15,070	5,729	11,857
Cash and cash equivalents at end of period	₱6,905	₱6,905	₱5,573	₱5,573

See accompanying Notes to Interim Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

NOTES TO INTERIM 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 65.17% and 65.84% owned by Fine Properties, Inc., (Ultimate Parent Company), as of September 30, 2023 and December 31, 2022, 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.

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 September 30, 2023 and 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% owned by the public.

2. Summary of Significant Accounting Policies

Basis of Preparation

The interim condensed consolidated financial statements as at September 30, 2023 and for the nine-month periods ended September 30, 2023 and 2022 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*, 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. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated 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, 2022, 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.

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

New Standards, Interpretations and Amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of new standards effective as at January 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed 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

- 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).

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Group. For the nine-month period ended September 30, 2023, there was no change in the Parent Company's ownership interest in its subsidiaries.

Accounting Policies

Gain from insurance proceeds Proceeds received from insurance claims are recognized upon collection as "Gain from insurance proceeds" in the interim consolidated statements of comprehensive income, net of the loss from fire which is equivalent to the carrying values of the assets.

3. Changes in Significant Judgment and Estimates

The significant 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, 2022.

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 business segments for the nine months ended September 30, 2023 is summarized below (amounts in thousands):

	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
Real estate (Note 5)	₱7,816,766	₱4,341,082	₱-	₱-	₱12,157,849
Rental income (Note 5)	12,857	-	11,820,354	-	11,833,212
Parking, hotel, mall administrative and processing fees, and others (Note 22)	800,074	232,727	695,172	-	1,727,973
Gain from insurance proceeds	-	-	1,841,156	-	1,841,156
	8,629,698	4,573,809	14,356,683	-	27,560,190
Cost and operating expenses (Note 23)	4,802,314	2,805,811	4,348,056	-	11,956,181
Segment income before income tax	3,827,384	1,767,998	10,008,627	-	15,604,009
Interest income and other income from investments	357,738	64,112	1,213,738	-	1,635,587
Interest and other financing charges	(268,149)	0	(4,126,944)	-	(4,395,093)
Depreciation and amortization (Note 23)	(717,672)	(23,424)	(1,422,567)	-	(2,163,662)
Income before income tax	3,199,301	1,808,686	5,672,854	-	10,680,841
Provision for income tax (Note 24)	1,072,590	301,301	1,089,171	-	2,463,061
Net income	₱ 2,126,711	₱1,507,385	₱4,583,683	₱-	₱8,217,779

The financial information about the segment assets and liabilities of these operating segments as at September 30, 2023 is summarized below (amounts in thousands):

	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
Other Information					
Segment assets	₱134,084,987	₱22,354,512	₱129,784,025	₱-	₱286,223,524
Advances to a related party (Note 26)	7,811,855	-	-	-	7,811,855
Investments at FVOCI (Note 8)	12,158	-	135,000	-	147,158
Investments at amortized cost (Note 8)	(0)	-	43,555,214	-	43,555,214
Deferred tax assets - net (Note 24)	98,740	-	0	-	98,740
Total Assets	₱142,007,741	₱22,354,512	₱173,474,238	₱-	₱337,836,491
Segment liabilities	₱15,972,029	₱8,846,815	₱174,476,825	₱-	₱199,295,669
Deferred tax liabilities - net (Note 24)	82,247	352,269	7,234,371	-	7,668,888
Total Liabilities	₱16,054,276	₱9,199,085	₱181,711,196	₱-	₱ 206,964,557

There is no cyclicity 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 (in Php Millions):

	September 30, 2023
Type of Product	
Real estate sales	
Horizontal	₱7,817
Vertical	4,341
	12,158
Hotel operations (Note 22)	91
	₱12,249

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 2023 (see Note 4).

Contract Balances

	September 30, 2023 <i>(amounts in millions)</i>
Installment contracts receivable	₱33,699
Cost to obtain contract	523
Contract liabilities	2,168

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 6.19% to 19.00% per annum and 2.43% to 19.00% per annum in 2023 and 2022, 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 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

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 contract to sell 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 September 30, 2023 (in Php Millions):

Within one year	₱7,997
More than one year	4,203
	<u>₱12,200</u>

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 € 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 January 2022, due to the fire that hit Starmall 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.

6. Treasury shares

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 in 2015. MC still holds the VLLI shares as of September 30, 2023.

7. Cash and Cash equivalents

This account consists of (in Php Millions):

	September 30, 2023
Cash on hand	₱17
Cash in banks	5,862
Cash equivalents	1,026
	<u>₱6,905</u>

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 0.01% to 4.25%.

8. 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 ranging from 1.00% to 3.40% for the nine-month periods ended September 30, 2023.

As at September 30, 2023 short-term cash investments amounted to ₱7.32 million.

The following are the breakdown of investment in financial asset at amortized cost and FVOCI (in Php Millions):

	September 30, 2023
Investment at amortized cost	₱43,555
Investment at fair value through other comprehensive income	147

9. Receivables

This account consists of (in Php Millions):

	September 30, 2023
Installment contracts receivable	₱33,699
Accrued interest receivable	420
Accrued rent receivable and receivables from tenants	29,258
Accounts receivable:	
Buyers	182
Contractors and suppliers	11,846
Brokers	275
Others	5,474
	81,154
Less: Allowance for impairment losses	(873)
Total Receivables	80,281
Less: Noncurrent portion at amortized cost	(22,631)
	₱57,650

Installment Contracts Receivable

Annual interest rates on installment contracts receivables range from 12.00% to 19.00%. Total interest income recognized amounted to ₱427.58 million for nine-month periods ended September 30, 2023.

