



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO : ALL STOCKHOLDERS

Please be notified that the Annual Stockholders' Meeting of **STA. LUCIA LAND, INC.** (the "Corporation") will be held on **Friday, 19 June 2015, at 8:00 a.m.**, at Dencio's, The Brickroad Area, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal, at which meeting the following matters will be taken up:

1. Opening of the Meeting by the Chairman
2. Proof of Notice
3. Proof of the Presence of a Quorum
4. Reading and Approval of the Minutes of the Annual Stockholders' Meeting held on 20 June 2014
5. Report of the President
6. Approval and Ratification of all Acts and Resolutions of the Board of Directors and Management for the Period from 20 June 2014 to 18 June 2015, including the amendment of the By-Laws to formally include the Executive Committee as one of the committees of the Corporation
7. Election of Members of the Board of Directors for 2015-2016
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

The Organizational Meeting of the new Board of Directors will be held immediately after the Annual Stockholders' Meeting.

By resolution of the Board of Directors, the close of business on Friday, 15 May 2015, has been fixed as the record date for the determination of the stockholders entitled to notice of, and to vote at, the Annual Stockholders' Meeting and any adjournment thereof.

All stockholders who do not expect to attend the meeting in person are urged to fill in, date, sign and return the enclosed proxy to the Corporation, at its Principal Office, not later than Wednesday, 10 June 2015, in accordance with Amended Implementing Rules and Regulations of the Securities Regulation Code. Proxies received after the said deadline will not be recorded. Corporate stockholders are requested to attach to the proxy instrument their respective Secretary's Certificates containing the Board Resolution *vis-a-vis* the authority of their proxy(ies). **Management is not asking you for a proxy, and you are not requested to send management a proxy.** All proxies submitted on or before the deadline shall be validated by a Committee of Inspectors on Thursday, 11 June 2015, at the Principal Office of the Corporation.

To facilitate registration of your attendance, please bring identification containing your signature and photograph.

27 May 2015.


PANCHO G. UMALI
Assistant Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20 (3) (A)
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of Registrant as specified in its charter

STA. LUCIA LAND, INC.

3. Province, country or other jurisdiction of incorporation or organization
PHILIPPINES

4. SEC Identification Number **31050**

5. BIR Tax Identification Code **000-152-291**

6. Address of principal office

Penthouse, Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal

7. Registrant's telephone number, including area code **(632) 681-7332**

8. Date, time and place of the meeting of security holders

19 June 2015, 8:00 a.m., at Dencio's, The Brickroad Area, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal

9. The approximate date on which the Information Statement will be sent or given to the security holders is on **28 May 2015**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
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Common	8,546,450,000
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11. Are any or all of Registrant's securities listed on a Stock Exchange?

Yes x No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc., Common Shares

INFORMATION STATEMENT

**WE ARE NOT ASKING YOU FOR A PROXY
AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

GENERAL INFORMATION

Date, Time and Place of Meeting of Security Holders

Date : 19 June 2015

Time : 8:00 a.m.

Place : Dencio's, The Brickroad Area, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal

The corporate mailing address of the principal office of the Registrant is Penthouse Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal.

The approximate date the definitive copies of the Information Statement will be sent or given to security holders is on 28 May 2015.

Dissenter's Right of Appraisal

There are no matters to be acted upon in the stockholders' meeting which may give rise to any rights of appraisal under Section 81, Title X, Appraisal Right, Corporation Code of the Philippines.

A stockholder who shall have voted against any corporate action involving matters enumerated under Section 81, Title X, Appraisal Right, the Corporation Code of the Philippines (the "dissenting stockholder") may exercise his appraisal right by making a written demand on the Registrant within thirty (30) days after the Stockholders' Meeting date. Failure to make the demand within the prescribed period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Registrant shall pay the dissenting stockholder upon surrender of the stock certificates representing his shareholdings in the Registrant based on the fair value thereof as of the day prior to the date of the Stockholders' Meeting, excluding any appreciation or depreciation in anticipation of such corporate action, provided that no payment shall be made to the dissenting stockholder unless the Registrant has unrestricted retained earnings to cause such payment.

Interest of Certain Persons in or Opposition to Matters to be acted upon

No director has informed the Registrant in writing that he intends to oppose any action to be taken at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) Number of shares outstanding as of 30 April 2015:

Common: 8,546,450,000

Each security holder shall be entitled to as many number of votes as the number of shares held.

(b) Record date: 15 May 2015

Cumulative Voting Rights

Pursuant to Section 1.06 of the Registrant's By-Laws, every holder of voting stock may vote during all meetings, including the Annual Stockholders' Meeting, either in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact.

Applying Section 24 of the Corporation Code, each stockholder may vote in any of the following manner:

- (a) he may vote such number for as many persons as there are directors to be elected;
- (b) he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by his shares; or
- (c) he may distribute them on the same principle among as many candidates as he shall see fit.

In any of the foregoing instances, the total number of votes cast by the shareholder should not exceed the number of shares owned by him as shown in the books of the Registrant multiplied by the whole number of directors to be elected.

Security Ownership of Certain Beneficial Owners and Management

- Security Ownership of Certain Record and Beneficial Owners

Stockholders who/which are directly/indirectly the record/beneficial owners of more than 5% of the Registrant's voting securities as of 31 March 2015:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percentage Held
Common	Sta. Lucia Realty & Development, Inc. ("SLRDI") ¹ Building II, Sta. Lucia East Grand Mall, Marcos Hi-way cor. Felix Ave., Cainta, Rizal	Same as record owner	Domestic	7,451,005,767	87.1825%
Common	PCD Nominee Corp. ²	-	Domestic	1,060,290,607	12.4062%

¹ Based on its latest GIS on file with the Securities and Exchange Commission, the majority stockholders of SLRDI are Mariza Santos-Tan, Vicente R. Santos, Orestes R. Santos, Felizardo R. Santos, and Leodegario R. Santos, all Filipino citizens. They each hold 10% of the outstanding capital stock of SLRDI. At the 2014 Annual Stockholders' Meeting of the Registrant held on 20 June 2014, SLRDI appointed Mr. Exequiel D. Robles and/or Mr. Vicente R. Santos as proxy. SLRDI has not yet submitted its proxy for the 2015 Annual Stockholders' Meeting of the Registrant since the deadline for the submission is on 10 June 2015.

The voting of the shares of the foregoing corporate stockholders of the Registrant during the stockholders' meeting is directed by the majority vote of the members of their respective board of directors.

- Security Ownership of Management (as of 31 March 2015)

Title of class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percentage of Class
Common	VICENTE R. SANTOS Chairman Evangelista St., Brgy. Santolan Pasig City	712,494 Direct 233,000 Indirect	Filipino	0.01%
Common	EXEQUIEL D. ROBLES President and Director F. Pasco Ave., Dumandan Compound, Santolan, Pasig City	712,500 Direct 230,000 Indirect	Filipino	0.01%
Common	MARIZA R. SANTOS-TAN Treasurer and Director G/F, State Centre II Ortigas Ave., Mandaluyong City	1 Direct 0 Indirect	Filipino	-
Common	AURORA D. ROBLES Assistant Treasurer and Director Alexandra Condominium Meralco Ave., Pasig City	1 Direct 0 Indirect	Filipino	-
Common	SANTIAGO CUA Director 36 Roosevelt Street San Juan, Metro Manila	1 Direct 0 Indirect	Filipino	-
Common	ANTONIO D. ROBLES Director Odyssey St., Acropolis Quezon City	1 Direct 0 Indirect	Filipino	-
Common	ORESTES R. SANTOS Director Odyssey St., Acropolis Quezon City	1 Direct 0 Indirect	Filipino	-
Common	JOSE FERDINAND R. GUIANG Independent Director	1 Direct	Filipino	-

² PCD Nominee Corp. is not related to the Registrant. There is no PCD account holder as of 15 May 2015 which holds more than 5% of the outstanding shares of the Registrant.

	#71 K-6 St., Camias Road Quezon City	0 Indirect		
Common	OSMUNDO C. DE GUZMAN, JR. Independent Director 43 Walnut St. New Marikina Subd. San Roque, Marikina City	1 Direct 0 Indirect	Filipino	-
Common	DAVID M. DELA CRUZ Executive Vice President 31 La Naval Street Remmanville Subdivision Better Living, Parañaque	0 Direct 0 Indirect	Filipino	
Common	ATTY. PATRICIA A. O. BUNYE Corporate Secretary CVCLAW CENTER 11 th Avenue cor. 39 th Street Bonifacio Global City 1634 Metro Manila	0 Direct 0 Indirect	Filipino	-
Common	ATTY. CRYSTAL I. PRADO Assistant Corporate Secretary N409, Phase 4, El Pueblo One Condominium, King Christian St. Kingspoint Subd., Novaliches Quezon City, Philippines	0 Direct 0 Indirect	Filipino	-
Common	ATTY. PANCHE G. UMALI Assistant Corporate Secretary CVCLAW CENTER 11 th Avenue cor. 39 th Street Bonifacio Global City 1634 Metro Manila	0 Direct 0 Indirect	Filipino	-

MANAGEMENT AND CERTAIN SECURITY HOLDERS

- Directors and Executive Officers as a Group (as of 31 March 2015)

Title of class	Name of Beneficial Owner	Amount of Ownership Percent of Class as Director & Officers	Percent of class
Common	DIRECTORS & EXECUTIVE OFFICERS	1,888,001	0.0221%

Changes in Control

As previously disclosed, SLRDI purchased the Registrant's shares owned by Farmix Fertilizers Corp., John Andreas Djoewardi and Juanita Tan, who initiated a derivative suit, pursuant to the *Judgment* dated 17 April 2006 approving the *Compromise Agreement* dated 10 February 2006. Based on the *Compromise Agreement* dated 10 February 2006, SLRDI has agreed to buy, and Farmix Fertilizers Corp., John Andreas Djoewardi and Juanita Tan have agreed to sell, in cash, all of the latter's shares, rights, interests, and participation in and to the Registrant as stipulated in the *Appraisal Certificate* jointly signed and executed by the parties simultaneously with the execution of the *Compromise Agreement* dated 10 February 2006.

Moreover, the Securities and Exchange Commission ("SEC") approved the increase in the Registrant's Authorized Capital Stock in the amount of Fourteen Billion Pesos (Php14,000,000,000.00). In this regard, pursuant to the resolutions passed by the Registrant's Board on 15 June 2007 and resolutions passed by the Registrant's Stockholders on 16 July 2007, as fully disclosed to the SEC and the Philippine Stock Exchange, Inc. ("PSE"), SLRDI subscribed to Ten Billion Pesos (10,000,000,000) of the said increase in Authorized Capital Stock.

The said subscription by SLRDI was under the following terms and conditions: (a) subscription shall be at par value; (b) payment of subscription shall be by way of transfer of assets; and (c) the value of the assets to be transferred by SLRDI to the Registrant in payment of the subscription should be acceptable to the Registrant's Board and, in any event, shall be subject to a reasonable discount on the market. In the meeting held on 16 August 2010 which was previously disclosed, the Registrant's Board of Directors approved the following matters in relation to SLRDI's subscription, subject to the approval of the SEC: (a) removal of the three (3) lots covered by TCT Nos. 1002784, 1002748 and 196218 from the properties to be assigned, transferred and conveyed by SLRDI to the Registrant as payment for the subscription; (b) correction of the amounts of loans for which some of the SLRDI properties are used as collateral ("Loan Amounts"); and (c) treatment of the excess of the aggregate fair market value of the SLRDI properties over the shares to be issued by the Registrant to SLRDI, after deducting the Loan Amounts: (i) as additional paid in capital of the Registrant to the extent of Three Hundred Million Pesos (P300,000,000.00); and (ii) with the balance of such excess to be treated as a discount.

By virtue of the foregoing transactions, SLRDI directly and beneficially owned 97.22% of voting securities in the Registrant.

To settle the intercompany advances, SLRDI and the Parent Company entered into a deed of assignment on 08 July 2014 rescinding the assignment of "Saddle and Clubs Leisure Park" and agreed to convey 3,000,000,000 shares out of SLRDI's shareholdings in the Company in two tranches as follows:

Tranche 1 – 2,250,000,000 shares at P.40 per share to be transferred within 30 days from the signing of the Deed of Assignment

Tranche 2 – 750,000,000 shares at P1.20 per share to be transferred within one year from the date of the Deed of Assignment, or when SLI accumulates more than P901,107,601.00 in Unrestricted Retained Earnings, whichever is earlier

In 17 September 2014, the Registrant successfully completed Tranche 1 involving the assignment of Two Billion Two Hundred Fifty Million (2,250,000,000) shares from SLRDI to SLI.

Please note that, as of 31 March 2015, SLRDI directly and beneficially owns seven billion four hundred fifty one million five thousand seven hundred sixty seven (7,451,005,767) shares, representing 87.1825% of the voting securities in the Registrant.

Voting Trust Holders

The Registrant is not a party to any voting trust. No shareholder of the Registrant holds more than 5% of the outstanding capital stock of the Registrant through a voting trust or other similar agreements.

Directors and Executive Officers of the Registrant

Directors

VICENTE R. SANTOS	Chairman
EXEQUIEL D. ROBLES	President
MARIZA SANTOS-TAN	Treasurer
AURORA D. ROBLES	Assistant Treasurer
ANTONIO D. ROBLES	Director
ORESTES R. SANTOS	Director
SANTIAGO CUA	Director
JOSE FERDINAND R. GUIANG	Independent Director
OSMUNDO DE GUZMAN, JR.	Independent Director

Executive/Corporate Officers

VICENTE R. SANTOS	Chairman
EXEQUIEL D. ROBLES	President
DAVID M. DELA CRUZ	Executive Vice-President
MARIZA SANTOS-TAN	Treasurer
AURORA D. ROBLES	Assistant Treasurer
PATRICIA A. O. BUNYE	Corporate Secretary
PANCHO G. UMALI	Assistant Corporate Secretary
CRYSTAL I. PRADO	Assistant Corporate Secretary

To the Registrant's knowledge, there is no substantial interest, direct or indirect, by security holdings or otherwise, of each of the foregoing persons in any matter to be acted upon. The Certifications executed by the Board of Directors and Officers stating that they do not work in the Philippine government are attached.

On 05 May 2015, Mr. Exequiel D. Robles and Ms. Mariza Santos-Tan, stockholders of the Registrant, nominated Messrs. Jose Ferdinand R. Guiang and Osmundo C. De Guzman, Jr., respectively, as Independent Directors of the Registrant for the year 2015-2016 pursuant to Section 2.01 of Article II of the amended By-laws of the Registrant, to wit:

“Section 2.01. xxx

(d) *Nomination Process for Independent Directors* - Any stockholder of record of the Corporation who may nominate any qualified individual as an Independent Director of the Corporation by submitting a signed nomination form. The nomination shall be accepted and conformed to by the nominated candidate, and submitted to the Nomination Committee of the Corporation not later than forty-five (45) days before the date of the Annual Stockholders' Meeting.

(e) *Screening Process* - The Nomination Committee shall pre-screen the qualifications of each nominee and come up with the Final List of Candidates, which shall contain all relevant information pertaining to the nominated candidate, including the identity of the stockholder(s) who nominated the said candidate. The Final List of candidates shall be submitted to the Securities and Exchange Commission in any report

required by the Securities Regulation Code and its implementing rules and regulations, including, but not limited to, the Information Statement and Proxy Statement.

(f) *Restrictions on Nominations* – After the Final List of Candidates shall have been prepared by the Nomination Committee no other nomination shall be entertained. Neither shall a nomination for Independent Directors be entertained or allowed on the floor during the annual meeting of stockholders.”

In compliance with the Registrant’s By-Laws, the Registrant’s Nomination Committee has pre-screened the qualifications of the nominees and included them in the Final List of Candidates. Mr. Exequiel D. Robles is not related by affinity, consanguinity, contract or agreement to Mr. Jose Ferdinand R. Guiang; and Ms. Mariza Santos-Tan is also not related by affinity, consanguinity, contract or agreement to Mr. Osmundo C. De Guzman, Jr. The updated Certifications on Qualifications and Disqualifications executed by Messrs. Guiang and De Guzman are attached.

The members of the Audit Committee are the following:

Jose Ferdinand R. Guiang -- Chairman
Orestes R. Santos
Antonio D. Robles

The members of the Nomination Committee are the following:

Jose Ferdinand R. Guiang – Chairman
Mariza Santos-Tan
Aurora D. Robles

RESUME OF DIRECTORS/EXECUTIVE OFFICERS [COVERING THE PAST FIVE (5) YEARS]

VICENTE R. SANTOS – Chairman

Term of Office	One (1) year (2014-2015)
Address	Evangelista St., Brngy. Santolan, Pasig City
Age	55
Citizenship	Filipino
Positions Held	Executive Vice President, Sta. Lucia Realty & Development, Inc.; EVP, Valley View Realty Dev’t Corp.; EVP, RS Maintenance & Services Corp.; EVP, Sta. Lucia East Cinema Corp.; EVP, Sta. Lucia Waterworks Corp.; EVP Rob-San East Trading Corp.; EVP, Sta. East Commercial Corp.; EVP, RS Night Hawk Security & Investigation Agency; EVP, Sta. Lucia East Bowling Center, Inc.; EVP, Sta. Lucia East Department Store, Inc.; Acropolis North, President; Lakewood Cabanatuan, Corporate Secretary Chairman, Orchard Golf & Country Club
Directorships held	Orchard Golf & Country Club; Eagle Ridge Golf & Country Club; Sta. Lucia Land, Inc.

EXEQUIEL D. ROBLES – President/Director

Term of Office	One (1) year (2014-2015)
Address	F. Pasco Avenue, Dumandan Compound, Santolan, Pasig City
Age	57
Citizenship	Filipino
Positions Held	President and General Manager, Sta. Lucia Realty & Development, Inc.; President, Sta. Lucia East Cinema Corporation; President, Sta. Lucia East Commercial Corporation; President, Sta. Lucia East Bowling Center, Inc.; President, Sta. Lucia East Department Store; President, Valley View Realty and Development Corporation; President, RS Maintenance & Services, Inc.; President, Rob-San East Trading Corporation; President, RS Night Hawk Security & Investigation Agency
Directorships Held	Sta. Lucia Realty & Development, Inc., Sta. Lucia East Cinema Corporation, Sta. Lucia Waterworks Corporation, Sta. Lucia East Commercial Corporation, Sta. Lucia East Department Store, Sta. Lucia East Bowling Center, Inc., Valley View Realty Development Corporation, RS Maintenance & Services, Inc.

MARIZA R. SANTOS-TAN – Treasurer

Term of Office	One (1) year (2014-2015)
Address	G/F, State Center II, Ortigas Avenue, Mandaluyong City
Age	54
Citizenship	Filipino
Positions Held	Vice President for Sales, Sta. Lucia Realty & Development, Inc.; Vice President, Valley View Realty Development, Inc.; Corporate Secretary, RS Maintenance & Services Corporation; Corporate Secretary, Sta. Lucia East Cinema Corporation; Corporate Secretary, Sta. Lucia Waterworks Corporation; Corporate Secretary, Rob-San East Trading Corporation; Corporate Secretary, Sta. Lucia East Commercial Corporation; Corporate Secretary, RS Night Hawk Security & Investigation Agency; Corporate Secretary, Sta. Lucia East Bowling Center, Inc.; Corporate Secretary, Sta. Lucia East Department Store, Inc.; President, Royale Tagaytay Golf & Country Club; Assistant Corporate Secretary, Alta Vista Golf & Country Club; Treasurer, Manila Jockey Club; Corporate Secretary, Worlds of Fun; Corporate Secretary, Eagle Ridge Golf & Country Club
Directorships Held	Sta. Lucia Realty & Development, Inc., Valley View Realty Development, Inc., Orchard Golf & Country Club, Alta Vista Golf & Country Club, Manila Jockey Club, True Value Workshop, Consolidated Insurance Company, Unioil Resources Holdings, Inc., Ebedev

AURORA D. ROBLES – Assistant Treasurer/Director

Term of Office	One (1) year (2014-2015)
Address	The Alexandra Condominiums, Meralco Avenue, Pasig City
Age	46
Citizenship	Filipino

Positions Held	Purchasing Manager, Sta. Lucia Realty & Development, Inc.; Stockholder, Valley View Realty Dev't Corp.; Stockholder, RS Maintenance & Services Corp.; Chief Administrative, Sta. Lucia East Cinema Corp.; Chief Administrative, Sta. Lucia Waterworks Corp.; Chief Administrative, Rob-San East Trading Corp.; Stockholder, Sta. East Commercial Corp.; Stockholder, RS Night Hawk Security & Investigation Agency
Directorships Held	CICI General Insurance Corp.

SANTIAGO CUA – Director

Term of Office	One (1) year (2014-2015)
Address	36 Roosevelt Street, San Juan, Metro Manila
Age	91
Citizenship	Filipino
Positions Held	Chairman and President, ACL Development Corporation; Chairman and President, Cualoping Securities, Inc.; Chairman and President, Filpak Industries, Inc.; Honorary Chairman, Philippine Racing Club;
Directorships held	ACL Development Corporation, Cualoping Securities, Inc., Filpak Industries, Inc., Philippine Racing Club, Inc., Ebedev

ANTONIO D. ROBLES – Director

Term of Office	One (1) year (2014-2015)
Address	Odyssey, Acropolis, Quezon City
Age	48
Citizenship	Filipino
Positions Held	Stockholder, Sta. Lucia Realty & Development, Inc.; Stockholder, Valley View Realty Dev't Corp.; Stockholder, RS Maintenance & Services Corp.; Treasurer, Orchard Marketing Corporation; Stockholder, Sta. Lucia East Commercial Corp.; Stockholder, RS Night Hawk Security & Investigation Agency; Stockholder, Exan Builders Corp.; Owner, Figaro Coffee; Owner, Cabalen
Directorships held	Exan Builders Corp.

ORESTES R. SANTOS – Director

Term of Office	One (1) year (2014-2015)
Address	Odyssey St., Acropolis, Quezon City
Age	51
Citizenship	Filipino
Positions Held	Project Manager, Sta. Lucia Realty & Development, Inc.; President, RS Superbatch, Inc.
Directorships held	City Chain Realty

JOSE FERDINAND R. GUIANG – Independent Director

Term of office	One (1) year (2014-2015)
Address	Unit 4 Cornhill Villas, Kaimito Ave. Town & Country Exec. Vill., Antipolo
Age	47
Citizenship	Filipino

Positions Held President, Pharmazel Incorporated; Member, Filipino Drug Association, Inc.; Area Sales Supervisor, Elin Pharmaceuticals, Inc.

OSMUNDO C. DE GUZMAN, JR. – Independent Director

Term of office One (1) year (2014-2015)
 Address 43 Walnut St. New Marikina Subd., San Roque, Marikina City
 Age 58
 Citizenship Filipino
 Positions Held Treasurer, Sunflower Circle Corp.

DAVID M. DE LA CRUZ – Executive Vice President

Term of Office One (1) year (2014-2015)
 Address #31, La Naval Street Remmanville Subdivision Better Living, Parañaque City
 Age 46
 Citizenship Filipino
 Positions Held Head- Corporate Credit Risk Management - BDO /President – AC&D Corporate Partners; President / CFO – Geograce Resources Phils. Inc.; Vice President / Head of Sales Amsteel Securities Philippines Inc; Senior Manager – Investment Banking Deutsche Morgan Grenfell Hong Kong Limited; Acting General Manager & Marketing Head – UBP Securities / Manager - Investment Banking - UBP Capital Corporation; Senior Auditor, SGV & Co.
 Directorships Held Macondray Finance Corporation, Independent Director

ATTY. PATRICIA A. O. BUNYE – Corporate Secretary

Term of Office One (1) year (2014-2015)
 Address CVCLAW CENTER, 11th Avenue cor. 39th Street, Bonifacio Global City, Metro Manila
 Age 44
 Citizenship Filipino
 Positions Held Senior Partner, Cruz Marcelo & Tenefrancia; Past President, Integrated Bar of the Philippines (Pasay, Parañaque, Las Piñas & Muntinlupa Chapter); Secretary, 15th House of Delegates National Convention, IBP; Past President, Licensing Executives Society Philippines
 Directorships Held Arromanche, Inc.; Baskerville Trading Corporation; Bay Area Holdings, Inc.; Belmont Equities, Inc.; Foundasco Philippines, Inc.; Go Home Bay Holdings, Inc.; Honfeur, Inc.; Kids Stuff Manufacturing, Inc.; Lawphil Investments, Inc.; Liberty Cap Properties, Inc.; Mianstal Holdings, Inc.; Quaestor Holdings, Inc.; Recruitment Center Philippines, Inc.; Westminster Trading Corporation; Winchester Trading Corporation; Windermere Marketing Corporation.

ATTY. CRYSTAL I. PRADO – Assistant Corporate Secretary

Term of Office One (1) year (2014-2015)
 Address N409, Phase 4, El Pueblo One Condominium, King Christian St., Kingspoint Subd., Novaliches, Quezon City

Age 33
 Citizenship Filipino
 Positions Held Legal Counsel, Sta. Lucia Land, Inc.; College Instructor, St. Joseph's College of Quezon City; Legal Officer/Executive Assistant/Marketing Head, Principalia Management and Personnel Consultants, Inc.; Court Interpreter III, Supreme Court; English Teacher, Call 'n Talk; English Teacher, Top English Center; English Teacher, CNN Language Center; English

ATTY. PANCHO G. UMALI – Assistant Corporate Secretary

Term of Office One (1) year (2014-2015)
 Address CVCLAW CENTER, 11th Avenue cor. 39th Street, Bonifacio Global City, Metro Manila
 Age 38
 Citizenship Filipino
 Positions Held Partner, Cruz Marcelo & Tenefrancia; First Vice President, The Law Foundation of Makati, Inc.; Treasurer, Taguig Lawyers League
 Directorships Held Catania Property Holdings, Inc.; China Systems Technology Corporation; Cosmo System Corporation; Junabejo Trading Corporation; Loscano Holdings, Inc.; Mantaray Resorts, Inc.; Haw Par Tiger Balm (Philippines), Inc.; IAMSPA, Inc.; Sun East Asia Corporation; Synchrogenix Philippines, Inc.; Union Earn Holdings, Inc.; Woolloomooloo Steakhouse Philippines, Inc.

The entire workforce of the Registrant is considered significant as each of its employees has his own responsibilities which are supposed to achieve the Registrant's goals and objectives.

Family Relationships

EXEQUIEL D. ROBLES, ANTONIO D. ROBLES, and AURORA D. ROBLES are siblings and they are first cousins with VICENTE R. SANTOS, MARIZA R. SANTOS-TAN, and ORESTES R. SANTOS, who are likewise siblings

Legal Proceedings [covering the past five (5) years]

CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	COURT	CASE NO.	AMOUNT INVOLVE	STATUS
SAMAHANG MAGBUBUKID NG KAPDULA INC. VS. STA. LUCIA LAND, SLRDI, and SOUTH CAVITE LAND CO	OPERATING SUBDIVISION WITHOUT A CERTIFICATE OF REGISTRATION, SELLING SUBDIVISION LOTS WITHOUT A LICENSE TO SELL AND ENGAGING IN ILLEGAL ACTS AND FRADULENT SALES	MESILO SUBDIVISION TCT NOS. T-1307454 and T-1307453	HLURB CALAM BA, LAGUNA	HLURB CASE NO. R-IV-020312-3569	8,000,000.00 – actual damages 700,000 – exemplary 200,000 – attorney's fee 300,000 – litigation fee	COMPLAINANT'S PENDING APPEAL
SPS. ERNESTO TATLONGHARI VS. STA. LUCIA LAND, FIRST BATANGAS, and ROYALE HOMES	RESCISSION OF DEED OF ABSOLUTE SALE	GRAND VILLA BAUN (PORTION) 16,832 SQ.M.	RTC BR. 2, BATANG AS	CIVIL CASE NO. 9246	300,000 – EXEMPLARY 300,000 – ATTORNEY'S FEE 500 – VALUE OF ENTIRE AREA PER SQUARE METERS	FOR SCHEDULED PRE-TRIAL

CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	COURT	CASE NO.	AMOUNT INVOLVE	STATUS
CONRADO ASEO VS. STA. LUCIA LAND	SPECIFIC PERFORMANCE WITH DAMAGES	ANTIPOLO GREENLAND P2 B7 L10	HLURB Q.C.	HLURB 092013- 15197	45,227.00 - REGISTRATIO N FEE 100,000 - MORAL 50,000 - EXEMPLARY 30,000 - ATTORNEY'S FEE 4,000 -PER HEARING COST OF SUIT	FILED POSITION PAPER (JULY 22, 2014) <u>STILL BEING HEARD</u>
STA. LUCIA LAND, INC. VS. JOCELYN MENDOZA AND/OR GAZLINK ENTERPRISES			RTC QUEZON CITY			
PETITION ROWENA DE GUZMAN - PETITIONER	PETITION FOR ISSUANCE OF NEW TRANSFER CERTIFICATE OF TITLE NO. M- 143702 OF THE REGISTRY OF DEEDS OF MORONG, RIZAL		RTC, MORON G, RIZAL			
PETITION CTC NO. 004- 2011011866 APOLINARU. CARMEN and ELEANOR G. CARMEN	CANCELLATION S7 RA 26	LA BREZA TOWER	REGION AL TRIAL COURT QUEZON CITY BRANCH 224	LRC CASE NO. Q- 33825 (12)		Waiting for decision
PETITION CTC NO. 004- 2012006975 SPS. GINA F. CASTRO and FIDEL L. CASTRO Represented by ERIC B. TAURO	CANCELLATION S7 RA 26	LA BREZA TOWER	REGION AL TRIAL COURT Quezon City	LRC CASE NO.		pending
PETITION CTC NOS. N-78407, N- 78442, N-78443, N- 78450, N-78453, N- 78460, N-78462, N- 78482, N-78535, N- 78545, N-78548, N- 78558, N-78563, N- 78567, N-78572, N- 78601, N-78627, STA. LUCIA LAND, INC.	CANCELLATION S7 RA 26	LA BREZA TOWER	REGION AL TRIAL COURT Quezon City	LRC CASE NO.		pending
PETITION CTC NO. 004- 2012006974 NENITA C. VELEZ Represented by ERIC B. TAURO	CANCELLATION S7 RA 26	LA BREZA TOWER	REGION AL TRIAL COURT Branch 216, Quezon City	LRC CASE NO. 13- 01851-LR		pending
PETITION	CANCELLATION S7 RA 26	LA BREZA TOWER	REGION AL	LRC CASE NO. 14-		pending

CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	COURT	CASE NO.	AMOUNT INVOLVE	STATUS
CTC NO. 004-2013019550 SHEALTHIEL JECH OCZON Represented by ERIC B. TAURO			TRIAL COURT Quezon City	01686-LR		
SPS. VINCENT ORTIZ AND AUBREY ORTIZ VS. STA. LUCIA LAND	REFUND	NEOPOLITAN CONDO ST1 OUG P1	HLURB QUEZON CITY	HLURB CON-LSG-060613-8177		TERMINATED
ELECTRICOM NETWORK TRADING VS. STA. LUCIA LAND	SPECIFIC PERFORMANCE (SURRENDER OF TCT)	METROPOLI LIBIS B2 L4	RTC BR. 222 QUEZON CITY	CIVIL CASE NO. R-QZN-13-05521-CV		DISMISSED
FOR FILING OF CANCELLATION S7 RA26 - CTC NO. N-78592 - CTC NO. N-78599 - CTC NO. 004-2014005842 - CTC NO. N-78428 - CTC NO. N-78592						

	CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	COURT	CASE NO.	STATUS
1	PELAGIO V. SORONGON VS. EXEQUIEL D. ROBLES VICENTE R. SANTOS MARIZA SANTOS-TAN EXALTACION R. JOSEPH LIBERATO D. ROBLES AURORA D. ROBLES WINIFREDO G. GOB et., al.	Estafa <i>Complaint received on: Nov. 25, 2014</i>	SUN CITY Phase 01 Block 19 Lot 04	DOJ Davao City	XI-02-INV-14-J-5793	FILED COUNTER-AFFIDAVIT
2	ROSAUNA HONRADO VS. EXEQUIEL D. ROBLES, et., al. AND SURI	Estafa & Falsification And/or Estafa through Falsification <i>Complaint received on: Oct. 13, 2014</i>	ORCHARD RES. Phase 02 Block 12 Lot 60	DOJ Imus, Cavite	NPS-IV-28-INV-14H-0707	FILED COUNTER-AFFIDAVIT
3	ROSAUNA HONRADO VS. EXEQUIEL D. ROBLES, et., al. AND SURI	Pay the decreased in area and/or lot replacement <i>Summons received on: Sept. 04, 2014</i>	ORCHARD RES. Phase 02 Block 12 Lot 60	HLURB Calamba, Laguna	RIV-081214-4114	FILED ANSWER
4	CLEOFAS KHOO VS. EXEQUIEL D. ROBLES, MARIZA SANTOS-TAN, et., al. AND SURI	Delivery of Title and/or refund <i>Summons received on: July 17, 2014</i>	ROYALE TAGAYTAY Phase 03 Block 02 Lot 03	HLURB Calamba, Laguna	RIV-043014-4076	FILED POSITION PAPER
5	PP VS. EXEQUIEL D. ROBLES VICENTE R. SANTOS MARIZA SANTOS-TAN EXALTACION R. JOSEPH LIBERATO D. ROBLES AURORA D. ROBLES WINIFREDO G. GOB	Estafa	PINEWOODS BAGUIO P1 B6 L8 P1 B6 L19 P1 B6 L20 P1 B6 L21 P1 B6 L22	RTC Br. 6 Baguio City	Crim Case No. 36049-R	FOR ARRAIGNMENT ON JAN. 30, 2015
6	DOMINADOR TAN VS. EXEQUIEL D. ROBLES AND SURI	Recovery of ownership and possession with application for the issuance of a temporary order and/or preliminary injunction <i>Order received on: March 26, 2013</i>	Portion of SOUTH SPRING	RTC, Binan, Laguna	Civil Case No. B-9022	STILL BEING HEARD
7	SSS VS. EXEQUIEL D. ROBLES AND STA. LUCIA WATERWORKS	Violation of Sec. 22(a) & Sec. 22(a) in relation to Sec. 22(c) of R.A. 8282 <i>Order received on: Aug. 02, 2006</i>		SSS Makati	SSC CASE NO. 1-16266-05	FILED PETITION FOR ANNULMENT OF JUDGMENT AT COURT OF APPEALS

1. During the Meeting of the Registrant's Executive Committee held on 09 May 2010, the Registrant approved the filing of a criminal complaint against Ms. Madelyn Felipe Maglalang for the crime of Estafa, punishable under Article 351 of the Revised Penal Code.

2. On 07 March 2002, the Registrant received summons for Civil Case Q-01-43548 entitled "**P.I. HARDWARE & MILL SUPPLY INC. vs. WESTMONT INVESTMENT CORP., ET AL.**" The case is for recovery of sum of money and damages with urgent application for the issuance of a writ of preliminary attachment filed against the Registrant and its directors. The Registrant then engaged the services of the law firm

of Reyno Tiu Domingo & Santos Law Offices as its counsel in said case. Per the law firm Reyno Tiu Domingo & Santos, a decision was rendered in 2005 to proceed to pre-trial. Defendants WINCORP and POWERMERGE through their respective representatives met with the plaintiffs to discuss the POWERMERGE settlement proposal. Plaintiffs requested for a detailed break down of the amount due them should they accept the POWERMERGE proposal. On 26 February 2008, a "Joint motion to dismiss with prejudice as against Zipporah Realty Hldgs., Inc. (now Sta. Lucia Land, Inc.) and its officers" was submitted by P.I. Hardware and the Registrant and its officers. It was approved by the Regional Trial Court of the National Capital Judicial Region Branch 80 in Quezon City. Upon execution, the Notice of Levy on Attachment identified as Entry No. 2112/206431 dated 06 August 2004 and inscribed on 10 August 2004 and annotated at the back of Transfer Certificate of Title ("TCT") No. 206431 and TCT No. 206432 of the Register of Deeds of Makati City has been cancelled and dissolved. Thus, at the Special Meeting of the Stockholders held on 04 March 2008, the Board of Directors authorized the Registrant, among others, to enter into the Deed of Assignment of Credit with P.I. Hardware & Mill Supply Inc., Westmont Investment Corporation, and SLRDI. Upon execution of the said Deed of Assignment of Credit, the Board of Directors authorized the Registrant, among others, to enter into and execute a Joint Motion to Dismiss with Prejudice as against the Registrant and its former officers, involving the dismissal of the counterclaim interposed by the Registrant. Thus, the case has been settled via amicable settlement.

3. As previously disclosed on 01 June 2007, pursuant to the sale and purchase agreement between the Registrant and Beziers, the responsibility for all legal proceedings involving EBEDEV has been transferred to Beziers.

4. Pending before the Housing And Land Use Regulatory Board Regional Office ('HLURB'), Southern Tagalog Region (Region IV) at Dencris Business Center, National Highway, Brgy. Halang, Calamba City, is HLURB Case No. R-IV-020312-3569, entitled "Samahang Magbubukid Ng Kapdula, Inc., et. al., complainants are represented by Felix Rodis, Rodolfo Jorda, Felicisma Galleno, Felipe Mojica and Mario Mojica vs. South Cavite Land Co. Inc., Sta. Lucia Realty & Dev., Inc., Sta. Lucia Land, Inc., Orchard Property Marketing Corp., Erlinda Panganiban and Catalina S. Manarin".

5. Pending before the Municipal Trial Courts in Cities, Branch 1, Davao City is Civil Case No. 22-434-A-2012 entitled "Sixto and Olivia Palomar vs. Sta. Lucia Land, Inc."

6. The following investigations involve the Registrant's directors and officers:

SALVACION PALANAS VS. RS NIGHTHAWK, SLRDI, EXEQUIEL D. ROBLES, VICENTE R. SANTOS et.al.

This is a complaint for arbitrary coercion, malicious mischief, robbery, violation of human rights and usurpation filed by members of the Christian Campsite Neighborhood Association, alleged assignees and claimants of a parcel of land located at Barangay Sta. Monica, Quezon City, which is part of PIADeco compound bounded by concrete walls along Commonwealth Avenue and Mindanao Avenue. The complaint stemmed from the alleged unlawful ejectment and demolition of the complainant and their effects from the property owned by SLRDI. In the said complaint, they implicated Exequiel D. Robles and Vicente R. Santos for being the President and Executive Vice-President of SLRDI and as officers of RS Knight Hawk Security Agency.

The said complaint was filed in the Office of the City Prosecutor in Quezon City and with docket number I.S. NO. 07-10932. To date, no resolution has been received by the said respondents.

ROMEO G. CORDERO VS. EXEQUIEL D. ROBLES and VICENTE R. SANTOS

This is a complaint for alleged violation of Article 315 of the Revised Penal Code filed by the then President of the Royale Tagaytay Residential Estates Phase 1 Homeowners Association against Vicente R. Santos as President of RS Property Management Corporation and Exequiel D. Robles as President of SLRDI. The complaint stemmed from the alleged collection of fees from lot owners of Royale Tagaytay Residential Estates Phase 1 to finance community comfort, security and maintenance of the said subdivision project. Despite demand to turn-over the collection to the complainant, the respondents failed to do so.

The said complaint was filed in the Office of the City Prosecutor in Tagaytay City and with docket number I.S. NO. TG-07-4273. The case had already been submitted for resolution in 2008. To date, no resolution has been issued by the said Office.