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 default. The Group still retains the sold receivables in the installment contracts receivables account and records the proceeds from these sales as loans payable.

Receivables from Related Parties

In March 2023 and June 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 the Assignors' payables to the Group aggregating to ₱3,963.64 million.

As a result of the above Assignment, AVHC plans to settle the remaining assigned receivables through property exchange by transferring parcels of land with total area of 160,922 square meters currently valued at 3,218.44 million.

10. Real Estate Inventories

This account consists of (in Php Millions):

	September 30, 2023
Subdivision land for sale and development	₱49,825
Condominium units for sale and development	10,268
Residential house units for sale and development	1,068
Construction materials and others	1,266
	₱62,427

The real estate inventories are carried at cost. There is no allowance to recognize amounts of inventories that are lower than cost.

Borrowing cost capitalized to inventories amounted to ₱2,412.69 million for the nine-month periods ended September 30, 2023.

There are no inventories used to secure the borrowings of the Group.

11. Other Current Assets

This account consists of (in Php Millions):

	September 30, 2023
Input VAT	₱3,471
Creditable withholding taxes	1,700
Prepaid expenses	922
Restricted cash	210
Others	12
	₱6,315

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 pertain to taxes withheld by the customer and are recoverable and can be applied against income tax in future periods.

Prepaid expenses mainly include prepayments for marketing fees, taxes and licenses, rentals and insurance.

12. Investment Properties

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.

Investment properties with cost of ₱370.56 million are used to secure the bank loans of the Group as of September 30, 2023. The fair value of the investment properties used as collateral amounted to ₱4,399.07 million as of September 30, 2023.

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.

13. Property and Equipment

This account consists of (in Php Millions):

	September 30, 2023
Land	₱83
Building and Building Improvements	972
Transportaion Equipment	124
Office Furniture, Fixtures and Equipment	92
Construction Equipment	1,011
Other Fixed Asset	146
	<u>₱2,428</u>

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). 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.

The carrying amount of the investment in the consolidated financial statements amounts to ₱490.80 million as of September 30, 2023.

The Group has not incurred any contingent liabilities as of September 30, 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 (in Php Millions):

	September 30, 2023
Cash restricted for use	₱144
Deposits	647
Model house accessories at cost	169
Systems development costs - net of accumulated amortization	52
Deferred input VAT	71
	₱1,083

16. Accounts and Other Payables

This account consists of (in Php Millions):

	September 30, 2023
Accounts Payable	
Suppliers	₱2,231
Contractors	6,393
Incidental Costs	2,552
Buyers	1,534
Accrued Expenses	2,210
Commission Payable	1,612
Current portion of liabilities for purchased land	2,011
Current portion of deferred output tax	1,565
Current portion of retention payable	852
Other payables	563
	₱21,523

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 (in Php Millions):

	September 30, 2023
Current portion of security deposits	₱1,210
Current portion of advance rent	795
	₱2,005

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.

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.

Details follow as at September 30, 2023 (in Php Millions):

	Bank Loans	Loans Payable
Parent company	₱44,744	₱ -
Subsidiaries	2,018	6,722
	46,762	6,722
Less current portion	(7,305)	(4,733)
	₱39,457	₱1,989

The Parent Company has various peso-denominated bank loans with fixed interest-rates ranging from 4.00% to 8.17% per annum as of September 30, 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.

Certain investments at amortized cost, property and equipment, and investment properties are used as collateral to the bank loans.

Loans Payable

Loans payable pertains to the remaining balance of “Installment contracts receivable” of subsidiaries that were sold on a with recourse basis. These loans bear annual fixed interest rates ranging from 6.00% to 6.75% as at September 30, 2023, payable on equal monthly installments over a maximum period of 3 to 15 years. Other than the installment contracts receivable that serve as collateral, the loans payable has no other restrictions, requirements or covenants.

19. Notes Payable

This account consists of (in Php Millions):

	September 30, 2023
Dollar denominated bonds	₱43,604
Retail bonds	24,928
Corporate note facility	42,351
	110,883
Less current portion	(15,801)
	₱95,082

In 2023, the following are the new availments of 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 ₱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.

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.

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.

20. Other Noncurrent Liabilities

This account consists of (in Php Millions):

	September 30, 2023
Liabilities for purchased land - net of current portion	₱932
Retention payable - net of current portion	854
Deferred output tax - net of current portion	524
Security deposits - net of current portion	324
Advance rent - net of current portion	159
	₱2,793

21. Equity

Capital Stock

The details of the Parent Company's capital stock follow:

	Sep 30, 2023
<u>Common</u>	
Authorized shares	17,900,000,000
Par value per share	₱1.00
Issued shares	13,114,136,376
Treasury shares	(₱7,740,264,387)
Value of shares issued	₱13,114,136,376
 <u>Preferred Series 1</u>	
Authorized shares	10,000,000,000
Par value per share	₱0.01
Issued shares	3,300,000,000
Value of shares issued	₱33,000,000
 <u>Preferred Series 2</u>	
Authorized shares	200,000,000
Par value per share	₱0.10
Issued 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 September 30, 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 (416,128,700) as of September 30, 2023 of the Parent Company amounting to P2,362 million represents the shares of stock held by the Parent Company, while treasury shares (752,208,215) amounting to P5,378 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 ₱84,419.79 million as at September 30, 2023.