SPECIAL TASK FORCE VS. MARIZA SANTOS-TAN et., al

This is a complaint for alleged Violation of Section 3 (e) of the Anti-Graft & Corrupt Practices Act, Violations of Sections 254, 255, 269 (d) of Tax Code of 1997 and Estafa thru Falsification of Public Documents. This is a complaint filed by the Special Task Force created under Executive Order No. 525 to ensure proper payment of taxes in the transfer of title of real property and to investigate and prosecute any corruption or irregularities committed in relation thereto. The complaint stemmed from the registration and issuance of Transfer Certificate of Title No. 434738. Upon verification with the BIR National Office, no payment of taxes was made for the registration and no Certificate Authority of Registration (CAR) was issued.

The said complaint was filed with the Department of Justice in Manila and with docket number I.S. No. 2007-007 to 009. The case was already submitted for resolution. However, upon motion of one of the respondent, the said case was ordered re-opened for preliminary investigation. Subsequently, the case was dismissed.

SPS. MARK ELLIOT GODFREY ET AL. VS. GERARDO D. QUINTOS ET AL.

This is a complaint filed by Sps. Mark Elliot Godfrey and Mevalyn Custan-Godfrey against Gerardo D. Quintos, Mariza Santos-Tan and Carmino S. Ferandos for Falsification of Public Documents before the Office of the City Prosecutor, Cebu City, docketed as NPS Docket No. VII-09-INV-09J-02425.

The case was dismissed by virtue of a Resolution of the City Prosecutor of Cebu City dated 16 December 2009. Complainant filed a Motion for Reconsideration of the said Resolution and the Office of the City Prosecutor reversed its ruling and recommended the filing of information. Respondents filed their own Motion for Reconsideration of the latter resolution and the same was granted by the City Prosecutor, resulting to the dismissal of the said case.

7. Other than in the above-mentioned cases, the Registrant, its directors, officers or affiliates, any owner of record of more than 10% of its securities, or any associate of any such director, officer or affiliate, or security holder are not, to the knowledge of the Registrant, parties to any material legal proceeding during the past five (5) years up to date, including and/or involving any bankruptcy petition, conviction by final judgment, subject of an order, judgment or decree, and violation of a Securities or Commodities Law.

Certain Relationships and Related Transactions

As previously disclosed, SLRDI entered into a Property-for-Equity Swap with the Registrant in exchange for 10,000,000,000 shares of the latter.

The Registrant's President, EXEQUIEL D. ROBLES, is the President and General Manager of SLRDI. The Registrant's directors, ANTONIO D. ROBLES, a stockholder of SLRDI, and AURORA D. ROBLES, the Purchasing Manager of SLRDI, are siblings of MR. EXEQUIEL D. ROBLES who are all first cousins of MARIZA R. SANTOS-TAN, the Vice-President for Sales of SLRDI, VICENTE R. SANTOS, the Executive Vice-President of SLRDI, and ORESTES R. SANTOS, Project Manager of SLRDI, who, in turn, are siblings.

A director/officer of ACL Development Corporation, namely SANTIAGO CUA is also a director of the Registrant.

Independent Public Accountant

As previously disclosed to the SEC and to the PSE, on 20 June 2014, at the Annual Stockholders' Meeting, the stockholders agreed to retain Sycip Gorres Velayo & Company ("SGV & Co.") as the external auditor of the Registrant for the year 2014-2015. Ms. Cyril Jasmin B. Valencia of SGV & Co. is in his second year of service as external auditor, in replacement of Mr. Jessie D. Cabaluna.

The Registrant will comply with Rule 68 (3)(b)(iv) of the SRC Implementing Rules, which pertinently provides:

- "iv. The external auditors shall be rotated every after five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The reckoning date for such rotation shall commence in year 2002."

Compensation of Directors and Officers

The Directors and Officers do not receive any form of compensation except, in the case of Directors, for a per diem of Fifteen Thousand Pesos (P15,000.00) per meeting of the Board of Directors.

Apart from the per diem in the amount of Fifteen Thousand Pesos (P15,000.00), there are no standard arrangements or other arrangements between the Registrant and the directors and executive officers.

Executive Officers

Projected Compensation

2015

(in Thousands)

(a) Name and Principal Position	(b) Year	(c) Salary Estimated	(d) Bonus Estimated	(e) Other Annual Compensation Estimated
I. Executive Officers				
Vicente R. Santos – Chairman	2015	XXX	XXX	XXX
Exequiel D. Robles – President/Director	2015	XXX	XXX	XXX
David M. Dela Cruz – Executive Vice President	2015	XXX	XXX	XXX
Mariza Santos-Tan – Treasurer/Director	2015	XXX	XXX	XXX
Aurora D. Robles – Assistant Treasurer/Director	2015	XXX	XXX	XXX
Total for Above		9,500	6,000	XXX
II. CEO and Four Most Highly Compensated Executive Officers		9,000	6,000	XXX
III. All Other Officers as a Group Unnamed		8,000	3,500	XXX

Annual Compensation

2014

(in Thousands)

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Compensation
I. Executive Officers				
Vicente R. Santos – Chairman	2014	XXX	XXX	XXX
Exequiel D. Robles – President/Director	2014	XXX	XXX	XXX
David M. Dela Cruz ³ – Executive Vice President	2014	XXX	XXX	XXX
Mariza Santos-Tan – Treasurer/Director	2014	XXX	XXX	XXX
Aurora D. Robles – Assistant Treasurer/Director	2014	XXX	XXX	XXX
Total for Above		7,450	2,580	XXX
II. CEO and Four Most Highly Compensated Executive Officers		7,450	2,475	XXX
III. All Other Officers as a Group Unnamed		2,130	365	XXX

Annual Compensation

2013

(in Thousands)

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Compensation
I. Executive Officers				
Vicente R. Santos – Chairman	2013	XXX	XXX	XXX
Exequiel D. Robles – President/Director	2013	XXX	XXX	XXX
Mariza Santos-Tan – Treasurer/Director	2013	XXX	XXX	XXX
Aurora D. Robles – Assistant Treasurer/Director	2013	XXX	XXX	XXX
David M. Dela Cruz – Executive Vice Pres	2013	XXX	XXX	XXX
Total for Above		7,450	2,580	XXX
II. CEO and Four Most Highly Compensated Executive Officers		7,450	2,475	XXX
III. All Other Officers as a Group Unnamed		2,130	365	XXX

Standard Arrangements

Other than payment of reasonable per diem in the amount of Fifteen Thousand Pesos (P15,000.00), there are no standard arrangements pursuant to which directors of the Registrant are compensated, directly or indirectly, for any services provided as a director for the last completed fiscal year and the ensuing year.

³ Mr. David M. Dela Cruz has been appointed as Executive Vice President of the Registrant effective November 2012.

Other Arrangements

There are no other arrangements pursuant to which any director of the Registrant was compensated, or is to be compensated, directly or indirectly, during the Registrant's last completed year, and the ensuing year, for any service provided as a director.

Employment Contracts and Termination of Employment and Change-in-Control Arrangement

There are no special employment contracts between the Registrant and the named executive officers. There is no compensatory plan or arrangement with respect to a named executive officer.

Warrants and Options Outstanding

There are no outstanding warrants or options held by the Registrant's CEO, the named executive officers, and all officers and directors as a group.

ISSUANCE AND EXCHANGE OF SECURITIES

Authorization or Issuance of Securities Other than for Exchange

As previously disclosed to the SEC and to the PSE, at the Special Meeting of the Board of Directors held on 15 June 2007 and at the Annual Stockholders' Meeting held on 16 July 2007, the Board of Directors and the Stockholders of the Registrant authorized, among others, the increase in the Authorized Capital Stock of the Registrant from Two Billion Pesos (P2,000,000,000.00) to Sixteen Billion Pesos (P16,000,000,000.00). The securities authorized to be issued are common shares with the same dividend, voting and preemption rights as the existing shares. There are no provisions in its Articles of Incorporation or By-Laws that would delay, defer or prevent a change in the control of the Registrant.

In connection with the increase in the Authorized Capital Stock in the amount of Fourteen Billion Pesos (P14,000,000,000.00), the Board approved the subscription by SLRDI, one of the principal shareholders of the Registrant, of up to the maximum of Ten Billion Pesos (P10,000,000,000.00), under the following terms and conditions:

1. Subscription shall be at par value;
2. Payment of subscription shall be by way of transfer of assets;
and
3. The value of the assets to be transferred by SLRDI to the Registrant in payment of the subscription should be acceptable to the Registrant's Board and, in any event, shall be subject to a reasonable discount on the market value.

On 20 May 2008, the SEC approved the increase in the Registrant's authorized capital stock to Sixteen Billion Pesos (P16,000,000,000.00). The total number of issued and outstanding shares of the Registrant after the increase is 10,796,450,000, as a result of the subscription of SLRDI, one of the principal shareholders of the Registrant, to Ten Billion Pesos (P10,000,000,000.00) out of the increase in the Registrant's authorized capital stock of Fourteen Billion Pesos (P14,000,000,000.00) (the "Swap Shares").

In the meeting held on 16 August 2010 which was previously disclosed, the Registrant's Board of Directors approved the following matters in relation to SLRDI's

subscription, subject to the approval of SEC: (a) removal of the three (3) lots covered by TCT Nos. 1002784, 1002748 and 196218 from the properties to be assigned, transferred and conveyed by SLRDI to the Registrant as payment for the subscription; (b) correction of the Loan Amounts; and (c) treatment of the excess of the aggregate fair market value of the SLRDI properties over the shares to be issued by the Registrant to SLRDI, after deducting the Loan Amounts: (i) as additional paid in capital of the Registrant to the extent of Three Hundred Million Pesos (P300,000,000.00); and (ii) with the balance of such excess to be treated as a discount.

On 26 October 2010, a listing application for the Swap Shares was filed with the PSE. On 12 January 2011, the Board of Directors of PSE approved the said listing application, and set the listing of the Swap Shares on 07 March 2011. In compliance with the 180-day lock-up requirement of the PSE, the Registrant submitted a Lock-up Agreement executed on 18 February 2011 among the Registrant, SLRDI and Philippine Commercial Capital, Inc.

Following the listing of the Swap Shares and the release of the same from escrow, the Registrant intends to undertake a Placing and Subscription Transaction ("PST") to raise funds for its various projects. Under the transaction, a portion of the Swap Shares will be sold after which SLRDI will subscribe to new common shares of the Registrant not to exceed the number of shares offered in the placing transaction at a subscription price equivalent to the placing price.

In its Special Meeting held on 18 April 2013, the Board of Directors approved the sale of up to Three Billion (3,000,000,000) of its shares of stock through a follow-on offering, and list the same with the PSE. The said follow-on offering may be done through a PST, as described above, or through a direct public offering of shares, as may subsequently be determined by the Board of Directors.

The rights of existing security holders will not be affected by the PST considering that common shares will be offered and sold under the PST. There are no provisions in its Articles of Incorporation or By-Laws of the Registrant that would delay, defer or prevent a change in the control of the Registrant.

The consideration to be received by the Registrant under the PST will be in the form of cash and which will be used to fund the expansion of the business of the Registrant.

On 18 April 2013, the Board of Directors also authorized, subject to the approval by the Registrant's shareholders, the SEC and PSE, the grant of up to One Hundred Million (100,000,000) shares of stock as stock options for the employees and consultants of the Registrant, and the listing thereof with the PSE. The stock option plan shall also be subject to terms and conditions as may be subsequently approved by the Registrant's Board.

Also, the Board of Directors authorized the Registrant to borrow money in the form of direct loan – onshore or offshore US\$ - denominated bonds, in the amount of up to Six Billion Pesos (P6,000,000,000.00), subject the approval of the Registrant's shareholders.

The proceeds of the follow-on offer and issuance of bonds will be used for the expansion of the business of the Registrant. It is expected that the foregoing shall improve the financial standing of the Registrant and benefit the existing security holders of the Registrant.

On 21 June 2013, the shareholders of the Registrant, subject to compliance with applicable legal requirements and disclosure at the appropriate time, authorized and empowered the Board of Directors to purchase up to One Billion Pesos (P1,000,000,000.00) worth of outstanding shares of the Registrant under such terms and conditions that the Board of Directors shall deem required and necessary.

On 01 April 2014, the Board of Directors, subject to the ratification by the Registrant's shareholders, approved resolutions authorizing the purchase of up to One Billion Pesos (P1,000,000,000.00) worth of outstanding shares of the Registrant. Management would like to have the flexibility to reacquire shares if it feels that the market price does not reflect the underlying value of the Issuer.

Finally, to settle the intercompany advances, SLRDI and the Registrant entered into a deed of assignment on 08 July 2014 rescinding the assignment of "Saddle and Clubs Leisure Park" and agreed to convey 3,000,000,000 shares out of SLRDI's shareholdings in the Company in two tranches as follows:

Tranche 1 – 2,250,000,000 shares at P0.40 per share to be transferred within 30 days from the signing of the Deed of Assignment

Tranche 2 – 750,000,000 shares at P1.20 per share to be transferred within one year from the date of the Deed of Assignment, or when the Registrant accumulates more than P901,107,601.00 in Unrestricted Retained Earnings, whichever is earlier

In September 2014, the Company successfully completed Tranche 1 involving the assignment of 2,250,000,000 shares from SLRDI to the Registrant.

Acquisition or Disposition of Property

Acquisition

As previously discussed, SLRDI shall transfer assets to the Registrant in exchange for the latter's shares.

As discussed above, pursuant to the approval of the increase in the Registrant's Authorized Capital Stock in the amount of Fourteen Billion Pesos (14,000,000,000), and pursuant to the resolutions passed by the Registrant's Board on 15 June 2007 and resolutions passed by the Registrant's Stockholders on 16 July 2007, as fully disclosed to the SEC and the PSE, SLRDI subscribed to Ten Billion Pesos (10,000,000,000) of the said increase in Authorized Capital Stock. The said subscription by SLRDI is under the following terms and conditions: (a) subscription shall be at par value; (b) payment of subscription shall be by way of transfer of assets; and (c) the value of the assets to be transferred by SLRDI to the Registrant in payment of the subscription should be acceptable to the Registrant's Board and, in any event, shall be subject to a reasonable discount on the market. The Registrant and SLRDI jointly intend to engage independent and SEC-registered appraisal companies to determine the valuation of SLRDI assets and the reasonable discount based on fair market value. In the meeting held on 16 August 2010 which was previously disclosed, the Registrant's Board of Directors approved the following matters in relation to SLRDI's subscription, subject to the approval of SEC: (a) removal of the three (3) lots covered TCT Nos. 1002784, 1002748 and 196218 from the properties to be assigned, transferred and conveyed by SLRDI to the Registrant as payment for the subscription; (b) correction of the Loan Amounts; and (c) treatment of the excess of the aggregate fair market value of the SLRDI properties over the shares to be

issued by the Registrant to SLRDI, after deducting the Loan Amounts: (i) as additional paid in capital of the Registrant to the extent of Three Hundred Million Pesos (P300,000,000.00); and (ii) with the balance of such excess to be treated as a discount.

SLRDI is one of the principal shareholders of the Registrant. Its principal office is at the Building II, Sta. Lucia East Grand Mall, Marcos Hi-way cor. Felix Ave., Cainta, Rizal.

Disposition

As previously disclosed by the Registrant on 04 March 2008, the Board, at its meeting held on even date, granted the Registrant authority to sell, transfer and convey all of its rights and interests in its property along Ayala Avenue in Makati City (the "Subject Properties"), for such amount and under such terms and conditions as may be in the best interests of the Registrant.

The Subject Properties consist of the following: (a) a parcel of land, with improvements thereon, located in Makati City, Metro Manila, with an area of One Thousand Two Hundred square meters (1,200 sq.m.), more or less, covered by TCT No. 206431 issued by the Register of Deeds for Makati City; (b) a parcel of land, with improvements thereon, located in Makati City, Metro Manila with an area of One Thousand Two Hundred square meters (1,200 sq.m.), more or less, covered by TCT No. 206432 issued by the Register of Deeds for Makati City.

Pursuant to such authority, on 01 April 2008, the Registrant entered into a Contract to Sell and Buy of even date with Alphaland Corporation ("Alphaland") for the current fair market value of the Subject Properties.

In the Contract, the Registrant agreed to sell, transfer and convey all of its rights, title and interests in and to the Subject Properties to Alphaland, and Alphaland agreed to purchase, acquire and accept the same from the Registrant, for and in consideration of the total amount of Eight Hundred Twenty Million Pesos (P820,000,000.00), inclusive of value-added tax, to be remitted in the following manner:

1. Subject to the delivery of various documents, a downpayment in the total amount of One Hundred Million Pesos (P100,000,000.00) to be paid and remitted by Alphaland to the Registrant simultaneously with the execution of the Contract; and
2. Subject to the delivery of various documents, the balance in the total amount of Seven Hundred Twenty Million Pesos (P720,000,000.00), less the amount of creditable withholding tax, shall be paid and remitted by Alphaland to the Registrant on the date falling on the sixtieth (60th) day from the date of the Contract, or on 31 May 2008.

Alphaland is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at the Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City, and represented in the foregoing transaction by its President, Mario A. Oreta.

The Registrant is unaware of any material relationship between the Alphaland and the Registrant or any of the latter's affiliates, director or officer, or any associate of any such director or officer.

Voting Procedures

1. Vote Required for Approval or Election

A majority of the subscribed capital present in person or represented by proxy, shall be sufficient at a stockholders meeting to constitute a quorum for the election of directors and for the transaction of any business whatsoever, except in those cases in which the Corporation Code requires the affirmative vote of a greater portion.

2. Method by which the Votes will be Counted

At each meeting of the stockholders, every stockholder shall be entitled to vote in person or by proxy, for each share of stock held by him which has voting power upon the matter in question.

The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting except for the procedural questions determined by the Chairman of the meeting, shall be by viva voce or show of hands.

The directors of the Registrant shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his share shall equal, or by distributing such votes at the same principle among any number of candidates.

If the number of nominees is nine (9) or less, a motion shall be presented to the body that all votes be cast in favor of all nominees. However, if the minority stockholders nominate a candidate or if there are more than nine (9) nominees, the votes shall be cast. The results shall be counted/validated by the Corporate Secretary.

OTHER MATTERS

- A. The Minutes of the Annual Stockholders' Meeting held on 20 June 2014 will be submitted for the approval of the security holders. The minutes reflect the approval by the stockholders of the following matters:
1. Approval of the Minutes of the Special Stockholders' Meeting held on 21 June 2013
 2. Report of the President
 3. Approval and ratification of all acts and resolutions of the Board of Directors of the Registrant for the period from 21 June 2013 to 19 June 2014, including the purchase of up to One Billion Pesos (P1,000,000,000.00) worth of the corporation's outstanding shares

4. Election of Directors of the Registrant, who shall serve as such for the year 2014-2015, namely:

Exequiel D. Robles
Antonio D. Robles
Aurora D. Robles
Santiago Cua
Vicente R. Santos
Mariza Santos-Tan
Orestes R. Santos

Independent Directors for the year 2013-2014, namely:

Osmundo De Guzman, Jr.
Jose Fernand R. Guiang

5. Appointment of SGV & Co. as External Auditor for the year 2014-2015
6. Extension of the corporate term for fifty (50) years
- B. Approval and Ratification of all the acts of the Board of Directors for the period from 20 June 2014 to 18 June 2015, namely:

20 June 2014

Election of corporate officers for the year 2014-2015 and designation of the chairmen and members of the audit, nomination, and compensation and remuneration committees

08 July 2014

Authority to enter into a Deed of Assignment with SLRDI for the settlement of the obligations of SLRDI with the Registrant

21 April 2015

Authorizing the Registrant to enter into a Joint Venture for the development of a project located in Ponte Verde, Davao with an area of 36,915 sq.m.

Authorizing the Registrant to enter into a Joint Venture for the development of a new project located in Eden, Davao City with an area of 985,292 sq.m.

Authorizing the Registrant to enter into a Joint Venture for the development of another project in Ponte Verde, Davao with an area of 28,751 sq.m.

Authorizing the Registrant to enter into a Joint Venture for the development of a new project in Cainta, Rizal with an area of 16,026 sq.m.

Authorizing the Registrant to enter into a Joint Venture for the development of new project in Taytay, Rizal with an area of 8,318 sq.m.

Authorizing the Registrant to enter into a Joint Venture for the development of seven (7) new projects located in Barrio San Miguel, Pasig City with an aggregate area of 8,423 sq.m.

Authorizing the Registrant to enter into a Joint Venture for the development of a new project in Bauan, Batangas with an area of 246,653 sq.m.

Authorizing the Registrant to enter into a Joint Venture for the development of a new project in Binangonan, Rizal with an area of 29,492.62 sq.m.

Authorizing the Registrant to enter into a Joint Venture for the development of a new project in Sta. Rosa, Laguna with an area of 27,500 sq.m.

Authorizing the Registrant to enter into a Joint Venture for the development of a new project in Barrio Pasong Matanda, Cainta, Rizal with an area of 51,969 sq.m.

Authority to purchase a parcel of land located at Sun City expansion, Davao with an area of 24,578sq.m. for the expansion of the current project development

Authority to purchase parcels of land located in Brgy. Balayong, Bauan, Batangas with a total area of 337,715 sq.m.

Authority to purchase a parcel of land located in Jaro, Iloilo City with an area of 7,500 sq.m.

Authority to issue debt instrument/s worth up to P6 Billion for land bank acquisitions, acceleration of ongoing projects and funding of new projects, subject to compliance with applicable requirements

Authority to sell SantaLucia Ventures, Inc. to Sta. Lucia Realty & Development, Inc. at book value

Authority to amend the By-Laws to formally include the Executive Committee as one of the committees of the Registrant, subject to the ratification of the Registrant's shareholders and the approval by the SEC

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on 27 May 2015.

STA. LUCIA LAND, INC.

Registrant

By:



PANCHO G. UMALI
Assistant Corporate Secretary

CERTIFICATION

I, **ANTONIO D. ROBLES**, Filipino, of legal, and a resident of Odyssey Street, Acropolis, Quezon City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a Director of Sta. Lucia Land, Inc. (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.


Done this MAY 27 2015 May 2015 in MANILA.


ANTONIO D. ROBLES
Affiant

MAY 27 2015

SUBSCRIBED AND SWORN to before me this 27 day of May 2015 in _____, affiant presenting competent evidence of his identity, _____, bearing his photograph and signature, issued by _____ and valid until _____.

Doc. No. 446
Page No. 45
Book No. 29
Series of 2015.


ROLD SEGUNDINO C. CHING
NOTARY PUBLIC-CITY OF MANILA
2011-009 UNTIL DEC. 31, 2016
ROLL NO. 54809
SUITE 101, 12-10-2014 M.L.A.
37980 / 1-5-2015

CERTIFICATION

I, **VICENTE R. SANTOS**, Filipino, of legal, and a resident of Evangelista Street, Barangay Santolan, Pasig City after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a Director and the Chairman of Sta. Lucia Land, Inc. (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

Done this ^{MAY 21 2015} _____ May 2015 in MANILA.



VICENTE R. SANTOS
Affiant

^{MAY 21 2015}

SUBSCRIBED AND SWORN to before me this ____ day of May 2015, affiant presenting competent evidence of his identity, _____, bearing his photograph and signature, _____ issued by _____ and valid until _____.

Doc. No. 445
Page No. 45
Book No. 29
Series of 2015.

Ronald C. Ching
RONALD SEGUNDINO C. CHING
NOTARY PUBLIC-CITY OF MANILA
BIN NO. 2011-009 UNTIL DEC. 31, 2016
ROLL NO. 54380
GENAVIDES ST., BINONDO, MANILA
NO. 94959812 10-2014 ME 5
MANILA 34379807 1-5 11

CERTIFICATION

I, **MARIZA R. SANTOS-TAN**, Filipino, of legal, and a resident of G/F State Center II, Ortigas Avenue, Mandaluyong City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a Director and the Treasurer of Sta. Lucia Land, Inc. (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

Done this MAY 27 2015 May 2015 in MANILA.



MARIZA R. SANTOS-TAN
Affiant

MAY 27 2015

SUBSCRIBED AND SWORN to before me this ___ day of May 2015 in _____, affiant presenting competent evidence of his identity, _____, bearing his photograph and signature, issued by _____ and valid until _____.



Doc. No. 444;
Page No. 45;
Book No. 29;
Series of 2015.

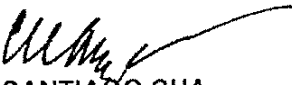
SEGUNDINO C. CHINO
NOTARY PUBLIC-CITY OF MANILA
EX. NO. 2011-009 UNTIL DEC. 31, 2016
ROLL NO. 54599
PNAVIDES ST., BINONDO, MANILA
O. 949508/12-19-2014 MLA.
O. 3637985 / 1-5-2015 MLA.

CERTIFICATION

I, **SANTIAGO CUA**, Filipino, of legal, and a resident of 36 Roosevelt Street, San Juan, Metro Manila, after having been duly sworn to in accordance with law, do hereby declare that:

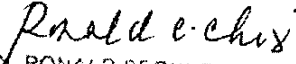
1. I am a Director of Sta. Lucia Land, Inc. (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

Done this ^{MAY 27 2015} May 2015 in MANILA.


SANTIAGO CUA
Affiant

SUBSCRIBED AND SWORN to before me this ____ day of May 2015 in _____, affiant presenting competent evidence of his identity, _____, bearing his photograph and signature, issued by _____ and valid until _____.

Doc. No. 443:
Page No. 45:
Book No. 29:
Series of 2015.


ATTY. RONALD SEGUNDINO C. CHING
NOTARY PUBLIC-CITY OF MANILA
ADMIN NO. 2011-004 UNTIL DEC. 31, 2015
ROLL NO. 54559
345 BENAVIDES ST., SINDONDO, MANILA
TAX NO. 949508/12-10-2014 001
Q. M.L.A. 7-27380 / 1-E 2015 M.L.A.

CERTIFICATION

I, **OSMUNDO C. DE GUZMAN, JR.**, Filipino, of legal, and a resident of 43 Walnut Street, New Marikina Subdivision, San Roque, Marikina City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of Sta. Lucia Land, Inc. (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

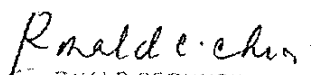
^{MAY 27 2015}
Done this _____ May 2015 in ~~MANILA~~.


OSMUNDO C. DE GUZMAN, JR.
Affiant

^{MAY 27 2015}

SUBSCRIBED AND SWORN to before me this ____ day of May 2015 in _____, affiant presenting competent evidence of his identity, _____, bearing his photograph and signature, issued by _____ and valid until _____.

Doc. No. 442;
Page No. 45;
Book No. 29;
Series of 2015.


Rnaldo C. Chino
NOTARY PUBLIC-CITY OF MANILA
ADMIN NO. 2011-009 UNTIL DEC. 31, 2016
ROLL NO. 54290
945 BENAVIDES ST., DINONDO, MANILA
IBP NO. 349506/12-19-2014
ID NO. MLA. 3837990 / 1-5-2015

CERTIFICATION

I, **JOSE FERDINAND R. GUIANG**, Filipino, of legal, and a resident of Unit 4 Cornhill Villas, Kaimito Avenue, Town & Country Executive Village, Antipolo, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of Sta. Lucia Land, Inc. (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

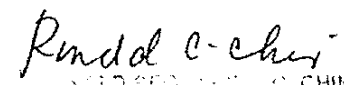
Done this ^{MAY 27 2015} May 2015 in **MANILA**.


JOSE FERDINAND R. GUIANG
Affiant

MAY 27 2015

SUBSCRIBED AND SWORN to before me this ____ day of May 2015 in _____, affiant presenting competent evidence of his identity, _____, bearing his photograph and signature, issued by _____ and valid until _____.

Doc. No. 419;
Page No. 42;
Book No. 29;
Series of 2015.


RANDAL C. CHING
CLERK OF COURT, CITY OF MANILA
EXPIRATION DATE UNTIL DEC. 31, 2016
ROLL NO. 54899
15 BENAVIDES ST., BINONDO, MANILA
RP NO. 943508-12-15-2014 MLA,
CO. MLA 3837950 / 1-5-2015 MLA.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **JOSE FERDINAND R. GUIANG**, Filipino, of legal age, and a resident of Unit 4 Cornhill Villas, Kaimito Ave., Town & Country Executive Village, Antipolo City, after having been duly sworn to accordance with law, do hereby declare that:

1. I am an Independent Director of **STA LUCIA LAND, INC.**
2. I am affiliated with the following companies or organizations:

Company / Organization	Position / Relationship	Period of Service
Pharmazel Incorporated	President	1993 up to present
Filipino Drug Association	Member	2001 up to present
Elin Pharmaceuticals, Inc.	Area Sales Supervisor	1987 to 1992

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **STA LUCIA LAND, INC.**, as provided in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code.

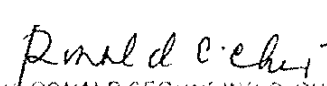
5. I shall inform the Corporate Secretary of **STA LUCIA LAND, INC.**, of any changes in the abovementioned information within five days from its occurrence.

MAY 27 2015
Done this _____ May 2015 in MANILA


JOSE FERDINAND R. GUIANG
Affiant

MAY 27 2015
SUBSCRIBED AND SWORN to before me this _____ day of May 2015
in _____, affiant presenting competent evidence of his identity,
_____, bearing his photograph and signature, issued
by _____ and valid until
_____.

Doc. No. 420;
Page No. 42;
Book No. 29;
Series of 2015.


RONALD SEGUNDINO C. CHING
NOTARY PUBLIC-CITY OF MANILA
MIN. NO. 2011-005 UNTIL DEC. 31, 2016
ROLL NO. 54809
445 BENAVIDES ST., BINONDO, MANILA,
BP. NO. 949508/12-13-2014 M.L.A.
ICL M.L.A. 3837980 / 1-5-2015 M.L.A.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **OSMUNDO C. DE GUZMAN, JR.**, Filipino, of legal age, and a resident of Walnut cor. Redwood Street, New Marikina Subdivision, San Roque, Marikina City, after having been duly sworn to accordance with law, do hereby declare that:

1. I am an Independent Director of **STA LUCIA LAND, INC.**
2. I am affiliated with the following companies or organizations:

Company / Organization	Position / Relationship	Period of Service
Sunflower Circle Corporation	Treasurer	CY


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **STA LUCIA LAND, INC.**, as provided in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code.

5. I shall inform the Corporate Secretary of **STA LUCIA LAND, INC.**, of any changes in the abovementioned information within five days from its occurrence.

MAY 27 2015

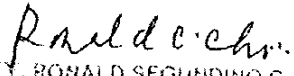
Done this ____ May 2015 in **MANILA**


OSMUNDO C. DE GUZMAN, JR.
Affiant

MAY 27 2015

SUBSCRIBED AND SWORN to before me this ____ day of May 2015
in _____, affiant presenting competent evidence of his identity,
_____, bearing his photograph and signature, issued
by _____ and valid until
_____.

Doc. No. 441;
Page No. 45;
Book No. 29;
Series of 2015.


ATTY. RONALD SEGUNDINO C. CHING
NOTARY PUBLIC-CITY OF MANILA
ADMIN NO. 001100 UNTIL DEC. 31, 2015
ROLL NO. 51359
NO. 945 BENAVIDES ST., BINONDO, MANILA
IBP NO. 34550012 OF 2014 MLA
PTR NO. MLA 3837980 / 1-5-2015 RPL

CERTIFICATION

I, **PATRICIA A. O. BUNYE**, Filipino, of legal, and with address at CVCLAW Center, 11th Avenue corner 39th Street, Bonifacio Triangle, Bonifacio Global City, Metro Manila, after having been duly sworn in accordance with law, do hereby declare that:

1. I am the Corporate Secretary of Sta. Lucia Land, Inc. (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Securities and Exchange Commission of any change in the abovementioned information within five (5) days from its occurrence.

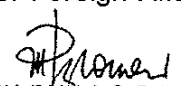
Done this 21st day of May 2015 in Taguig City.


PATRICIA A. O. BUNYE
Affiant

SUBSCRIBED AND SWORN to before me this 21st day of May 2015 in Taguig City, affiant exhibiting to me her Philippine Passport No. EB6755524 bearing her photograph and signature issued by the Department of Foreign Affairs, Manila, Valid until 17 July 2017.

Doc. No. 194;
Page No. 36;
Book No. II;
Series of 2015.



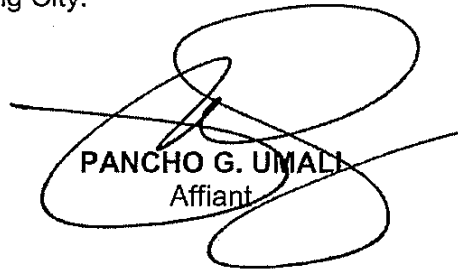

MARIA PAULA G. ROMERO
Notary Public
Taguig, Pasig, San Juan, Pateros
Appointment No. 279 (2014-2015)
Until December 31, 2015, Roll No. 58335
IBP No. 0983362, 01/05/15, Makati City
PTR No. 2312728, 01/05/15, Taguig City
MCLE Compliance No. IV-0011618, 01/22/13
7th Floor, CVCLAW Center 11th Avenue
corner 39th Street, Bonifacio Triangle,
Bonifacio Global City, 1634 Metro Manila

CERTIFICATION

I, **PANCHO G. UMALI**, Filipino, of legal, and with address at CVCLAW Center, 11th Avenue corner 39th Street, Bonifacio Triangle, Bonifacio Global City, Metro Manila, after having been duly sworn in accordance with law, do hereby declare that:

1. I am the Assistant Corporate Secretary of Sta. Lucia Land, Inc. (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Securities and Exchange Commission of any change in the abovementioned information within five (5) days from its occurrence.

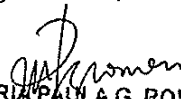
Done this 25th day of May 2015 in Taguig City.


PANCHO G. UMALI
Affiant.

SUBSCRIBED AND SWORN to before me this 25th day of May 2015 in Taguig City, affiant exhibiting to me his Passport No. EB9981740 bearing his photograph and signature issued by the Department of Foreign Affairs, Manila, Valid until 12 January 2019.

Doc. No. 189;
Page No. 39;
Book No. II;
Series of 2015.




MARIA PAULA G. ROMERO
Notary Public
Taguig, Pasig, San Juan, Pateros
Appointment No. 279 (2014-2015)
Until December 31, 2015, Roll No. 58335
IBP No. 0983362, 01/05/15, Makati City
PTR No. 2312728, 01/05/15, Taguig City
MCLE Compliance No. IV-0011618, 01/22/13
7th Floor, CVCLAW Center 11th Avenue
corner 39th Street, Bonifacio Triangle,
Bonifacio Global City, 1634 Metro Manila

SECRETARY'S CERTIFICATE

I, **PATRICIA A. O. BUNYE**, of legal age, Filipino, and with office address at 11th Avenue corner 39th Street, Bonifacio Triangle, Bonifacio Global City, Metro Manila, after having been duly sworn in accordance with law, hereby certify that:

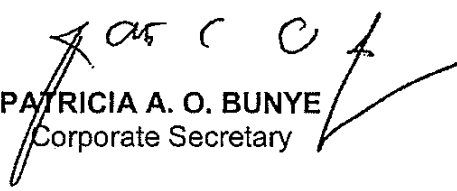
1. I am the Corporate Secretary of **STA. LUCIA LAND, INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at the Penthouse, Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal.

2. In connection with the submission of the Corporation's Definitive Information Statement and Management Report to the Securities and Exchange Commission (the "Commission"), Mr. Exequiel D. Robles, Director and President of the Corporation, and Ms. Aurora D. Robles, Director and Assistant Treasurer of the Corporation, were required by the Commission to execute a certification that they are not employed by nor work in the Philippine government. However, they are both presently out of the country and will be unable to execute the required certification on or before the deadline.

3. To the best of my knowledge and based on available records, both **MR. EXEQUIEL D. ROBLES** and **MS. AURORA D. ROBLES** are not employed by nor work in the Philippine government.

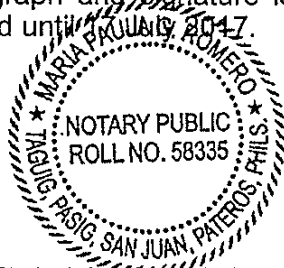
4. I shall inform the Commission of any change in the abovementioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of May 2015 in Taguig City, Metro Manila.


PATRICIA A. O. BUNYE
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 21st day of May 2015 in Taguig City, affiant exhibiting to me her Philippine Passport No. EB6755524 bearing her photograph and signature issued by the Department of Foreign Affairs, Manila, Valid until 2017.

Doc. No. 173;
Page No. 36;
Book No. II;
Series of 2015.




MARIA PAULA G. ROMERO
Notary Public

Taguig, Pasig, San Juan, Pateros
Appointment No. 279 (2014-2015)
Until December 31, 2015, Roll No. 58335
IBP No. 0983362, 01/05/15, Makati City
PTR No. 2312728, 01/05/15, Taguig City
MCLE Compliance No. IV-0011618, 01/22/13
7th Floor, CVCLAW Center 11th Avenue
corner 39th Street, Bonifacio Triangle,
Bonifacio Global City, Taguig City, Metro Manila
Tel. No.: (+632) 681-7332 Telefax: (+632) 681-7467

SECRETARY'S CERTIFICATE

I, **PANCHO G. UMALI**, of legal age, Filipino, and with office address at 11th Avenue corner 39th Street, Bonifacio Triangle, Bonifacio Global City, Metro Manila, after having been duly sworn in accordance with law, hereby certify that:


1. I am the Assistant Corporate Secretary of **STA. LUCIA LAND, INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at the Penthouse, Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal.

2. In connection with the submission of the Corporation's Definitive Information Statement and Management Report to the Securities and Exchange Commission (the "Commission"), Mr. Orestes R. Santos, Director of the Corporation, was required by the Commission to execute a certification that he is not employed by nor works in the Philippine government. However, he is presently out of the country and will be unable to execute the required certification on or before the deadline.

3. To the best of my knowledge and based on available records, **MR. ORESTES R. SANTOS** is not employed by nor workd in the Philippine government.

4. I shall inform the Commission of any change in the abovementioned information within five (5) days from its occurrence.

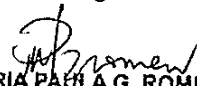
IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of May 2015 in Taguig City, Metro Manila.


PANCHO G. UMALI
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 25th day of May 2015 in Taguig City, affiant exhibiting to me his Passport No. EB9981740 bearing his photograph and signature issued by the Department of Foreign Affairs, Manila, Valid until 12 January 2019.

Doc. No. 185 :
Page No. 78 :
Book No. II :
Series of 2015.




MARIA PAULA G. ROMERO
Notary Public
Taguig, Pasig, San Juan, Pateros
Appointment No. 279 (2014-2015)
Until December 31, 2015, Roll No. 58335
IBP No. 0983362, 01/05/15, Makati City
PTR No. 2312728, 01/05/15, Taguig City
MCLE Compliance No. IV-0011618, 01/22/13
7th Floor, CVCLAW Center 11th Avenue
corner 39th Street, Bonifacio Triangle,
Bonifacio Global City, 1634 Metro Manila

PART II - MANAGEMENT REPORT

I. CONSOLIDATED FINANCIAL STATEMENTS

Please refer to the attached Consolidated Audited Financial Statements of the Registrant and its Subsidiaries for the year ended 31 December 2014, which were submitted to the Securities and Exchange Commission ("SEC") (Annex "B" hereof), and the Interim Financial Statements and Management Discussion and Analysis for the period ended 31 March 2015 (Annex "C" hereof).

II. CHANGES IN, AND DISAGREEMENTS WITH, ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On 20 June 2014, at the Annual Stockholders' Meeting of the Registrant, its stockholders agreed to retain Sycip Gorres Velayo & Company ("SGV & Co.") as the external auditor of the Registrant for the year 2014-2015. Ms. Cyril Jasmin B. Valencia of SGV & Co. is in his second year of service as external auditor, in replacement of Mr. Jessie D. Cabaluna. There are no disagreements with SGV & Co. on any matter of accounting and financial disclosure.