On September 30, 2023, the BOD of the Parent Company approved the declaration of a regular cash dividend amounting to ₱740.65 million or ₱0.0620 per share, in favor of all stockholders of record as at October 16, 2023, which was paid on October 31, 2023.

Non-controlling 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, ₱294.00 million or ₱0.0392 per share and ₱297.00 million or ₱0.0396 per share on April 19, May 18 and August 14, 2023, respectively. The dividend declarations are in favor of all stockholders of record as of May 8, June 2 and August 31, 2023 and paid on May 29, June 26 and September 21, 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 September 30, 2023, the Group's dividends payable amounted to ₱845.27 million.

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 the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of September 30, 2023, the Group had the following ratios:

Current ratio	284%
Debt-to-equity ratio	120%
Net debt-to-equity ratio	82%
Asset-to-equity ratio	258%

No changes were made in the objectives, policies or processes for managing capital during the period ended September 30, 2023.

The Group considers as capital the equity attributable to equity holders of the Group.

22. Parking, Hotel, Forfeitures, Mall Administrative and Processing Fees, and Other Revenue

This account consists of (in Php Millions):

	September 30, 2023
Mall administrative and processing fee	₱375
Parking	120
Hotel (Note 4)	91
Others	1,142
	<u>₱1,728</u>

23. Cost and Expenses

Cost of real estate sales

Cost includes acquisition cost of subdivision land, construction and development cost and capitalized borrowing costs. Cost of real estate sales recognized for the period ended September 30, 2023 and 2022 amounted to ₱4,937 million and ₱4,726 million, respectively.

Operating expenses

Operating expenses represent the cost of administering the business of the Group. These are recognized when the related services and costs have been incurred.

Miscellaneous expenses

Miscellaneous expenses include dues and subscriptions, donations and other expenditures.

24. Income Tax

Provision for income tax consists of (in Php Millions):

	September 30, 2023
Current:	
RCIT/MCIT	₱865
Final	23
Deferred	1,575
	<u>₱2,463</u>

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.

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.

27. Basic/Diluted Earnings per share

The following table presents information necessary to compute the earnings per share for the nine months period ended September 30:

	2023	2022
	<i>(amounts in millions, except per share)</i>	
Net income attributable to equity holders of Parent Company	₱6,850	₱3,936
Divided by weighted average number of common shares outstanding*	11,946	11,946
	₱0.573	₱0.329

**Weighted average common shares consider the effect of treasury shares*

The basic and diluted earnings per share are the same due to the absence of potentially dilutive common shares for the nine-month periods ended September 30, 2023 and 2022.

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 6.19% to 19.00% and 2.43% to 19.00% as of September 30, 2023 and December 31, 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 5.95% to 8.92% in 2023 and 5.35% to 8.63% in 2022 using the remaining terms to maturity.

29. Financial Asset 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:

	September 30, 2023	
	Effective Interest Rate	Amount (in Php Millions)
Financial assets		
<i>Fixed rate</i>		
Cash and cash equivalents (excluding cash on hand)	0.125% to 4.25%	₱5,719
Cash and cash equivalents in US Dollar	0.06% to 3.25%	1,169
Short-term cash investments	0.10% to 5.13%	7
Investment at amortized cost	1.39% to 7.19%	43,555
Installment contracts receivable	6.19% to 7.35%	33,699
		₱77,261
Financial liabilities		
<i>Fixed rate</i>		
Notes payable	6.19% to 7.93%	₱110,883
Bank loans	4.75% to 8.00%	46,763
Loans payable	6.12% to 8.92%	6,722
Lease liabilities	6.79% to 8.80%	5,441
		₱169,809

As of September 30, 2023, the Group's 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.

Below are the carrying values and the amounts in US\$ of these foreign currency denominated financial assets and liabilities.

	September 30, 2023	
	Peso Millions	US\$ Millions
Cash and cash equivalents	₱1,169	US\$21
Investment at amortized cost	43,555	770
Notes payable	(110,883)	(1,960)
Loans payable	(6,722)	(119)

In translating the foreign currency- denominated monetary assets in peso amounts, the Philippine Peso - US dollar exchange rates as of September 30, 2023 used was ₱56.575.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) as of September 30, 2023:

	September 30, 2023	
	Increase/Decrease in US Dollar rate	Effect on income before tax
Cash and cash equivalents	+1	₱21
	-1	(21)
Investments at amortized cost	+1	770
	-1	(770)
Notes payable	-1	(1,960)
	+1	1,960
Loans payable	-1	(119)
	+1	119

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. 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.

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 September 30, 2023 is equal to the carrying values of its financial assets.

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.

30. Commitments and Contingencies

The Group has entered into several contracts with contractors for the development of its real estate properties. 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 has received a total of ₱2,461.16 million insurance claims from various insurance companies for the loss from fire in Starmall Alabang. For the period ended September 30, 2023, the Group received a total insurance proceeds of ₱1,841.16 million.

Financial Soundness Indicator

Below are the financial ratios that are relevant to the Group for the period ended September 30, 2023 and 2022 and as at September 30, 2023 and December 31, 2022.