(a) Audit and Audit-Related Fees

P1,232,000 for 2014*, P1,041,600* for 2013 and P985,600* for 2012

*Relates only to audit fees; no other assurance and related services.

The fees hereunder only refer to the fees for the audit of the Registrant's annual financial statements or services that are normally provided by the external auditor in connection with the statutory and regulatory filings or engagements for those fiscal years. The external auditor of the Registrant does not render other assurance and related services.

(b) Tax Fees

Not applicable

(c) All Other Fees

Not applicable

(d) Approval Policies and Procedure of the Audit Committee

The Registrant's Audit Committee has the ultimate authority and responsibility to evaluate and, where applicable, recommend the replacement of the Registrant's independent auditors. Annually, the Audit Committee reviews and recommends to the Board of Directors the selection of the Registrant's independent auditors, subject to the approval of the shareholders.

III. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

COMPARISON: YEAR END 2014 VS. YEAR END 2013

RESULTS OF OPERATIONS

Overview of Operations

The Registrant generated net income after tax of P549 Million for the year 2014, 83% higher than the P300 Million reported in 2013. Consolidated revenues posted at P2,296 Million compared to P1,327 Million of last year, 73% higher year on year. Bulk of the revenues was recognized under real estate sales for an increase of P644 Million from that of last year followed by the 42% increase in rental income from P355 Million to P504 million which was due to the change in internal operations. Increase in real estate sales was driven by strong performance in the Registrant's property segment.

Cost and expenses increased to P1,029 Million from P529 Million this year. Administrative and selling costs to revenues improved during the year by 6%. Earnings before tax generated is P783 Million, 80% increase from last year.

Revenue

Revenue from real estate sales reached P1,445 Million in 2014, 80% higher than 2013. This is driven by strong bookings and project completion across all real estate segment of the Registrant. Revenue from rental income posted a P149 Million increase due to change in internal operations. A management services agreement was executed on lieu of the Lease contract which lets the Registrant's book the gross revenue starting October 2014. Commission income during the year was generated by the Registrant's marketing unit Santalucia Ventures, Inc.

Also, a 173% increase in other income or equivalent to P99 Million was booked during the year. This was mainly due to the management income booked by the Registrant from a sale of property of its parent, SLRDI.

Cost and Expense

Total expenses for the year amounted to P1,513 Million, 70% higher than P892 Million posted in 2013. Cost of sales from real estate sales accounted the P340 Million increase together with the in cost of rental income at P140 million. During the year 2014, the a 33% increase in selling and administrative expenses was recognized due to the related increase in commission expense driven by the increase in revenue from real estate sales.

Net Income

The Registrant's net income increase by 83% from P300 Million in 2013 to P548 Million in 2014. This increase was due to the sales take up in real estate sales and rental income.

PROJECT AND CAPITAL EXPENDITURES

The Registrant spent P1,473 Million for project and capital expenditures during the year 2014, which is 8% higher than that spent in 2013. P1,423 Million of this amount is accounted for by the development of the Registrant's residential and commercial projects while the remaining was utilized for landbanking purposes. For 2015, the Registrant earmarked less than P2,000 Million for its project and capital expenditures, largely for the development of its ongoing projects and launching of new projects.

FINANCIAL CONDITION

Assets

Total Assets as of 31 December 2014 amounted to P17,838 Million, 4% higher than the P17,185 Million as of 31 December 2014. The significant increase was due to the booking of installment contracts receivable from the sales take up made during the year. Prepayments in construction and commissions also contributed to the growth of company financial condition. 7% increase in investment properties is accounted for the increase in assets.

Liabilities

The Registrant's availment of loans during the attributed to the P525 million increase in liabilities. Also, the continued constructions of projects and acquisitions of various lands for future expansions required a significant increase in its liabilities, including those related to construction contracts, supplies of materials, retentions, loans, taxes, land acquisitions and promotions, by 18% from the amount of P1,694 million as of 31 December 2014.

Equity

Total stockholders' equity decreased by 3% from the amount of P352 million as of 31 December 2014. This is due the buyback of shares amounting to P900 million was executed between the Registrant and SLRDI to settle intercompany advances.

Key Performance Indicators

	31-Dec-14	31-Dec-13
Current Ratio	2.08	2.38
Debt to Equity	0.28	0.22
Interest Coverage Ratio	691.39%	354.51%
Return on Asset	3.08%	1.75%
Return on Equity	4.68%	2.48%

*Notes to Key Performance Indicators:

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current liabilities (*accounts payable, customer deposit, current portion of bank loans, income tax payable, and deferred tax liabilities*).
2. Debt to Equity = Total debt over shareholder's equity.
3. Interest Coverage Ratio = Earnings before tax over Interest expense.

4. Return on Asset = Net Income over Total Assets.
5. Return on Equity = Net Income over shareholder's equity.

There are no events that will trigger any direct or contingent financial obligation that is material to the Registrant, including any default or acceleration of an obligation.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2014.

Material Changes in the Balance Sheet (+/- 5%) as of 31 December 2014 versus the Balance Sheet as of 31 December 2013

281% Increase in cash

This is mainly due to the improved collections of the company and rental operations of the mall as the tenants now pay directly to the Registrant starting October 2014.

121% increase in receivables

Higher sales take up during the year and intercompany transactions within the Group drove the increase

67% increase in other current assets

The increase primarily was due to the increase in prepaid commissions and contractor advances as an effect of the Registrant's aggressive marketing and developing activities.

63% increase in property and equipment

Mainly due to the purchase of transportation vehicles to be used in operations

8% increase in investment properties

Mainly due to the refurbishment of the mall.

11% increase in other non-current assets

Mainly due to long term deposits made relative mainly to project developments.

18% increase in accounts payable

Driven by the ongoing development of various projects of the Registrant.

10% increase in customer's deposits

Due to the prolonged down payment terms of various projects and also increase in customers' reservation applications.

36% increase in income tax payable

Due the taxable operations of the Registrant.

20% increase in loans payable

This is due to loan availments of the Registrant to finance the working capital requirements

46% increase in deferred tax liabilities-net

Mainly due to the recognition of the difference between tax and book basis of accounting for real estate transactions and other temporary differences.

94% increase in pension liability
Attributed to the increase in actuarial valuations.

80% increase in retained earnings
Attributed to the profitable operations, gains on investment properties, and revenues from real estate business operations.

100% increase in treasury shares
Due to the settlement of intercompany advances between the Registrant and SLRDI which provides assignment of certain number of shareholding of SLRDI to the Registrant be assigned to the latter.

Material Changes in the Income Statement (+/- 5%) for the year ended 31 December 2014 versus the Income Statement for the year ended 31 December 2013

80% Increase in real estate sales
Driven by sales take up of previous years' deferred revenue recognition as a result of longer down payment schemes for some of its projects.

42% increase in rental income
Due to the change in internal operations of the Company whereby a management services agreement was executed in place of the lease agreement.

6% decrease in interest income
Due to the mix of interest bearing buyers of the Company

173% increase in other income
Mainly due to the management income booked during the year for the sale of property by SLRDI. Also, it's due to the increase in other operational income such as penalties and surcharges, processing fees, and income related to defaults of various buyers and cancelled sales.

285% increase in commission income
Aggressive sales and marketing activities of the marketing vehicle of the Group

81% increase in cost and expenses
Mainly due to the related increase in sales during the period.

134% increase in commissions
Mainly due to directly proportional relation of real estate sales which increased during the year.

11% increase in interest expense
Due to the additional loans granted by various banks to the Registrant and partial recognition of capitalized interest from previous years.

41% increase in salaries and wages
Mainly due to the hiring of additional employees to cater to the increased volume of transactions and the release of employees' benefits for the whole year.

39% decrease in advertising

Attributable to the cost efficiency measures of the Company and transfer of some marketing expenses to the marketing arms of the Company.

74% decrease in provision for income tax

Due to the increase of realized taxable sales and other taxable income of the Registrant

COMPARISON: YEAR END 2013 VS. YEAR END 2012

RESULTS OF OPERATIONS

Overview of Operations

For the year ended 31 December 2013, the Registrant's net income registered a year on year decrease of 4% from P311 Million in 2012 to P300 Million in 2013. The Registrant declared total comprehensive income of P302 Million for the year 2012, 42% lower than the P519 Million generated in the year 2012. Percentage of real estate sales is 62% and 72% from the total revenues in 2013 and 2012, respectively. The Registrant showed a flat performance during the year.

Rental income and other income decreased from 2012 to 2013 by 8%. Operating income decreased by P33 Million, or by 7%, from 2012 to 2013. Although the percentage of the Registrant's general and administrative expenses to total revenue increased by 36% from 2012 to 2013, said increase is reasonable considering the expanding operations of the Registrant.

Revenue

For the year 2012, the Registrant registered a 26% decline in its overall revenues attributed to the decline in commercial lot sales as the Registrant moves towards increasing its lease income from commercial lots. The deferred revenue recognition as a result of longer down payment schemes for some of its projects also contributed to the decline. The deferred revenues recognition led to a 139% increase in customers' deposits from P282 Million to P673 Million. Revenues from rental operations, in particular, decreased due to decrease in mall occupancy due to various space renovations. Though the real estate revenue decreased, there was noted an increase in interest income and other income. This comprises mostly of interest income from interest bearing accounts receivables and surcharges and penalties of late buyers. The Registrant's overall revenues for the year 2013 amounted to P1,327 Million compared to P 1,793 Million for the year 2012.

Cost and Expense

Overall cost and expense decreased by 33% from P1,325 Million in 2012 to P892 Million in 2013. This is due to the decrease in real estate sales, which have corresponding costs of sales. There were also decreases in administrative expenses such as commissions, professional fees, taxes and licenses. During the year 2013, the Registrant increased its administrative staff, consultants, and development personnel to cope with the increase in the number of its development projects hence the increase in salaries and wages.

Net Income

The Registrant's net income decreased by 4% from P311 Million in 2012 to P300 Million in 2013. This decrease was due to decrease in real estate sales, rental income, increase in interest expense and additional manpower costs of the company to compete in the real estate market.

PROJECT AND CAPITAL EXPENDITURES

The Registrant spent P1,354 Million for project and capital expenditures during the year 2013, which is 7% higher than that spent in 2011. P1,306 Million of this amount is accounted for by the development of the Registrant's residential and commercial projects while the remaining was utilized for landbanking purposes. For 2014, the Registrant earmarked less than P2,000 Million for its project and capital expenditures, largely for the development of its ongoing projects and launching of new projects.

FINANCIAL CONDITION

Assets

Total Assets as of 31 December 2013 amounted to P17,185 Million, 6% higher than the P16,236 Million as of 31 December 2012. The significant increase was due to continued construction development of various projects and various land acquisitions for future developments increased the total real estate inventory. Prepayments in construction and commissions also contributed to the growth of company financial condition.

Liabilities

The Registrant's continued sales and marketing efforts led to the significant increase of customer's deposit from P282 Million in 2012 to P673 Million in 2013. Also, the continued constructions of projects and acquisitions of various lands for future expansions required a significant increase in its liabilities, including those related to construction contracts, supplies of materials, retentions, loans, taxes, land acquisitions and promotions, by 2% from the amount of P1,399 million as of 31 December 2012 to P1,431 million as of 31 December 2013.

Equity

Total stockholders' equity increased by 3% from the amount of P11,782 million as of December 31, 2012 to P12,085 million as of 31 December 2013. This was the result of the growth of Registrant's retained earnings by 77%.

Key Performance Indicators

	31-Dec-13	31-Dec-12
Current Ratio	2.38	2.70
Debt to Equity	0.22	0.22
Interest Coverage Ratio	354.51%	491.13%
Return on Asset	1.75%	1.92%
Return on Equity	2.48%	2.64%

*Notes to Key Performance Indicators:

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current liabilities (*accounts payable, customer deposit, current portion of bank loans, income tax payable, and deferred tax liabilities*).
2. Debt to Equity = Total debt over shareholder's equity.
3. Interest Coverage Ratio = Earnings before tax over Interest expense.
4. Return on Asset = Net Income over Total Assets.
5. Return on Equity = Net Income over shareholder's equity.

There are no events that will trigger any direct or contingent financial obligation that is material to the Registrant, including any default or acceleration of an obligation.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2013.

Material Changes in the Balance Sheet (+/- 5%) as of 31 December 2013 versus the Balance Sheet as of 31 December 2012

53% Decrease in cash

Was required in having additional portfolio of project developments and expenditures during the year.

6% increased in real estate inventories

Direct effect of the Company's continuous developments of subdivision and condominium projects.

66% increase in other current assets

The increase primarily was due to the increase in prepaid commissions and contractor advances as an effect of the Company's aggressive marketing and developing activities.

149% increase in property and equipment

Mainly due to purchase of an ERP system that will cater the computerized accounting system requirements of the Company.

54% increase in other non-current assets

Mainly due to long term deposits made relative mainly to project developments.

139% increase in customer's deposits

Due to the prolonged down payment terms of various projects and also increase in customers' reservation applications.

100% increase in income tax payable

Due the taxable operations of the Company.

35% increase in deferred tax liabilities-net

Mainly due to the recognition of the difference between tax and book basis of accounting for real estate transactions and other temporary differences.

106% increase in pension liability

Attributed to the increase in man power element in the year 2013.

77% increase in retained earnings

Attributed to the profitable operations, gains on investment properties, and revenues from real estate business operations.

Material Changes in the Income Statement (+/- 5%) for the year ended 31 December 2013 versus the Income Statement for the year ended 31 December 2012

37% decrease in real estate sales

Attributed to the decline in commercial lot sales as the Company moves towards increasing its lease income from commercial lots. The deferred revenue recognition as a result of longer down payment schemes for some of its projects also contributed to the decline. The deferred revenues recognition led to a 139% increase in customers' deposits from P 282 Million to P673 Million.

8% decrease in rental income

Mainly due to the lower rental collection of the mall led by various space renovations.

36% increase in interest income

Due to the recognition of day 1 loss of non interest bearing receivables.

55% increase in other income

Mainly due to the increase in other operational income such as penalties and surcharges, processing fees, and income related to defaults of various buyers and cancelled sales.

48% decrease in cost of real estate

Mainly due to the decrease in sales which have corresponding costs.

38% decrease in commissions

Mainly due to directly proportional relation of real estate sales which decreased during the year.

8% increase in interest expense

Due to the additional loans granted by various banks to the Registrant and partial recognition of capitalized interest from previous years.

21% decrease in taxes, licenses and fees

Mainly due the cost efficiency measures of the Company.

45% decrease in professional fee

The decrease was due to the termination of contract from various consultant and professionals for the continuous project developments.

61% increase in salaries and wages

Mainly due to the hiring of additional employees to cater to the increased volume of transactions and the release of employees' benefits for the whole year.

9% decrease in advertising

Attributable to the cost efficiency measures of the Company.

12% decrease in repairs and maintenance

Due to the capitalization of maintenance to inventory accounts and lessened costs for the administration.

48% decrease in utilities expense

This was due to the decrease in costs in maintenance and utilities of subdivision projects.

19% increase in miscellaneous expenses

Mainly due to the increase in other expenses other than those detailed above.

61% increase in provision for doubtful accounts

Due to the identification of receivables that are unlikely to be collected.

99% decrease in other comprehensive income

Mainly to the minimal market appreciation of PRCI and MJCI stocks.

14% decrease in provision for income tax

Due to the decrease of realized taxable sales and other taxable income of the Registrant

COMPARISON: YEAR END 2012 VS. YEAR END 2011

RESULTS OF OPERATIONS

Overview of Operations

The Registrant declared total comprehensive income of P520 Million for the year 2012, 6% lower than the P555 Million generated in the year 2011. Net income amounted to P312 Million and P359 Million in 2012 and 2011, respectively, which represents a 13% decrease from 2011 to 2012. Bulk of the revenues is generated from real estate sales which comprised 72% and 65% of the total revenues in 2012 and 2011, respectively. The Company showed great performance in its real estate business.

Rental income and other income decreased from 2011 to 2012 by 7%. Operating income decreased by P37 Million, or by 5%, from 2011 to 2012. Although the percentage of the Registrant's general and administrative expenses to total revenue increased by 10% from 2011 to 2012, said increase is reasonable considering the expanding operations of the Registrant.

Revenue

For the year 2012, the Registrant registered a 39% growth in its overall revenues driven by higher bookings and steady progress on construction across the projects. Revenues from rental operations, in particular, decreased due to decrease in mall occupancy. Increases in interest income and other income also contributed to the increase of revenue. This comprises mostly of interest income from interest bearing accounts receivables and surcharges and penalties of late buyers. The Registrant's overall revenues for the year 2012 amounted to P1,793 Million compared to P 1,442 Million for the year 2011.

Cost and Expense

Overall cost and expense increased by 46% from P909 Million in 2011 to P1,325 Million in 2012. This is due to the increase in real estate sales, which have corresponding costs of sales. There were also increases in administrative expenses such as commissions, professional fees, salaries and wages, taxes and licenses, consistent with the continued growth and development of the company. During the year 2012, the Registrant increased its administrative staff, consultants, and development personnel to cope with the increase in the number of its development projects.

Net Income

The Registrant's total comprehensive income decreased by 6% from P555 Million in 2010 to P520 Million in 2012. This decrease was due to decrease in rental income, increase in advertising and promotions and additional manpower costs of the company to compete in the real estate market.

PROJECT AND CAPITAL EXPENDITURES

The Registrant spent P1,260 Million for project and capital expenditures during the year 2012, which is 58% higher than that spent in 2011. P1,197 Million of this amount is accounted for by the development of the Registrant's residential and commercial projects while the remaining P63 Million was utilized for landbanking purposes. For 2013, the Registrant earmarked less than P2,000 Million for its project and capital expenditures, largely for the development of its ongoing projects and launching of new projects.

FINANCIAL CONDITION

Assets

Total Assets as of 31 December 2012 amounted to P16,236 Million, 9% higher than the P14,849 Million as of 31 December 2011. The significant increase was due to the continued sales of infused and ongoing projects resulting in the increase of receivables. The continued construction development of various projects and various land acquisitions for future developments increased the total real estate inventory. Investments in financial assets and prepayments also contributed to the growth of company financial condition.

Liabilities

The Registrant's continued constructions of projects and acquisitions of various lands for future expansions required a significant increase in its liabilities, including those related to construction contracts, supplies of materials, retentions, loans, taxes, land acquisitions and promotions, by 17% from the amount of P1,194 Million as of 31 December 2011 to P1,400 Million as of 31 December 2012.

Equity

Total stockholders' equity increased by 5% from the amount of P11,263 Million as of 31 December 2011 to P11,782 Million as of 31 December 2012. This was the result of the growth of Registrant's retained earnings by 400%.

Key Performance Indicators

	31-Dec-12	31-Dec-11
Current Ratio	2.53	2.75
Debt to Equity	0.22	0.19
Interest Coverage Ratio	491.13%	771.61%
Return on Asset	1.92%	2.42%
Return on Equity	2.64%	3.19%

***Notes to Key Performance Indicators:**

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current liabilities (*accounts payable, customer deposit, current portion of bank loans, income tax payable, and deferred tax liabilities*).
2. Debt to Equity = Total debt over shareholder's equity.
3. Interest Coverage Ratio = Earnings before tax over Interest expense.
4. Return on Asset = Net Income over Total Assets.
5. Return on Equity = Net Income over shareholder's equity.

There are no events that will trigger any direct or contingent financial obligation that is material to the Registrant, including any default or acceleration of an obligation.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2012.

Material Changes in the Balance Sheet (+/- 5%) as of 31 December 2012 versus the Balance Sheet as of 31 December 2011

34% Decrease in cash

Was required in having additional portfolio of project developments and expenditures during the year.

53% increase in receivables

Mainly due to the increase in real estate sales driven by the new projects sold.

7% increased in real estate inventories

Mainly due to the increase in percentage of completed projects, acquisitions of prime properties and raw land for future development.