		<u>Sep-30-23</u>	<u>Dec-31-22</u>
Current Ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	2.84	2.89
Long-term debt-to-equity ratio	$\frac{\text{Long-term debt}^1}{\text{Equity}}$	1.03	1.08
Debt ratio	$\frac{\text{Interest bearing debt}^2}{\text{Total assets}}$	0.47	0.51
Debt to equity ratio	$\frac{\text{Interest bearing debt}}{\text{Total equity}}$	1.20	1.28
Net debt to equity	$\frac{\text{Net debt}^3}{\text{Total equity}}$	0.82	0.82
Asset to equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	2.58	2.61
		<u>Sep-30-23</u>	<u>Sep-30-22</u>
EBITDA to total interest	$\frac{\text{EBITDA}^6}{\text{Total interest paid}^4}$	1.76	1.62
Price Earnings Ratio	$\frac{\text{Market Capitalization}^5}{\text{Net Income}}$	2.53	4.56
Asset to liability ratio	$\frac{\text{Total assets}}{\text{Total liabilities}}$	1.63	1.62
Net profit margin	$\frac{\text{Net profit}}{\text{Net Revenue}}$	0.30	0.21
Return on assets	$\frac{\text{Net income}^7}{\text{Total assets}}$	0.03	0.02
Return on equity	$\frac{\text{Net income}^7}{\text{Total equity}}$	0.07	0.06
Interest Service Coverage Ratio	$\frac{\text{EBITDA}^6}{\text{Total interest paid}^4}$	1.76	1.62

¹ Pertains to long term portion of the Bank loans and Notes Payable

² Includes Bank Loans and Notes Payable

³ Interest bearing debt less Cash, Short-term Cash Investments and Investments at amortized cost

⁴ Total interest paid less Interest Income from Investments

⁵ Based on closing price at September 30, 2023 and 2022

⁶ EBITDA less Interest Income from Investments

⁷ Annualized core net income

P5B Retail Bonds (2017)
Schedule and Use of Proceeds
As of Sept 2023

	PER PROSPECTUS	ACTUAL
Estimated proceeds from the sale of the Bonds	<u>5,000,000,000.00</u>	<u>5,000,000,000.00</u>
Less: Estimated expenses		
Arranger's Fee	25,000,000.00	25,589,000.00
Documentary Stamp Tax	25,000,000.00	25,000,000.00
SEC Registration Fee and Legal Research Fee	1,830,625.00	1,830,625.00
Publication Fee	150,000.00	329,961.60
Rating Agency Fee	3,360,000.00	3,250,000.00
Legal Fees (excluding OPE)	8,100,000.00	8,205,554.50
Listing Fee	300,000.00	300,000.00
Marketing and Signing Ceremony Expenses	300,000.00	419,409.14
Bond-related Expenses	3,942,000.00	3,950,000.00
	<u>67,982,625.00</u>	<u>68,874,550.24</u>
Net proceeds to Vista Land & Lifescapes, Inc.	<u>4,932,017,375.00</u>	<u>4,931,125,449.76</u>
Amortization of Bond Issue Cost		51,323,434.38
As of Sept 30, 2023		<u>4,982,448,884.14</u>

Vista Land sold P5 billion of the Bonds. After issue-related expenses, actual net collection amounted to P4.931 billion.

P10B Retail Bonds (2018)
Schedule and Use of Proceeds
As of Sept 2023

	PER PROSPECTUS	ACTUAL
Estimated proceeds from the sale of the Bonds	<u>10,000,000,000.00</u>	<u>10,000,000,000.00</u>
Less: Estimated expenses		
Arranger's Fee	50,000,000.00	50,000,000.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
SEC Registration Fee and Legal Research Fee	3,093,125.00	3,093,125.00
Publication Fee	150,000.00	526,730.40
Rating Agency Fee	3,360,000.00	3,500,000.00
Legal Fees (excluding OPE)	8,100,000.00	1,862,093.96
Listing Fee	200,000.00	-
Marketing and Signing Ceremony Expenses	-	223,034.00
Bond-related Expenses	100,000.00	1,650,000.00
	<u>140,003,125.00</u>	<u>135,854,983.36</u>
Net proceeds to Vista Land & Lifescapes, Inc.	<u>9,859,996,875.00</u>	<u>9,864,145,016.64</u>
Amortization of Bond Issue Cost		113,052,167.04
As of Sept 30, 2023		<u>9,977,197,183.68</u>

Vista Land sold P10 billion of the Bonds. After issue-related expenses, actual net collection amounted to P9.860 billion.

P10B Retail Bonds (2019)
Schedule and Use of Proceeds
As of Sept 2023

	PER PROSPECTUS	ACTUAL
Estimated proceeds from the sale of the Bonds	<u>10,000,000,000.00</u>	<u>10,000,000,000.00</u>
Less: Estimated expenses		
Arranger's Fee	50,000,000.00	73,684,210.53
Documentary Stamp Tax	75,000,000.00	75,000,000.00
SEC Registration Fee and Legal Research Fee	2,761,718.75	2,525,150.00
Publication Fee	150,000.00	556,604.50
Rating Agency Fee	3,360,000.00	5,821,428.57
Legal Fees (excluding OPE)	8,100,000.00	7,219,151.86
Listing Fee	200,000.00	-
Marketing and Signing Ceremony Expenses	-	219,054.54
Bond-related Expenses	300,000.00	10,100.00
	<u>139,871,718.75</u>	<u>165,035,700.00</u>
Net proceeds to Vista Land & Lifescapes, Inc.	<u>9,860,128,281.25</u>	<u>9,834,964,300.00</u>
Amortization of Bond Issue Cost		133,343,863.70
As of Sept 30, 2023		<u>9,968,308,163.70</u>

Vista Land sold P10 billion of the Bonds. After issue-related expenses, actual net collection amounted to P9.860 billion.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations covering 9-months of 2023 vs. 9-months of 2022

Revenues

Real Estate

The Company recorded revenue from real estate sales of ₱ 12,157.85 million for the nine months ended 30 September 2023, an increase of 16.8%% from ₱10,410.89 million for the nine months ended 30 September 2022. This was primarily attributable to the increase in the overall completion rate of sold inventories of some of its business units. 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 Camella increased by 45.1% to ₱3,543.43 million for the nine months ended 30 September 2023 from ₱2,441.93 million for the nine months ended 30 September 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 affordable housing segment during the period.
- Real estate revenue from Vista Residences increased by 21.5% to ₱2,490.67 million for the nine months ended 30 September 2023 from ₱2,049.40 million for the nine months ended 30 September 2022. 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 Crown Asia increased by 9.4% to ₱444.50 million for the nine months ended 30 September 2023 from ₱406.41 million for the nine months ended 30 September 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 Communities Philippines increased by 3.8% to ₱4,730.68 million for nine months ended 30 September 2023 from ₱4,556.26 million for the nine months ended 30 September 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 affordable housing segment during the period.
- Real estate revenue of Brittany decreased by 0.9% to ₱948.57 million for the nine months ended 30 September 2023 from ₱956.88 million in the same period last year. 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 high-end or upscale housing segment.

Rental income

Rental income increased by 15.7% from ₱10,228.96 million for the nine months ended 30 September 2022 to ₱11,833.21 million for the nine months ended 30 September 2023. The increase was primarily attributable to higher occupancy and the increase in rates for the period including the upside from the higher sales of variable rental based tenants.

Interest income from installment contract receivable and investments

Interest income from installment contract receivable and investments increased by 8.9% from ₱1,501.47 million for the nine months ended 30 September 2022 to ₱1,635.58 million for the nine months ended 30 September 2023. The increase was primarily attributable the increase in interest income from investments of 23.8% to ₱1,208.00 million offset by the decrease in the interest income from installment

contract receivables of 18.7% to ₱427.58 million for the nine months ended 30 September 2023 as majority of our buyers are getting banks to finance their purchase.

Parking, hotel, mall administrative and processing fees and others

Income from parking, hotel, mall administrative and processing fees and others increased by 66.1% from ₱1,040.54 million for the nine months ended 30 September 2022 to ₱1,727.97 million for nine months ended 30 September 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 11.6% to ₱14,119.84 million for the nine months ended 30 September 2023 from ₱12,654.92 million for the nine months ended 30 September 2022.

- Cost of real estate sales increased by 4.5% from ₱4,726.27 million for the nine months ended 30 September 2022 to ₱4,936.75 million for the nine months ended 30 September 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 15.8% from ₱7,928.65 million for the nine months ended 30 September 2022 to ₱9,183.09 million for the nine months ended 30 September 2023 with increases of the following:
 - an increase in advertising and promotion from ₱301.83 million for the nine months ended 30 September 2022 to ₱593.99 million for the nine months ended 30 September 2023 due to various advertising campaigns as the company launch a number of Vista Estate projects across the country.
 - an increase in repairs and maintenance from ₱789.14 million for the nine months ended 30 September 2022 to ₱1,101.91 million in the nine months ended 30 September 2023 due to the various site preparations for potential Vista Estate launch.
 - an increase in occupancy costs from ₱579.95 million for the nine months ended 30 September 2022 to ₱937.48 million for the nine months ended 30 September 2023 due to the increased in security and other occupancy related expenses of our malls.

Gain from insurance proceeds

The company recognized a gain from insurance proceed amounting to ₱1,841.16 million for the nine months ended 30 September 2023.

Interest and other financing charges

Interest and other financing charges increased by 4.2% from ₱4,218.57 million for the nine months ended 30 September 2022 to ₱4,395.09 million for the nine months ended 30 September 2023. The increase was primarily attributable to the lower capitalization for the period.

Provision for Income Tax

Provision for income tax increased by 65.8% from ₱1,485.67 million for the nine months ended 30 September 2022 to ₱2,463.06 million for the nine months ended 30 September 2023 primarily due to the higher taxable base for the period coming from the higher contribution of the commercial leasing segment.

Net Income

As a result of the foregoing, the Company's net income increased by 70.4% to ₱8,217.78 million for the nine months ended 30 September 2023 from ₱4,822.71 million for the nine months ended 30 September 2022.

For the 9-months of 2023, 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.

Except for the gain from insurance proceeds, there are no other significant elements of income or loss that did not arise from the Company's continuing operations.