24% increase in other current assets

Mainly due to increase in input tax, prepaid commissions and revolving funds.

47% increase in available for sale financial assets

Mainly due to market appreciation of PRC and MJCI stocks.

24% increase in property and equipment

Mainly due to additional purchase of transportation equipment for sales and marketing activities.

48% increase in other non-current assets
Mainly due to the booking of various recoverable deposits and advances.

17% increase in accounts and other payables
Due to the continued constructions of vertical & horizontal projects.

120% increase in customer's deposits
Due to the increase in customers' reservation applications and low amount of payments received.

21% increase in loans payable
Mainly due to additional loan availments to finance the constructions of ongoing vertical and horizontal projects.

100% decrease in income tax payable
Due to the application of creditable tax withheld during the year.

80% increase in deferred tax liabilities-net
Mainly due to the recognition of the difference between tax and book basis of accounting for real estate transactions and other temporary differences.

106% increase in unrealized gain on AFS
Due to the market appreciation of PRCI and MJCI stocks

400% increase in retained earnings
Attributed to the profitable operations, gains on investment properties, and revenues from real estate business operations.

Material Changes in the Income Statement (+/- 5%) for the year ended 31 December 2012 versus the Income Statement for the year ended 31 December 2011

39% increase in real estate sales
Due to the increase in advertising and promotion activities especially to the new projects of the Registrant.

7% decrease in rental income
Mainly due to the lower occupancy rate of the mall.

11% decrease in interest income
Due to the recognition of day 1 loss of non-interest bearing receivables.

105% increase in other income
Mainly due to the increase in other operational income such as penalties and surcharges, processing fees, and income related to defaults of various buyers and cancelled sales.

82% increase in dividend income
Result of Registrant's investments in various securities.

67% increase in cost of real estate
Mainly due to the increase in sales which have corresponding costs.

54% increase in commissions

Mainly due to increased efforts in selling activities by the Registrant's brokers and agents.

38% increase in interest expense

Due to the additional loans granted by various banks to the Registrant and partial recognition of capitalized interest from previous years.

74% increase in advertising

Due to the more aggressive marketing approach adopted in 2012 by the Registrant to meet its sales target

10% decrease in taxes, licenses and fees

Mainly due to amortization of taxes and licenses incurred in loan availments over its term.

40% decrease in professional fee

Due to the reduction of hiring of various consultants in the development of the projects and administrative functions.

77% increase in salaries and wages

Mainly due to the hiring of additional employees to cater to the increased volume of transactions and the release of employees' benefits for the whole year.

20% decrease in repairs and maintenance

Due to the capitalization of maintenance to inventory accounts and lessened costs for the administration.

50% increase in miscellaneous expenses

Mainly due to the increase in other expenses other than those detailed above.

100% increase in provision for doubtful accounts

Due to the identification of receivables that are unlikely to be collected.

6% increase in other comprehensive income

Mainly to the market appreciation of PRCI and MJCI stocks.

10% decrease in provision for income tax

Due to the decrease of realized taxable sales and other taxable income of the Registrant

COMPARISON: YEAR END 2011 VS YEAR END 2010

RESULTS OF OPERATIONS

Overview of Operations

The Registrant declared a total comprehensive income of P555 Million for the year 2011, 280% higher than the P146 Million generated in the year 2010. Net income amounted to P359 Million and P146 Million in 2011 and 2010, respectively, which represents a 149% increase from 2010 to 2011. Bulk of the revenues is generated from real estate sales which comprised 65% and 80% of the total revenues in 2011 and 2010 respectively.

Rental income and other income increased from 2010 to 2011 by 122% and 124%, respectively. Operating income increased by P289 Million, or by 18% increase, from 2010 to 2011. Although the percentage of the Registrant's general and administrative expenses to total revenue increased by 1% from 2010 to 2011, this represents a minimal increase considering the expanding operations of the Registrant.

Revenue

For the year 2011, the Registrant registered a 13% growth in its overall revenues despite the increased competition in the residential real estate market. Revenues from rental operations in particular increased greatly due to a shift in accounting policy from cash basis to the accrual basis coupled with an increase in mall occupancy. Increases in interest income and other income also contributed to the increase of revenue. The Registrant's overall revenues for the year 2011 amounted to P1,441 Million compared to P1,275 Million for the year 2010.

Cost and Expense

Overall cost and expense decreased by 12% from P1,031 Million in 2010 to P908 Million in 2011. This is due to the decrease in real estate sales, which have corresponding costs of sales. On the other hand, administrative expenses such as commissions, professional fees, salaries and wages, taxes and licenses increased with the continued growth and development of the company. During the year 2011, the Registrant increased its administrative staff, consultants, and development personnel to cope with the increase in the number of development projects.

Net Income

The Registrant's total comprehensive income increased by 280% from P146 Million in 2010 to P554 Million in 2011. This increase was due to effective management of costs and expenses, stable growth in sales, the substantial increase in net revenues from commercial operations of its investment properties, dividends received and gains from investment in Philippine Racing Club (PRC) shares.

PROJECT AND CAPITAL EXPENDITURES

The Registrant spent P821 Million for project and capital expenditures during the year 2011, which is 69% higher than that spent in 2010. P798 Million of this amount is accounted for by the development of the Registrant's residential and commercial projects while the remaining P23 Million was utilized for landbanking purposes. For 2012, the Registrant earmarked less than P1,500 Million for its project and capital expenditures, largely for the development of its ongoing projects and launching of new projects.

FINANCIAL CONDITION

Assets

Total Assets as of 31 December 2011 amounted to P14,849 Million, 15% higher than the P12,877 Million as of 31 December 2010. The significant increase was due to the continued sales of infused and ongoing projects resulting in the increase of receivables. The continued construction development of various projects and various land acquisitions

for future developments increased the total real estate inventory. Investments in financial assets also contributed to the growth of company financial condition.

Liabilities

The Registrant's continued constructions of projects and acquisitions of various lands for future expansions significantly increased its liabilities, including those related to construction contracts, supplies of materials, retentions, loans, taxes, land acquisitions and promotions, by 65% from the amount of P2,170 million as of 31 December 2010 to P3,586 million as of 31 December 2011.

Equity

Total stockholders' equity increased by 5% from the amount of P10,707 million as of 31 December 2010 to P11,262 million as of 31 December 2011. This was the result of the growth of Registrant's total comprehensive income by 280%.

Key Performance Indicators

	31-Dec-11	31-Dec-10
Current Ratio	2.75	3.76
Debt to Equity	0.19	0.11
Interest Coverage Ratio	771.61%	428.04%
Return on Asset	4.20%	1.58%
Return on Equity	4.93%	1.36%

*Notes to Key Performance Indicator:

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current liabilities (*accounts payable, customer deposit, current portion of bank loans, income tax payable, and deferred tax liabilities*).
2. Debt to Equity = Total Debt over shareholder's equity.
3. Interest Coverage Ratio = Earnings before tax over Interest expense
4. Return on Asset = Net Income over Total Assets
5. Return on Equity = Net Income over shareholder's equity.

There are no events that will trigger any direct or contingent financial obligation that is material to the Registrant, including any default or acceleration of an obligation.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2011.

Material Changes in the Balance Sheet (+/- 5%) as of 31 December 2011 versus the Balance Sheet as of 31 December 2010

103% increase in cash

Was the result of improved collections of receivables from buyers, increase in customer reservations and deposits, availments of bank loans and dividends received.

42% decrease in receivables

Mainly due to the improved collections of receivables from various customers and the shifting of current receivables to non-current portion.

9% increased in real estate inventories

Mainly due to the increase of percentage of completed projects, acquisitions of prime properties and raw land for future development.

424% increase in other current assets

Mainly due to increase in prepaid assets, input tax, prepaid commissions and revolving funds.

45% increase in noncurrent installment contracts receivables

Mainly due to shifting of receivables from current to non-current portion.

100% increase in available for sale financial assets

Mainly due to market appreciation of PRC stocks, of which the Registrant is the holder of more than 10% of the total number of outstanding shares.

317% increase in property and equipment

Mainly due to retirement of various equipment and software and acquisitions of various transportation equipment during the year.

100% increase in other non-current assets

Mainly due to the booking of various recoverable deposits and advances.

51% increase in accounts and other payables

Due to the continued constructions of vertical & horizontal projects.

17% increase in customer's deposits

Due to the increase in customers' reservation applications and low amount of payments received.

75% increase in loans payable

Mainly due to additional loan availments to finance the constructions of ongoing vertical and horizontal projects.

31% decrease in income tax payable

Due to the early payment of income tax due and utilization of creditable tax withheld during the year.

876% increase in deferred tax liabilities-net

Mainly due to the recognition of the difference between tax and book basis of accounting for real estate transactions.

128% decrease in deficit

Attributed to the profitable operations, gains on investment properties, and revenues from real estate business operations

Material Changes in the Income Statement (+/- 5%) for the year ended 31 December 2011 versus the Income Statement for the year ended 31 December 2010

122% increase in rental income

Mainly due to the shift in accounting policy on recognition of rental revenue from cash to accrual method.

18% increase in interest income

Due to the recognition of interest on sales on installment and the recognized accretion of discount from previous & current years' revenues.

90% increase in other income

Mainly due to the increase in other operational income such as penalties and surcharges, processing fees, sales of scrap materials, and income related to defaults of various buyers and cancelled sales.

100% increase in dividend income

Result of Registrant's investments in various securities

28% decrease in cost of real estate

Mainly due to the decrease in sales which have corresponding costs.

7% decrease in depreciation and amortization

Mainly due to the retirement of various equipment and software.

5% increase in commissions

Mainly due to reclassification of prepaid commission from prior years to commission expenses in 2011.

21% increase in interest expense

Due to the additional loans granted by various banks to the Registrant and partial recognition of capitalized interest from previous years.

26% decrease in advertising

Due to the more conservative marketing approach adopted in 2011 by the Registrant to meet its sales target.

324% increase in taxes, licenses and fees

Mainly due to the additional acquisitions of properties, securing of permits from various government agencies for the new projects and development, loans, and the increase of real estate property tax.

184% increase in professional fee

Due to the hiring of various consultants in the development of the projects, land acquisition and reclassification of various advances to professional fee.

62% increase in salaries and wages

Mainly due to the hiring of additional employees to cater to the increased volume of transactions and the release of employees' benefits for the whole year.

16% increase in repairs and maintenance

Due to the ordinary maintenance of various finished projects of the Registrant wherein maintenance and other repairs were necessary.

25% increase in utilities expense

The increase was due to the additional requirement of various subdivisions' maintenance, administrative, and other expenses.

92% increase in miscellaneous expenses

Mainly due to the increase in other expenses such as administrative and selling expenses for 2011.

78% increase in provision for income tax

Due to the increase of realized taxable sales and other taxable income of the Registrant.

Five (5) Key Performance Indicators

On Sales

The Registrant's marketing arms include:

1. Orchard Property
2. Royal Homes
3. Asian Pacific
4. Fil-Estate Marketing
5. Mega East
6. SantaLucia Ventures, Inc.

These marketing companies have been proven to be effective in carrying out the business plans of the Group. The combined sales force of these marketing units totals over 150,000, catering to clients all over the Philippines.

The Registrant is still looking into other marketing units that may supplement its growth. The Registrant is specifically looking for marketing firms that will accommodate its requirements and its marketing framework. With so many projects in sight and a diversified product line, there will always be opportunities for other marketing units.

On Technology Exploitation

The Registrant has made use of the expertise of NOAH Galleries software that is aimed at reducing costs, improving the quality of all processes involved in development, as well as achieving accuracy involving all of its business operations. This software covers the following modules: Project Development; Accounts Payable; Real Estate Sales; and Financials which comprise the complete operation of the Registrant, namely property development. This software is expected to increase the efficiency and productivity of the Registrant, as well as the quality of the processes involved in property development. The migration of data to the SAP software started in June 2013 and adjustments are continuously being made to further improve the system and cater to the Registrant's needs.

In addition to the software, the Registrant's website, developed by CETT Computer Education Network can now be accessed by prospective buyers and investors through the web address www.stalucialand.com.ph. The website contains the list of lots for sale, a lot map, and a reservation system, which will enable clients to make on-line reservations. This website is expected to improve client convenience and also serve as a marketing tool.

On Inventory Optimization

The Registrant has in its portfolio a total of 1,773,943 square meters of residential, commercial and mixed use properties from the 26 properties infused by SLRDI. Moreover, there are additional joint venture projects that are executed during the year by the Registrant.

Plans have been discussed and are currently being implemented on the disposal of the said properties, which will enhance the sales figure and bottom line of the Registrant. On average, most of these projects have to be sold over a period of three to four years. Developments shall also take two to three years.

On Organization Design

Please refer to Employees/Officers in Item IV below.

On Managing Change

The Registrant now has the assistance of professionals leading its reorganization and is still in the process of hiring highly-skilled professionals who will be involved in the daily operations of the company.

In addition, the creation of the Executive Committee and Management Committee will make decision making more responsive to the needs of the business.

Liquidity and Capital Resources

The Registrant was able to meet its capital requirements from its capital resources, including those obtained from borrowings and prepaid sales and internally generated cash.

Along with the cash that will be generated from the possible follow-on offer of shares, the Registrant is expected to have a sustainable level of liquidity in the following years.

The Registrant has a long line up of developmental activities in 2014, which it started in 2008 and this assures its solvency and profitability for the years to come. The infused assets continue to increase the expected cash flow of the Registrant from the sale of residential and commercial properties combined with the lease payments from SLEGM.

As shown in the balance sheet of the Registrant as of 31 December 2014, its debt-equity ratio amounts to 0.22.

The increased liquidity and the projected sustainability of the Registrant have given it the capacity to generate cash through other types of funding.

Factors that may have material effect on the Operations

Effects of Economic Conditions

The results of the Registrant's operations and financial condition are affected by the general economic condition in the Philippines, including inflation rates, interest rate levels and currency exchange rate movements. For instance, the general performance of

the Philippine economy affects demand for residential and commercial products, and inflation affects the Registrant's costs and its margins.

Capital Expenditures

The Registrant's cash disbursement for project development and land banking amounted to P1,473 Million in 2014. For 2015, the Registrant allocated less than P2,000 Million for its capital expenditures, including P1,500 Million for project development and P500 Million for land acquisitions.

This will be funded by the Registrant's capital resources as mentioned above.

INTERIM PERIOD

RESULT OF OPERATIONS

(Three months ended 31 March 2015 compared to the Three Months ended 31 March 2014)

Revenue

A 61% overall increase in revenue was generated by the Registrant and Subsidiaries (Group) for the first three months in 2015 compared to last year's same period. A high of P894 Million totaled in revenue compared to last year's P556 Million. This showcases the Group's residential and condominium sales take up attributed to the increasing sales activities made on the past years evidenced by 45% increase in real estate sales amounted to P614 Million. Since the management has addressed the internal restructuring of the mall management, a 101% increase was posted in the first quarter of operations in terms of revenue. This stamps the Group's continuous engagement on new developments that will improve its revenue take up in the next periods to come.

Cost and Expense

Relative to the increase in sales, an increase to P159 Million of the Registrant's cost of sales was observed for the first three months of 2014 from P103 Million of the same period last year. An additional cost line item, cost of rental income, is observed amounting to P127 Million as a direct cost of the mall operations. Increase in commission was also imminent due to the increase in sales.

Comprehensive Income

For the first quarter of 2015, though a decrease in the bid price of the shares was observed which amounted to P32 Million, the Group still managed to increase its Comprehensive Income from P130 Million to P196 Million.

FINANCIAL CONDITION

(Three months ended 31 March 2015 compared to year ended 31 December 2014)

Total Assets

Total assets increased for the period ending 31 March 2015 amounted to P18,259 Million, which shows a 2% increase from P17,838 Million of 31 December 2014. Increase

in Installment Contract Receivables, Real Estate Inventory, Advances to Contractors and Prepaid Commissions contributed largely to the increase.

Total Liabilities

The Group's total liabilities is up by 4% from P6,106 Million of last year to P6,313 Million of this year due to the construction payables, additional availed term loans, deferred tax liabilities and income taxes payables posted.

KEY PERFORMANCE INDICATORS

	31-Mar-15	31-Dec-14
Current Ratio	2.08	2.08
Debt to Equity	0.27	0.28
Interest Coverage Ratio	798.28%	691.39%
Return on Asset	1.25%	3.08%
Return on Equity	1.91%	4.68%

*Notes to Key Performance Indicator:

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current liabilities (*accounts payable, customer deposit, current portion of bank loans and income tax payables*).
2. Debt to Equity = Total debt over shareholder's equity.
3. Interest Coverage Ratio= Earnings before Income Tax over Interest Expense
4. Return on Asset = Net Income over Total Assets
5. Return on Equity = Net Income over shareholder's equity.

Material Changes in the Balance Sheet (+/- 5%) as of 31 March 2015 versus the Balance Sheet as of 31 December 2014

23% increase in cash

This was primarily due to the operations of the Group on real estate sales and mall management.

4% decrease in current receivables

This was primarily due to the increase in long term receivable contract with the new sales take up for the period.

15% increase in other current assets

The increase primarily was due to the increase in commission advances and prepayments to contractors.

41% increase in Non-current installment contract receivables

Corresponds to the new mix of buyers opting longer payment schemes.

7% increase in property and equipment

Mainly due to the additional acquisition of new office and transportation equipment.

13% increase in accounts and other payables

This increase corresponds to the continuous development of projects by the Group which will incur construction costs.

22% decrease in customer's deposit

Though there were increase in new reservations applications and collections under down payment period, the recognition of new sales in the period caused the decrease.

65% increase in income tax payable

Primarily due to results of operations in the first quarter of the year and payment for 2014 year end income tax was made in the second quarter of the year.

16% increase in deferred tax liabilities

Primarily due to results of operations in the first quarter of the year that resulted to a deferral of tax.

20% increase in retained earnings

The increase was mainly due to the net income recognized for the period.

8% decrease in unrealized fair market value of AFS

The decrease was mainly due to the said decrease in AFS investment value of the Registrant.

Material Changes in the Income Statement (+/-5% and >P10M) for the Three-Month Period Ended 31 March 2015 versus the Income Statement for the Three-Month Period Ended 31 March 2014

45% increase in Real Estate Sales

The effect of longer downpayment schemes on sales of previous years was reflected in the books this period hence the increase in real estate sales.

101% increase in Rental Income

Due to the change in internal operations of the Registrant whereby a management services agreement was executed in place of the lease agreement.

100% increase in Commission Income

This is due to the commission generated by the Group from the sale of certain projects tied up with the parent.

40% increase in interest income

Increase in collection of interest income for the period.

25% increase in other income

Primarily due to the continuous increase in revenue other than its real estate sales such as booking of surcharges/penalties, processing fees and other services.

155% increase in cost of real estate sales

This is primarily attributable to the adjustment of costs per square meter by the Group to cope up with inflation.

368% increase in cost of rental income

A change in accounting of mall income as the Registrant whereby a management services agreement was executed in place of the lease agreement.

15% decrease in Commission

Due to varying percentage of commission was given on the marketing companies and broker depending the type of the project.

92% decrease in depreciation

Mainly due to the change in presentation of depreciation for the investment properties booked at cost of rental income.

26% increase in interest expense

Due to the additional loan availments made by the Registrant during the period.

110% increase in advertising

Due to the aggressive selling and marketing activities of the Group.

1097% increase in professional fee

A management expense was booked by the Registrant for the services of the party managing the mall operations.

660% increase in representation

Mainly due to the expansion activities of the Registrant.

IV. BUSINESS AND GENERAL INFORMATION

A. Description of Business

1. Business Development

The Registrant was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 1996 under the name Zipporah Mining and Industrial Corporation to engage in mining. On August 14, 1996, the Registrant's Articles of Incorporation was amended (a) changing the corporate name to Zipporah Realty Holdings, Inc. (ZRHI); (b) transposing the original primary purpose to secondary purpose from being a mining firm to a real estate company, the primary purpose of which is to acquire by purchase, lease, donation, or otherwise, and to own, use, improve, develop and hold for investment or otherwise, real estate of all kinds, improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances. In 2007, majority of the shares of ZRHI was acquired by Sta. Lucia Realty & Development, Inc. (SLRDI) through a property-share swap and changed its company name to Sta. Lucia Land, Inc. upon board approval. SLI is 87.18% owned by SLRDI as of 31 December 2014.