FINANCIAL CONDITION

As of September 30, 2023 vs. December 31, 2022

Total assets as of 30 September 2023 were ₱337,836.47 million compared to ₱322,214.06 million as of 31 December 2022, or an increase of 4.8% due to the following:

- Cash and cash equivalents including short term and long term investments and investments at amortized costs decreased from ₱56,616.96 million as of 31 December 2022 to ₱50,467.28 million as of 30 September 2023 or a 10.9% decrease due uses of cash for the period specifically debt servicing and investing activities.
- Receivables including current portions thereof increased slightly by 7.9% from ₱74,400.63 million as of 31 December 2022 to ₱80,280.82 million as of 30 September 2023 due primarily to due to the increase in advances to contractors and supplier due to increased activities for the period as well as accrued rental receivables.
- Real estate inventories increased by 16.6% from ₱53,533.90 million as of 31 December 2022 to ₱62,427.35 million as of 30 September 2023 due to project launches for the period.
- Investments at fair value through OCI increased by 25.6% from ₱117.16 million as of 31 December 2022 to ₱147.16 million as of 30 September 2023 due to increase in fair value of the investments for the period.
- Project development costs increased by 28.3% from ₱1,269.16 million as of 31 December 2022 to ₱1,628.68 million as of 30 September 2023 due to advances to joint venture partner for the period.
- Advances to a related party increased by 10.9% from ₱7,042.28 million as of 31 December 2022 to ₱7,811.85 million as of 30 September 2023 due to advances for the period.
- Investment in joint venture increased by 4.9% from ₱468.07 million as of 31 December 2022 to ₱490.80 million as of 30 September 2023 due the recorded equity in net earning for the period.
- Property and equipment increased by 5.5% from ₱2,301.09 million as of 31 December 2022 to ₱2,428.13 million as of 30 September 2023 due to additions offset by depreciation and disposals for the period.
- Investment properties increased by 4.5% from ₱118,343.60 million as of 31 December 2022 to ₱123,672.08 million as of 30 September 2023 due primarily to additions for the period.
- Other assets, cost to obtain contract including current portions thereof increased by 5.0% from ₱7,541.77 million as of 31 December 2022 to ₱7,920.33 million as of 30 September 2023 due primarily to increase in prepaid expenses.

Total liabilities as of 30 September 2023 were ₱206,965.55 million compared to ₱198,563.87 million as of 31 December 2022, or an increase of 4.2%. This was due to the following:

- Accounts and other payables increased by 35.4% from ₱15,890.54 million as of 31 December 2022 to ₱21,523.08 million as of 30 September 2023 due increase in accruals and trade payables as a result of increased activities for the period.
- Current portion of security deposits and advance rent increased by 8.0% from ₱1,856.52 million as of 31 December 2022 to ₱2,004.82 million as of 30 September 2023 due to additions for the period.
- Income tax payable increased by 20.7% from ₱127.10 million as of 31 December 2022 to ₱153.40 million as of 30 September 2023 due to higher taxable income for the period.
- Dividends payable increased by 780.3% from ₱96.02 million as of 31 December 2022 to ₱845.27 million as of 30 September 2023 due to dividends declared for the period.
- Notes payable including current portion increased by 8.2% from ₱102,448.20 million as of 31 December 2022 to ₱110,883.03 million as of 30 September 2023 due primarily to the issuance of peso denominated corporate notes during the period.
- Bank loans including current portion decreased by 16.4% from ₱55,946.82 million as of 31 December 2022 to ₱46,762.58 million as of 30 September 2023 due primarily to the payment during the period.
- Loans including current portion increased by 26.0% from ₱5,334.62 million as of 31 December 2022 to ₱6,722.35 million as of 30 September 2023 due primarily to the availments during the period.
- Deferred tax liabilities – net increased by 26.3% to ₱7,570.15 million as of 30 September 2023 from 5,995.93 million as of 31 December 2022 due to an increase in temporary difference that will result to a potential tax liability for the period.
- Other noncurrent liabilities decreased by 12.2% from ₱3,179.00 million as of 31 December 2022 to ₱2,792.52 million as of 30 September 2023 due primarily to the decrease in noncurrent portion of liabilities for purchase land, deferred output tax, and security deposits.

Total stockholder's equity increased by 5.8% from ₱123,650.2 million as of 31 December 2022 to ₱130,871.94 million as of 30 September 2023 due mainly to the net income and increase in other comprehensive income recorded for the period.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	09/30/2023	12/31/2022
Current ratio ^(a)	2.84:1	2.89:1
Liability-to-equity ratio ^(b)	1.58:1	1.61:1
	09/30/2023	09/30/2022
Interest expense/Income before	29.2%	40.1%
Interest expense ^(c)		
Return on assets ^(d)	2.7%	2.2%
Return on equity ^(e)	7.0%	5.8%

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 annualized core 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 annualized core 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 slightly decreased due primarily to the faster increase in the current liabilities with the compared to the increase in the current assets.

Liability-to-equity ratio was flat.

Interest expense to Income before interest expense decreased due to the higher income for the period compared to the same period last year.

Return on asset increased in the nine months ended 30 September 2023 compared to that of the nine months ended 30 September 2022 due to the higher annualized income for the 2023.

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 September 30, 2023 compared to December 31, 2022 (increase/decrease of 5% or more)

Cash and cash equivalents including short term and long term investments and investments at amortized costs decreased from ₱56,616.96 million as of 31 December 2022 to ₱50,467.28 million as of 30 September 2023 or a 10.9% decrease due uses of cash for the period specifically debt servicing and investing activities.