2. Restructuring

As part of a restructuring program, the Registrant's board of directors (the Board) approved the following on 15 June 2007, which the shareholders (the Shareholders) subsequently approved on 16 July 2007:

- (1) Increase in the authorized capital stock of the Registrant by P14 Billion, from P2.0 Billion to P16 Billion, divided into 16 billion shares with a par value of P1.00 per share;
- (2) Subscription of SLRDI of up to 10 billion shares out of the increase in the Registrant's authorized capital stock; and
- (3) SLRDI's subscription to such shares shall be at par value, the consideration for which shall be the assignment and transfer by SLRDI to the Registrant of assets acceptable to the Board at a reasonable discount on the market value of such assets.

Accordingly, on 08 December 2007, various deeds of assignment were entered into by the Registrant and SLRDI wherein SLRDI assigned all its rights, title and interest on the following real properties:

Alta Vista de Subic	Monte Verde Royale
Alta Vista Residential Estate and Golf Course	La Breza Tower (Mother Ignacia)
Caliraya Spring Golf Marina	Neopolitan Estate
Costa Verde Cavite	Palm Coast Marina Bayside
Davao Riverfront	Palo Alto Executive Village
Eagle Ridge Commercial	Pinewoods Golf & Country Estate
Glenrose Park Carcar Cebu	Pueblo del Sol
Greenwoods Commercial	Rizal Technopark
Greenwoods South	South Pacific Golf & Leisure Estates
Lakewood City	Southfield Executive Village
Manville Royal Subd.	Sta. Lucia East Grand Mall Sites 1, 2, 3
Metropoli Residenza de Libis Residential	Tagaytay Royale Estate Commercial
Metropolis Greens	Vistamar Residential Estate

Furthermore, on 15 June 2007 and 16 July 2007, the Board and the Shareholders respectively approved a number of changes in the corporate structure as part of its diversification scheme. These were:

1. The change of its name to **STA. LUCIA LAND, INC.**;
2. The change in the registered address and principal place of business;
3. The decrease in the number of directors from eleven (11) to nine (9);
4. The provision on indemnification of directors and officers against third party liabilities;
5. The change in the primary and secondary purposes of the Registrant and the adoption of a new set of by-laws;

Items 1-5 were approved by the SEC on 09 October 2007.

Moreover, the Shareholders elected the following directors: Vicente R. Santos (Chairman), Exequiel D. Robles, Mariza R. Santos-Tan, Antonio D. Robles, Aurora D. Robles, Orestes R. Santos, Jose Ferdinand R. Guiang, Osmundo C. de Guzman, Jr., and Santiago Cua.

Lastly, the Registrant sold its subsidiary, EBEDEV, Inc. ("EBEDEV") to Beziars Hldgs., Inc. on 01 June 2007, with eighty million (80,000,000) common shares representing one hundred percent (100%) of its issued and outstanding capital stock. Upon execution of the Sale and Purchase Agreement, responsibility for the management of EBEDEV was transferred to and vested with Beziars Hldgs., Inc., along with the corporate records and documents of EBEDEV.

3. Subsidiaries

On 09 January 2013, the Registrant filed an application with SEC for the incorporation of one of its wholly owned subsidiary Sta. Lucia Homes, Inc. (SLHI), the primary purpose of which is to construct, develop, improve, mortgage, pledge and deal with residential structure for lot buyers of the Group. The Registrant received an approval on 20 February 2013.

On 31 January 2013, the Registrant also filed an application with SEC for the incorporation of another wholly owned subsidiary Santalucia Ventures Inc. (SVI), whose primary purpose is to market, operate, manage, develop, improve, dispose, mortgage, pledge and deal with residential structure for lot buyers of the Group. Such application was approved by SEC on 05 April 2013.

In its Special Meeting on 21 April 2015, the Board of Directors of the Registrant authorized the sale of SVI to SLRDI at book value.

4. Employees/Officers

As of December 2014, the Registrant has the following number of employees/officers in accordance with its newly adopted organizational chart:

DIVISION	NO. OF EMPLOYEES
Executive Officers	8
Sales	16
Finance	4
Administration and Accounting	16
Legal / Documentation	5
Information Technology	5
Project Management	5
Total Employees and Officers	59

There are no current labor disputes or strikes against the Registrant, nor have there been any labor disputes or strikes against the Registrant in the past three (3) years.

The Registrant has provided a mechanism through which managers and staff are given feedback on their job performance, which it believes will help to ensure continuous development of its employees. The Company also provides managers, supervisors and general staff the opportunity to participate in both in-house and external training and development programs which are designed to help increase efficiency and to prepare employees for future assignments.

5. Major Risks

Various risk factors will affect the Registrant's results of operations may it be in the result of economic uncertainty and political instability.

After the global financial crisis of 2008, the world market faces new challenge in the economy as inflation takes into effect. For the year 2010, other markets all over the world are continuously recovering from the turmoil of the crisis. However, the Asian market shows a stable recovery from the financial dilemma that occurred in 2008.

The Philippines as one of the countries in Asia that were not directly affected by the crisis showed a better position for market enhancement. Despite the fact that inflation is continuously affecting the world market, the Philippines manages to offset the augmented prices of goods and services with the increase in local & foreign investment as well as the Overseas Filipino Workers (OFW) remittances continued to be constant. Given the skilled labor in the Philippines, which is at par with international standards, jobs were actually created in the country. The steady rise of employment in this industry contributed to the increase in consumer spending, which is one of the strongest stimuli for economic growth. In addition, local and foreign investors were driven by the new Aquino administration which showed a positive outcome for investors.

As for the real estate industry in the Philippines, the country still experienced a stable market demand for 2012. This is due to the common object of OFW's which to have their own property. Based on SLI's sales report, it has always been a significant number of OFW who purchased properties. Also, there have been foreign investors who invested in properties in the country due to our low cost of living. The Philippines is likewise seen as a country with great economic potential by our neighboring countries in Asia.

Politics has been a major risk in the Philippines since it has a negative image in political disorder which is largely due to corruption and unstable development. Also, the country's high debt to financial institutions affects all business sectors and has become a major factor to consider. Nevertheless, the Philippine government has its new hope for 2013 and the residual years through the Aquino administration. It would be a challenge for the government to act on the risk factors threatening the Philippine economy.

Other than those mentioned above, the Company may also be exposed with the changes in Peso, interest rates and costs in construction. However, the Company adopted appropriate risk management procedures to lessen and address the risks it faces.

6. Nature of Business/Product Line

Following its restructuring and corporate reorganization, the Registrant, now with a broader capital structure and a globally-oriented vision, aims to be at par and even surpass the achievements of its predecessor, SLRDI. Moreover, the Registrant today has almost accomplished its three vertical projects located in Quezon City, Tagaytay, and various horizontal projects located in Tagaytay, Batangas, Cavite, Tarlac, Laguna, Davao, Cebu, Iloilo and Antipolo.

With a large capital infusion culled from all its consolidated assets, as well as expected proceeds from its planned public offering, the Registrant is amply armed to finance its new set of development portfolios for 2014 and the subsequent years,

comprising residential subdivisions, golf courses and communities, resorts, condominiums, sports and country club estates, and commercial developments.

Lastly, upon the transfer of SLEGM to the Registrant from SLRDI, the Registrant is now engaged in leasing, specifically spaces at SLEGM. The Registrant's income statement reflects the revenue from lease payments to SLEGM.

7. Description of Market/Clients

The Registrant has now expanded its target market to include clients with different professions and living statuses, coming from all segments of society. This is due to the array of properties infused into the Registrant by SLRDI as well as the new portfolio of project development it develops. Its portfolio now includes horizontal and vertical properties across the country, as well as SLEGM, a shopping mall located in Cainta, Rizal, as mentioned above.

The Registrant's said clients comprise of families, overseas Filipino workers, foreign investors, retirees, young urban professionals, and newly-married couples, among others.

8. Real Property Development

The following properties as mentioned above comprise the assets of the Registrant as part of the capital infusion from SLRDI:

Residential and Commercial Properties

Alta Vista de Subic

Alta Vista de Subic is a residential property located in Subic, Zambales. It sits on a 22,308 sq. m. area, with 68 lots for sale.

Alta Vista Residential Estate and Golf Course

Alta Vista Residential Estate and Golf Course is a residential property located in Cebu City. It sits on a 25,450 sq. m. area, with 36 lots for sale.

Caliraya Spring

Caliraya Spring is a residential property located in Laguna. It sits on an 84,980 sq. m. area, with 120 lots for sale.

Costa Verde Cavite

Costa Verde Cavite is a residential property with housing projects located in Rosario, Cavite. It sits on a 10,005 sq. m. area, with 100 lots for sale.

Davao Riverfront

Davao Riverfront is a residential and commercial property located in Davao City. It has 11 residential lots for sale, which sits on a 2,170 sq. m. area. The property also has 100 commercial lots for sale, situated on an 81,889 sq. m. land.

Eagle Ridge

Eagle Ridge is a commercial property located in Cavite. It sits on a 69,042 sq. m. area, with 87 lots for sale.

Glenrose Park Carcar Cebu

Glenrose Park Carcar Cebu is a residential property with housing projects located in Cebu City. It sits on a 14,338 sq. m. area, with 179 lots for sale.

Greenwoods

Greenwoods is a commercial property located in Pasig City. It sits on a 6,665 sq. m. area, with 6 lots for sale.

Greenwoods South

Greenwoods South is a residential property with housing projects located in Batangas City. It sits on a 25,181 sq. m. area, with 125 lots for sale.

La Breza Tower

La Breza Tower is the planned 22-storey residential condominium to be built on the property on Mother Ignacia Ave. in Quezon City. The property area is 1,450 sq. m.

Lakewood City

Lakewood City is a residential property with housing projects located in Cabanatuan. It sits on a 107,087 sq. m. area, with 372 lots for sale.

Manville Royale Subdivision

Manville Royale Subdivision is a residential and commercial property located in Bacolod. It has 382 residential lots for sale, which sits on a 65,606 sq. m. area. The property also has 5 commercial lots for sale, situated on a 7,316 sq. m. land.

Metropolis Greens

Metropolis Greens is a residential property with housing projects located in General Trias, Cavite. It sits on a 19,785 sq. m. area, with 179 lots for sale.

Metropoli Residenza de Libis

Metropoli Residenza de Libis is a residential and commercial property located in Libis, Quezon City. It has 46 residential lots for sale, which sits on a 10,721 sq. m. area. The property also has 18 commercial lots for sale, situated on a 7,336 sq. m. land.

Monte Verde Royale

Monte Verde is a residential property with housing projects located in Taytay, Rizal. It sits on a 43,492.93 sq. m. area, with 202 lots for sale.

Neopolitan Garden Condominium

Neopolitan Garden Condominium is a residential condominium property located in Fairview, Quezon City. It sits on a 77,003 sq. m. area, with 48 lots for sale.

Palm Coast Marina Bayside

Palm Coast Marina Bayside is a commercial property located on Roxas Blvd., Manila. It sits on a 2,571 sq. m. area, with 2 lots for sale.

Palo Alto

Palo Alto is a residential property located in Tanay, Rizal. It sits on a 678,837 sq. m. area, with 1,115 lots for sale.

Pinewoods

Pinewoods is a residential property located in Baguio City. It sits on an 112,210 sq. m. area, with 71 lots for sale.

Pueblo Del Sol

Pueblo Del Sol is a residential property located in Tagaytay City. It sits on a 12,977 sq. m. area, with 44 lots for sale.

Rizal Technopark

Rizal Technopark is a commercial property located in Taytay, Rizal. It sits on a 25,112 sq. m. area, with 34 lots for sale.

Southfield Executive Village

Southfield Executive Village is a residential property with housing projects located in Dasmariñas, Cavite. It sits on a 28,359 sq. m. area, with 193 lots for sale.

South Pacific

South Pacific is a residential property with housing projects located in Davao City. It sits on a 150,095 sq. m. area, with 434 lots for sale.

Sta. Lucia East Grandmall

Sta. Lucia East Grandmall is a commercial property located in Cainta, Rizal. It sits on a 98,705 sq. m. area and is composed of three buildings.

Tagaytay Royale

Tagaytay Royale is a commercial property located in Tagaytay City. It sits on a 22,907 sq. m. area, with 9 lots for sale.

Vistamar Estates

Vistamar Estates is a residential and commercial property located in Cebu City. It has 86 residential lots for sale, which sits on a 32,086 sq. m. area. The property also has 13 commercial lots for sale, situated on a 20,299 sq. m. land.

The following are the Registrant's completed projects as of 31 December 2014 aside from the ones indicated above:

Sugarland Estates

Sugarland Estates is a residential property located in Trece Martires, Cavite with a saleable area of 72,377 sqm.

Splendido Tower 1

Splendido Tower 1 is a condominium project located in Laurel, Batangas and 22-Storey high.

La Breza Tower

La Breza Tower is a condominium project located in Mother Ignacia Street Quezon City with more than 250 units for sale.

La Mirada Tower

La Mirada Tower is a condominium project located in Lapu Lapu, Cebu.

Villa Chiara

Villa Chiara is a residential property located in Tagaytay City, Cavite with more than 34,000 sq.m in area.

Grand Villas Bauan

Grand Villas Bauan is a residential subdivision located in Bauan Batangas.

Green Meadows Tarlac

Green Meadows Tarlac is a residential and commercial property which sits in Paniqui, Tarlac with more than 149,000 sq. m. in area.

Luxurre Residences

Luxurre Residences is a residential and commercial property located in Alfonso, Cavite.

East Bel Air 1

East Bel Air 1 is a condominium tower located in Cainta, Rizal.

Antipolo Greenland

Antipolo Greenland is a residential property located in Antipolo, Rizal with more than 20,000 sq. m. in area.

6. Material Reclassification, Merger, Consolidation or Purchase or Sale of Significant Amount of Assets

The Registrant has sold the Ayala Property to Alphaland, Inc. in April 2008 for P820 Million.

B. Business of Issuer

The Registrant's primary purpose is to deal, engage or otherwise acquire an interest in land or real estate development, whether in the Philippines or elsewhere, to acquire, purchase, sell, convey, encumber, lease, rent, erect, construct, alter, develop, hold, manage, operate, administer or otherwise deal in and dispose of, for itself or for others, for profit and advantage, residential, commercial, industrial, recreational, urban and other kinds of real property, such as horizontal and vertical developments as stated in its latest Amended Articles of Incorporation, as of 09 October 2007. Please refer to "Real Property Development" and "Development Activities" sections for the detailed descriptions of the products that are and will be distributed by the Registrant.

C. Distribution Methods of the Products

With regard to the sales and marketing of the abovementioned properties, the Registrant has at its disposal the expertise of different marketing arms to expand its network of investors. Among the Registrant's previous marketing groups were: Asian Pacific, Mega East, and Fil-Estate. However, while the aforementioned companies still play an active role in marketing for the Registrant, the Registrant's current major marketing companies are Orchard Property Marketing Corp., Royale Homes Marketing Corp. and Santalucia Ventures, Inc.

D. Competition

The market base for residential and commercial space has been growing but the Registrant also faces increased competition from other developers undertaking the same kind of projects across the country.

With respect to residential lots and condominium sales, the Registrant considers DMCI Homes, Filinvest, and SM Development Corporation as its competitors. The Registrant is able to effectively compete for the buyers primarily on the basis of price, reliability and location of the development site.

With respect to its mall business, SM Prime and Robinsons Retail are considered as the main competitors of the Registrant. The Registrant is able to compete for the buyers on the basis of effective tenant mix, location and rental rates.

The Registrant is supported by the expertise of its majority shareholder, SLRDI, in all of its major undertakings specifically in the area of horizontal developments, which will remain as its core business. SLRDI together with the Registrant has been known to be one of the biggest in terms of the scope of its development, having developed 10,000 hectares with over 200 projects all over the Philippines. The Registrant shall also continue to specialize in developing horizontal projects for middle-end clients, which is the primary market of the country. The Registrant will only embark on high-end projects if the study of a project location results to a demand for a high-end development.

In addition, certain properties of the Registrant are under study for redevelopment into hypermarkets and commercial buildings. As the demand for midrise and highrise condominiums arises, SLI is now on the stage of developing vertical projects after its first three towers in Quezon City, Tagaytay, and Cebu. Most of the future projects of the Registrant now focus on vertical projects since the demand for such classification arises.

E. Suppliers

The Registrant has a broad base of local suppliers and is not dependent on one or limited number of suppliers.

F. Customers

The Registrant has a broad market base including local and foreign individuals and does not have a customer who/which accounts for twenty percent (20%) or more of the Registrant's sales.

G. Government Approvals/Regulations

The Registrant, as part of the normal course of business, secures various government approvals such as licenses to sell, development permits and the like.

H. Environmental Compliance

The Registrant has made efforts to meet and exceed all statutory and regulatory standards on environmental compliance in its normal course of business. In keeping with the Registrant's commitment to sustainable development, all projects are assessed for their environmental impact and, where applicable, are covered by an Environmental Compliance Certificate (ECC) issued by the Department of Environment and Natural Resources prior to construction or expansion. To date, the Registrant is compliant with relevant environmental regulations.

I. Transactions with Related Parties

On the transfer of SLEGM to the Registrant, the Registrant has retained the services of Sta. Lucia East Commercial Corp. in the management of SLEGM. The latter shall provide services such as general management functions in the operation of the mall.

In addition, Azkcon Construction and Dev't. Corp. (Azkcon), a joint venture partner of SLRDI in the Saddle & Clubs Leisure Park (Saddle & Clubs) project, has agreed on the repayment scheme of its outstanding loans to the Registrant by way of assigning the proceeds of the sales of Saddle & Clubs to the Registrant. The remittance of proceeds from SLRDI to the Registrant has already been agreed upon by the two parties.

As of June of 2010, the Registrant has already purchased major assets for development of SLRDI in Santolan, Pasig, Consolacion, Cebu, Felix Avenue, Cainta and Marcos Highway-Cainta. These properties are located within the property of SLEGM, which are commercial lots that will have vertical developments. Balances have been offset to pay off dues from related parties.

On 11 January 2011, the Registrant acquired shares of stocks from SLRDI through the execution of a deed of assignment. The transfer of shares partially paid for the advances of SLRDI from the Registrant. Also in 2011, the Registrant, SLRDI and Sta. Lucia East Commercial Corporation (SLECC) have identified certain real estate properties upon which the outstanding due from related parties will be applied.

To settle the intercompany advances, SLRDI and the Registrant entered into a deed of assignment on 08 July 2014 rescinding the assignment of "Saddle and Clubs Leisure Park" and agreed to convey 3,000,000,000 shares out of SLRDI's shareholdings in the Company in two tranches as follows:

Tranche 1 – 2,250,000,000 shares at P0.40 per share to be transferred within 30 days from the signing of the Deed of Assignment

Tranche 2 – 750,000,000 shares at P1.20 per share to be transferred within one year from the date of the Deed of Assignment, or when the Registrant accumulates more than P901,107,601.00 in Unrestricted Retained Earnings, whichever is earlier

In September 2014, the Company successfully completed Tranche 1 involving the assignment of 2,250,000,000 shares from SLRDI to the Registrant.

On 01 October 2014, the Registrant amended this arrangement by entering into a management contract with SLECC whereby tenants of the mall will be required to settle their rental obligations directly to the Registrant by issuing a check in the account of the Registrant. The Registrant in turn, will compensate SLECC with a management fee.

J. Intellectual Property

The Registrant intends to register its own patents, trademarks, copyrights, licenses or franchises, concessions and royalties, which shall be taken up with the Board in the forthcoming meetings. At present, no government approvals are needed for the Registrant's principal products or services.