Receivables including current portions thereof increased slightly by 7.9% from ₱74,400.63 million as of 31 December 2022 to ₱80,280.82 million as of 30 September 2023 due primarily to due to the increase in advances to contractors and supplier due to increased activities for the period as well as accrued rental receivables.

Real estate inventories increased by 16.6% from ₱53,533.90 million as of 31 December 2022 to ₱62,427.35 million as of 30 September 2023 due to project launches for the period.

Investments at fair value through OCI increased by 25.6% from ₱117.16 million as of 31 December 2022 to ₱147.16 million as of 30 September 2023 due to increase in fair value of the investments for the period.

Project development costs increased by 28.3% from ₱1,269.16 million as of 31 December 2022 to ₱1,628.68 million as of 30 September 2023 due to advances to joint venture partner for the period.

Advances to a related party increased by 10.9% from ₱7,042.28 million as of 31 December 2022 to ₱7,811.85 million as of 30 September 2023 due to advances for the period.

Property and equipment increased by 5.5% from ₱2,301.09 million as of 31 December 2022 to ₱2,428.13 million as of 30 September 2023 due to additions offset by depreciation and disposals for the period.

Other assets, cost to obtain contract including current portions thereof increased by 5.0% from ₱7,541.77 million as of 31 December 2022 to ₱7,920.33 million as of 30 September 2023 due primarily to increase in prepaid expenses.

Accounts and other payables increased by 35.5% from ₱15,890.54 million as of 31 December 2022 to ₱21,523.08 million as of 30 September 2023 due increase in accruals and trade payables as a result of increased activities for the period.

Current portion of security deposits and advance rent increased by 8.0% from ₱1,856.52 million as of 31 December 2022 to ₱2,004.82 million as of 30 September 2023 due to additions for the period.

Income tax payable increased by 20.7% from ₱127.10 million as of 31 December 2022 to ₱153.40 million as of 30 September 2023 due to higher taxable income for the period.

Dividends payable increased by 780.3% from ₱96.02 million as of 31 December 2022 to ₱845.27 million as of 30 September 2023 due to dividends declared for the period.

Notes payable including current portion increased by 8.2% from ₱102,448.20 million as of 31 December 2022 to ₱110,883.03 million as of 30 September 2023 due primarily to the issuance of peso denominated corporate notes during the period.

Bank loans including current portion decreased by 16.4% from ₱55,946.82 million as of 31 December 2022 to ₱46,762.58 million as of 30 September 2023 due primarily to the payment during the period.

Loans including current portion increased by 26.0% from ₱5,334.62 million as of 31 December 2022 to ₱6,722.35 million as of 30 September 2023 due primarily to the availments during the period.

Deferred tax liabilities – net increased by 26.3% to ₱7,570.15 million as of 30 September 2023 from 5,995.93 million as of 31 December 2022 due to an increase in temporary difference that will result to a potential tax liability for the period.

Other noncurrent liabilities decreased by 12.2% from ₱3,179.00 million as of 31 December 2022 to ₱2,792.52 million as of 30 September 2023 due primarily to the decrease 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 9-months of 2023 compared to the 9-months of 2022 (increase/decrease of 5% or more)

Revenue from real estate sales of ₱12,157.85 million for the nine months ended 30 September 2023 increase by 16.8% from ₱10,410.89 million for the nine months ended 30 September 2022. This was primarily attributable to the increase in the overall completion rate of sold inventories of some of its business units. 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 15.7% from ₱10,228.96 million for the nine months ended 30 September 2022 to ₱11,833.21 million for the nine months ended 30 September 2023. The increase was primarily attributable to higher occupancy and the increase in rates for the period including the upside from the higher sales of variable rental based tenants.

Interest income from installment contract receivable and investments increased by 8.9% from ₱1,501.47 million for the nine months ended 30 September 2022 to ₱1,635.58 million for the nine months ended 30 September 2023. The increase was primarily attributable the increase in interest income from investments of 23.8% to ₱1,208.00 million offset by the decrease in the interest income from installment contract receivables of 18.7% to ₱427.58 million for the nine months ended 30 September 2023 as majority of our buyers are getting banks to finance their purchase.

Income from parking, hotel, mall administrative and processing fees and others increased by 66.1% from ₱1,040.54 million for the nine months ended 30 September 2022 to ₱1,727.97 million for nine months ended 30 September 2023. The increase was primarily attributable to the increase mall related administrative and processing fees, parking, hotel operations as well as forfeitures.

Operating expenses increased by 15.8% from ₱7,928.65 million for the nine months ended 30 September 2022 to ₱9,183.09 million for the nine months ended 30 September 2023 with increases in advertising and promotion from ₱301.83 million for the nine months ended 30 September 2022 to ₱593.99 million for the nine months ended 30 September 2023 due to various advertising campaigns as the company launch a number of Vista Estate projects across the country; an increase in repairs and maintenance from ₱789.14 million for the nine months ended 30 September 2022 to ₱1,101.91 million in the nine months ended 30 September 2023 due to the various site preparations for potential Vista Estate launch; and an increase in occupancy costs from ₱579.95 million for the nine months ended 30 September 2022 to ₱937.48 million for the nine months ended 30 September 2023 due to the increased in security and other occupancy related expenses of our malls.

The company recognized a gain from insurance proceed amounting to ₱1,841.16 million for the nine months ended 30 September 2023.

Provision for income tax increased by 65.8% from ₱1,485.67 million for the nine months ended 30 September 2022 to ₱2,463.06 million for the nine months ended 30 September 2023 primarily due to the higher taxable base for the period coming from the higher contribution of the commercial leasing segment.

Net income increased by 70.4% to ₱8,217.78 million for the nine months ended 30 September 2023 from ₱4,822.71 million for the nine months ended 30 September 2022.

For the 9-months of 2023, 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.

Except for the gain from insurance proceeds, there are no other significant elements of income or loss that did not arise from the Company's continuing operations.

PART II - OTHER INFORMATION

Item 3. 9-months of 2023 Developments

- A. New Projects or Investments in another line of business or corporation.

None

- B. Composition of Board of Directors

Manuel B. Villar, Jr.	Chairman of the Board
Manuel Paolo A. Villar	Vice Chairman, President & CEO
Cynthia J. Javarez	Director, Treasurer & CRO
Frances Rosalie T. Coloma	Director
Camille A. Villar	Director
Justina F. Callangan	Independent Director
Cherrylyn P. Caoile	Independent Director
Gemma M. Santos	Corporate Secretary

- C. Performance of the corporation or result/progress of operations.

Please see unaudited Financial Statements and Management's Discussion and Analysis.

- D. Declaration of Dividends.

P0.0620 per share Regular Cash Dividend

Declaration Date: September 30, 2023

Record date: October 16, 2023

Payment date: October 31, 2023

P0.0292 per share Regular Cash Dividend

Declaration Date: September 30, 2022

Record date: October 14, 2022

Payment date: October 28, 2022

P0.0250 per share Regular Cash Dividend

Declaration Date: September 30, 2021

Record date: October 15, 2021

Payment date: October 29, 2021

P0.0500 per share Regular Cash Dividend

Declaration Date: September 30, 2020

Record date: October 16, 2020

Payment date: October 30, 2020

P0.2646 per share Regular Cash Dividend

Declaration Date: September 30, 2019

Record date: October 16, 2019

Payment date: October 31, 2019

P0.2252 per share Regular Cash Dividend

Declaration Date: September 28, 2018

Record date: October 15, 2018

Payment date: October 29, 2018

P0.1342 per share Regular Cash Dividend

Declaration Date: September 29, 2017

Record date: October 16, 2017

Payment date: October 30, 2017

P0.1185 per share Regular Cash Dividend

Declaration Date: September 28, 2016

Record date: October 13, 2016

Payment date: October 28, 2016

P0.1357 per share Regular Cash Dividend

Declaration Date: September 15, 2015

Record date: September 30, 2015

Payment date: October 15, 2015

P0.11858 per share Regular Cash Dividend

Declaration Date: September 15, 2014

Record date: March 31, 2015

Payment date: October 24, 2014

₱0.102 per share Regular Cash Dividend

Declaration Date: September 11, 2013

Record date: September 26, 2013

Payment date: October 22, 2013

₱0.0839 per share Regular Cash Dividend

Declaration Date: September 17, 2012

Record date: October 02, 2012

Payment date: October 26, 2012

₱0.04 per share Special Cash Dividend

Declaration Date: June 15, 2012

Record date: July 02, 2012

Payment date: July 26, 2012

- E.** Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.

None.

- F.** Offering of rights, granting of Stock Options and corresponding plans thereof.

None.

- G.** Acquisition of additional mining claims or other capital assets or patents, formula, real estate.

Not Applicable.

- H.** Other information, material events or happenings that may have affected or may affect market price of security.

None.

- I.** Transferring of assets, except in normal course of business.

None.

Item 4. Other Notes as of 9-months of 2023 Operations and Financials.

- J.** Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size, or incidents.

None.

- K.** Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.

There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.

- L.** New financing through loans/ issuances, repurchases and repayments of debt and equity securities.

See Notes to Financial Statements and Management Discussion and Analysis.

- M.** Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

See Notes to Financial Statements and Management Discussion and Analysis.

- N.** The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.

None.

- O.** Changes in contingent liabilities or contingent assets since the last annual statement of financial position date.

None.

- P.** Existence of material contingencies and other material events or transactions during the interim period

None.

- Q.** Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

None.

- R.** Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

None.

- S.** Material commitments for capital expenditures, general purpose and expected sources of funds.

The movement of capital expenditures being contracted arose from the regular land development and construction requirements which are well within the regular cash flow budget coming from internally generated funds.

- T.** Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.

As of September 30, 2023, no known trends, events or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the 9-months of 2023 financial statements.

- U.** Significant elements of income or loss that did not arise from continuing operations.

Gain from insurance proceeds.

- V.** Causes for any material change/s from period to period in one or more line items of the financial statements.

None.

- W.** Seasonal aspects that had material effect on the financial condition or results of operations.

None.

- X.** Disclosures not made under SEC Form 17-C.

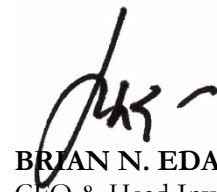
None.

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized.

Vista Land & Lifescapes, Inc.
Issuer

By:

A handwritten signature in black ink, appearing to read 'B. Edang', is written over a light gray rectangular background.

BRIAN N. EDANG
CFO & Head Investor Relations

Date: November 14, 2023