K. Present Employees

As mentioned in Part IV.A.3 on Employees/Officers, the Registrant has 59 officers and employees. The Registrant has embarked to support the increasing demand of workforce for its increasing operations. Hence it anticipates to increase additional employees for the next ensuing year though no exact number of employees is assumed.

The Registrant provides annual salary increases based on the performance. This is made through regular performance assessment and feedback.

L. Development Activities

Currently, the Registrant is developing a number of vertical and horizontal projects. In addition, there are a lot of future projects that the Registrant has planned to compete to the market demand and real estate industry. The projects that presently have developmental activities are as follows:

Completed Projects:

Grand Villas, Batangas	Greenland Antipolo Phase II
La Mirada Tower, Cebu	Luxurre Residences
Splendido Towers, Tagaytay	Green Meadows, Tarlac
La Breza Tower	East Bel Air 1
Villa Chiara, Tagaytay	

On – Going Projects:

Sugarland Estates	Mesilo Nueva Vida
South Grove Davao	La Huerta Calamba
Soto Grande Ph 2	Sta. Lucia Residenze – Monte Carlo
East Bel Air 1	East Bel Air 2
Splendido Taal Tower 2	Greenwoods North Ph2
El Pueblo Verde	Summerhills Ph4
Greenland Newtown Ph2A	Valle Verde Davao
Ponte Verde Davao	Colinas Verdes Ph3
Greenmeadows Iloilo	Costa Del Sol Iloilo
Greenwoods South Ph6	Greenland Cainta Ph 9C and 3B
Greenwoods Executive Ph9E, 9F and 2L	Nottingham Townhouse Villas
Arterra	Althea Davao

Neopolitan Condominium 1
Sta. Lucia Residenze – Santorini

East Bel Air 2
Sotogrande Davao

Future Projects:

Gerona Rivilla Property
General Milling Cebu Property 1
South Coast
General Milling Cebu Property 2
Manggahan Property Building 1
Manggahan Property Building 2
Discovery Bay Tower
Neopolitan Tower 2
Cebu Com Tower 1
Cebu Com Tower 2
Splendido Tower 3
Splendido Tower 4
La Mirada Tower 2
Sta. Lucia Residenze Tower 3
Sta. Lucia Residenze Tower 4
Sta. Lucia Residenze Tower 5
East Bel-Air 3

East Bel-Air 4
Manggahan Property Building 3
Manggahan Property Building 4
Neopolitan Tower 3
Neopolitan Tower 4
La Mirada Tower 3
East Bel-Air 5
East Bel-Air 6
Manggahan Property Building 5
Neopolitan Tower 5
Katipunan Building 1
Katipunan Building 2
Davao Riverfront Building 1
Davao Riverfront Building 2
Iloilo Building 1
Iloilo Building 2
JAKA Nasugbo Property

On 19 January 2009 at its Executive Committee Meeting, the Registrant resolved to enter into a joint venture agreement with Royale Homes Realty and Dev't., Inc. for the development of Antipolo Greenland Phase II, Mr. Antonio C. Rivilla for Greenmeadows Tarlac, Great Landho, Inc. for Sugarland, Darnoc Realty and Dev't. Corp. for South Coast, and Surfield Dev't. Corp., Boyd Dev't. Corp., and Paretti Dev't. Corp. for La Panday Prime Property.

On 12 February 2010, the Executive Committee of the Registrant resolved to sign the joint venture agreement with Mr. John Gaisano et. al. for the development of several parcels of land in Matina Crossing, Davao which have a total area of 162,140 square meters known as the Costa Verde Subdivision.

On 04 August 2010, the Executive Committee of the Registrant resolved to approve the joint venture agreement with General Milling Corporation (GMC) with a 132,065 square meter property located in the old and new Bridge of Mactan Island to Cebu proper. Also, a second joint venture with spouses Gloria-Sulit-Lenon of a piece of property located in San Mateo, Rizal with an area of 34, 703 square meters. Lastly, the 3rd joint venture agreement with SJ properties, Joseph O. Li et. al. to develop a 102,477 square meter property in Kaytitinga, Alfonso, Cavite was approved.

On 17 September 2010, at the Special Meeting of the Registrant's Board of Directors, the Board resolved to enter a joint venture agreement with San Ramon Holdings, Inc. for the development of a parcel of land located in Canlubang, Calamba, Laguna.

On 09 February 2011, the Executive Committee of the Registrant resolved to approve the following joint venture agreements: (1) with SLRDI with respect to the development into a commercial subdivision of a 71,991 square meter property owned by

SLRDI located in the Barrio of Dumoclay, Batangas City, Batangas, and (2) with Anamel Builders Corporation ("ABC") with respect to the development into a residential subdivision of a 136,059 square meter property owned by ABC located in the City of Gapan, Nueva Ecija.

On 16 March 2011, the Executive Committee of the Registrant resolved to approve, ratify and confirm the Joint Venture Agreement executed by and between the Registrant and First Batangas Industrial Park, Inc. ("FBIPI") for the development of several parcels of land owned by FBIPI situated in the Brgys. of Manghinao and Balayong, Bauan, Batangas with an aggregate area of 538,138 sq.m. into a residential subdivision.

In the Executive Committee meeting held on 20 October 2011, the Registrant entered into a joint venture agreement with Rexlon Realty Group Inc. to develop a parcel of land in Brgy. Kaybiga, Caloocan City into a residential subdivision, with an aggregate area of 5,550 sq m.

In the Organizational Meeting of the Board of Directors of the Corporation held immediately after the Annual Stockholder's Meeting on 29 June 2012, the Board of Directors authorized the Registrant to enter into joint venture agreements with Royale Homes Realty and Development Corporation with respect to the development of certain properties located in Brgy. Pasong Matanda, Cainta Rizal and Brgy. Sta. Ana Taytay, Rizal, with Melissa Ann L. Hechanova, Maria Angela M. Labrador, and Vivian M. Labrador for the development of a parcel of land situated in Brgy. Cabangan, Subic, Zambales, with Rapid City Realty & Development Corporation with respect to the development of properties in Antipolo City and the Municipalities of Baras, Tanay, Teresa, Province of Rizal.

On 04 October 2012 at the Special Meeting of the Executive Committee, the Registrant was authorized to enter into joint venture agreements with the following:

- a. Trillasun Realty and Development Corporation, with respect to the development of certain properties in Brgy. Dumoclay, Batangas City;
- b. Sta. Lucia Realty and Development, Inc., with respect to the development of certain parcels of land in Taytay, Rizal and Barrio Mendez, Tagaytay City;
- c. Royale Homes Realty and Development, Inc., with respect to the development of properties in Imus, Cavite;
- d. Carlos Antonio S. Tan and Mark Davies S. Santos, with respect to the development of certain properties in Cainta, Rizal;
- e. Irma SB. Ignacio-Tapan, with respect to the development of certain properties in Cainta, Rizal; and
- f. MFC Holdings Corporation, with respect to the development of properties in Brgy. Tolotolo, Consolacion, Cebu.

At the special meeting of the Board of Directors held on December 12, 2012 at the principal office of the Registrant, the Registrant was authorized to enter into joint venture agreements with various parties with respect to the expansion of various existing projects, involving the following properties:

- a. A parcel of land with an area of 29,950 sq m situated in Brgy. Ampid, San Mateo, Rizal;

- b. A parcel of land with an area of 72,767 sq m situated in Barrio Lapit, Urdaneta City, Pangasinan; and
- c. A parcel of land with an area of 8,906 square meters situated in Barrio Muzon, Angono, Rizal.

At the Special Meeting of the Registrant's Board of Directors held on 18 April 2013, the following resolutions on entering to Joint Ventures and acquiring parcels of land were discussed and approved:

- a. For the development of a parcel of land located in Davao City owned by Greensphere Realty & Development Corp.;
- b. For the expansion of the Registrant's project known as Palo Alto, located in Tanay, Rizal, involving parcels of land owned by Sta. Lucia Realty and Development, Inc. and Milestone Farms, Inc.;
- c. For the expansion of the Registrant's project known as Rizal Techno Park, located in Taytay, Rizal, involving parcels of land owned by Royal Homes Realty & Development Corporation and JFG Construction and Development Services with an aggregate area of 10,100 square meters;
- d. For the expansion of the Registrant's project known as Greenwoods Executive Village, located in Pasig City, involving a parcel of land owned by St. Botolph Development Corp. with an area of 5,558 square meters;
- e. For the expansion of the Registrant's project known as Cainta Greenland, located in Cainta, Rizal, involving a parcel of land owned by Sta. Lucia Realty and Development, Inc. with an area of 5,019.5 square meters;
- f. Seven parcels of land located at Barangay San Juan, Taytay, Rizal, with an aggregate area of 4,865.49 square meters, owned by Carmencita M. Estacio, Adela O. Leyca, Manuel Medina, Lucia M. Del Rosario, Ireneo O. Medina, Leopoldo O. Medina, and Bonifacio O. Medina; and
- g. A parcel of land located in Lipa, Batangas with an area of 7,895 square meters, owned by Benito Magaling and Divina Tupaz.

On 01 April 2014, the Board approves a resolution authorizing the Registrant to enter into joint ventures involving the development of a new project located in Cebu with an area of 537,011 sq.m and to amend the Articles of Incorporation of the Company to extend the corporate term by 50 years together with the following:

Resolutions authorizing the Registrant to acquire the following:

- a. Parcel of land at Sun City Expansion, Davao, 24,578 sqm
- b. Parcel of land in Golden Meadows Sta. Rosa, 51,500 sqm
- c. Parcel of land located in Greenwoods Batangas, 32,312sqm
- d. Parcel of land in Lipa Royale Batangas, 9,421 sqm

Resolutions authorizing the Registrant to enter in joint ventures involving the following:

- a. Development of Rizal Techno Park Taytay, 10,100sqm
- b. Development of a new project in Puerto Princesa, 20,000 sqm
- c. Development of land in Palawan, 61,315sqm

- d. Development of parcel of land located in Greenwoods South , 32,314sqm
- e. Expansion in Davao, 9,841sqm
- f. Development of new project in Cebu, 537,011sqm
- g. Development of project in Davao, 36,913sqm
- h. Development of project on Ponte Verde, Davao, 28,000sqm

On 01 July 2014, resolutions authorizing the Registrant to acquire the following parcels of land were approved by the Executive Committee:

- a. Parcel of land in Batangas City, 9315.5 sqm
- b. Parcel of land in Batangas City, 3,087 sqm
- c. Parcel of land in Taytay, 6,302 sqm

and a resolution was made to authorize the Registrant to enter into a joint venture for the development of a new project in Dagupan Pangasinan, 77,001 sqm

On 21 April 2015, the following were resolutions authorizing the Registrant to enter into joint ventures involving the following:

- a. Development of a project located in Ponte Verde, Davao with an area of 36,915 sq.m.
- b. Development of a new project located in Eden, Davao City with an area of 985,292 sq.m.
- c. Development of another project in Ponte Verde, Davao with an area of 28,751 sq.m.
- d. Development of a new project in Cainta, Rizal with an area of 16,026 sq.m.
- e. Development of new project in Taytay, Rizal with an area of 8,318 sq.m.
- f. Development of seven (7) new projects located in Barrio San Miguel, Pasig City with an aggregate area of 8,423 sq.m.
- g. Development of a new project in Bauan, Batangas with an area of 246,653 sq.m.
- h. Development of a new project in Binangonan, Rizal with an area of 29,492.62 sq.m.
- i. Development of a new project in Sta. Rosa, Laguna with an area of 27,500 sq.m.
- j. Development of a new project in Barrio Pasong Matanda, Cainta, Rizal with an area of 51,969 sq.m.

The Registrant also resolved to purchase the following lands:

- a. Parcel of land located at Sun City expansion, Davao with an area of 24,578sq.m. for the expansion of the current project development
- b. Parcels of land located in Brgy. Balayong, Bauan, Batangas with a total area of 337,715 sq.m.
- c. Parcel of land located in Jaro, Iloilo City with an area of 7,500 sq.m.

The following table shows the expenditures spent on development activities and its percentage to revenues:

	PROJECT EXPENDITURES	PERCENTAGE TO REVENUES
2014	1,472,865,907	65%
2013	1,354,380,768	102%
2012	1,260,833,129	70%
2011	798,042,139	55%
2010	464,512,282	36%
2009	470,247,597	57%

M. Properties

Real Properties

The following table provides summary information on the Registrant's land and other real properties as of 31 December 2014. Properties listed below are wholly owned and free of liens and encumbrances unless otherwise noted.

NO.	LOCATION	AREA IN SQM	LAND USE	REMARKS
1	Amang Rodriguez, Pasig City	10,156	RESIDENTIAL / COMMERCIAL	
2	Bacolod City, Bacolod	52,669	RESIDENTIAL / COMMERCIAL	
3	Baguio City, Benguet	35,887		
4	Batangas City, Batangas	23,976	RESIDENTIAL / COMMERCIAL	
5	Cabanatuan City	94,417	RESIDENTIAL / COMMERCIAL	
6	Cainta, Rizal	251,856	RESIDENTIAL / COMMERCIAL	Mall area covering 98,705 SQM was mortgaged to BDO & CHINA BANK
7	Carcar Cebu	4,547	RESIDENTIAL	
8	Cavinti, Laguna	84,980	RESIDENTIAL	
9	Cebu City, Cebu	19,263	RESIDENTIAL	
10	Consolacion, Cebu	15,923	RESIDENTIAL	
11	Dasmariñas, Cavite	24,498		
12	Davao City, Davao	197,373	RESIDENTIAL / COMMERCIAL	
13	Dumuclay, Batangas City	71,991	RESIDENTIAL	Residential/ Commercial area covering 37,382 SQM was mortgaged to BPI & BDO
14	Fairview, Quezon City	69,543	RESIDENTIAL / COMMERCIAL	
15	General Trias, Cavite	85,178	RESIDENTIAL	

16	Ilo-Ilo City, Ilo-Ilo	2,000	RESIDENTIAL / COMMERCIAL	
17	Katipunan, Quezon City	2,000	RESIDENTIAL / COMMERCIAL	
18	Lapu-Lapu City, Cebu	48,261	RESIDENTIAL / COMMERCIAL	
19	Libis, Quezon City	11,335	RESIDENTIAL / COMMERCIAL	
20	Rosario, Cavite	4,897	RESIDENTIAL / COMMERCIAL	
21	Roxas Blvd, Pasay City	2,571	RESIDENTIAL / COMMERCIAL	
22	Subic, Zambales	15,685	RESIDENTIAL	
23	Tagaytay City, Cavite	46,288.03	RESIDENTIAL	
24	Tanay, Rizal	672,934	RESIDENTIAL	
25	Tanay, Rizal	45,275	RESIDENTIAL	
26	Tanuan, Batangas	7,374	RESIDENTIAL	
27	Salitran, Dasmariñas Cavite	17,346	RESIDENTIAL	
28	Imus, Cavite	34,690	RESIDENTIAL	
29	Lipa, Batangas	7,895	RESIDENTIAL	
30	San Andres, Cainta, Rizal	1,000	RESIDENTIAL	
31	Bulacnin and Inosluban, Municipality of Lipa	9,421	RESIDENTIAL	

V. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

A. Market Information

The principal market of the common equity of the Registrant is the PSE. Provided below is a table indicating the high and low sale prices of the common equity of the Registrant in the Philippine Stock Exchange for each quarter within the last three fiscal years:

2015

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	10 Mar./P.98	N/A	N/A	N/A
LOW	23 Jan./P.81	N/A	N/A	N/A

2014

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	17 Mar./P.66	27 June/P.98	09 Jul./P1.2	16 Nov./P0.84
LOW	14 Feb./P.58	04 Apr/P0.66	31 July/P.85	20 Nov./P0.80

2013

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	06 Mar./P1.35	19 April/P1.05	23 Jul/P0.71	11 Nov/P0.71
LOW	02 Jan./P0.66	25 June/P0.58	28 Aug/P0.60	17 Dec/P0.58

2012

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	09Mar./P0.84	18Apr./P0.79	06Aug./P0.76	06Dec./P0.74
LOW	02Jan./P0.70	15Jun./P0.65	27Sep./P0.65	29Nov./P0.65

Price Information as of the latest practicable trading date:

As of 26 May 2015, the Registrant's shares stood at closing price of P0.73.

B. Holders

Based on the List of Stockholders prepared by the Registrant's Stock and Transfer Agent, PROFESSIONAL STOCK TRANSFER, INC., as of **30 April 2015**, the Registrant has two hundred sixty six (266) shareholders of common shares, of which the top 20 shareholders are as follows:

TOP TWENTY STOCKHOLDERS As of 31 March 2015

RANK	NAME	CTZN	TOTAL SHARES	PERCENTAGE (%)
1	STA. LUCIA REALTY & DEVELOPMENT, INC.	FILIPINO	7,451,005,767	87.1825
2	PCD NONINEE CORPORATION	FILIPINO	1,060,290,607	12.4062
3	LUGOD, BERNARD D.	FILIPINO	10,000,000	0.1170
4	DELA CRUZ, THOMAS EDWIN M.	FILIPINO	10,000,000	0.1170
5	PCD NOMINEE CORPORATION	OTHERS	6,536,000	0.0765
6	CITISECURITIES, INC.	FILIPINO	3,250,000	0.0380
7	EBE CAPITAL HOLDINGS, INC.	FILIPINO	1,535,000	0.0180
8	ROBLES, EXEQUIEL	FILIPINO	712,500	0.0083
9	SANTOS, VICENTE	FILIPINO	712,494	0.0083
10	LIMTONG, JULIE H.	FILIPINO	400,000	0.0047
11	FRANCISCO ORTIGAS SEC., INC.	FILIPINO	365,000	0.0043
12	CUALOPING, VICENTE	FILIPINO	285,000	0.0033
13	TAN, PEDRO O.	FILIPINO	278,050	0.0033
14	ASA COLOR & CHEMICAL INDUSTRIES, INC.	FILIPINO	182,774	0.0021
15	G & L SECURITIES CO., INC.	FILIPINO	70,000	0.0008
16	VALDEZ, AMBROSIO &/OR FELISA VALDEZ	FILIPINO	50,000	0.0006
17	VILLAGONZALO, RAMESES VICTORIUS G.	FILIPINO	50,000	0.0006
18	LIMTONG, ANTHONY FRANCIS H.	FILIPINO	40,000	0.0005
19	LIMTONG, GAIL MAUREEN H.	FILIPINO	40,000	0.0005
20	LIMTONG, HARRY JAMES H.	FILIPINO	40,000	0.0005

Total Outstanding Shares – 8,546,450,000

C. Foreign Equity

Foreign equity is held by a sole stockholder, PCD Nominee Corp. - Non-Filipino, which owns Six Seven Hundred Two (6,702,000) common shares of stock as of 30 April 2015.

D. Dividends

No cash dividends were declared for the year 2014. The payment of dividends in the future will depend upon the earnings, cash flow, project expenditures and financial condition of the Registrant and other considerations.

Cash and property dividends, if any, are subject to approval by the Registrant's Board of Directors and stockholders. Property dividends are likewise subject to the approval of the SEC and PSE.

E. Recent Sale of Unregistered Securities

None

VI. COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

The Registrant has complied, and will continue to comply, with the leading practices and principles on good corporate governance, as set forth in the Registrant's Manual on Corporate Governance in compliance with SEC Memorandum Circular No. 2, Series of 2009. Please see attached 2014 Annual Corporate Governance Report.

The Annual Report on SEC Form 17-A of the Registrant shall be made available, without charge, upon a written request addressed to:

DAVID M. DELA CRUZ
Penthouse, Building 3, Sta. Lucia Mall
Marcos Highway corner Imelda Avenue
Cainta, Rizal

However, the Management of the Registrant reserves the right to charge reasonable fees for providing exhibits attached to the Registrant's SEC Form 17-A.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	3	1	0	5	0		
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Company Name

S	T	A	.	L	U	C	I	A	L	A	N	D	,	I	N	C	.	A	N	D	S	U	B	S
I	D	I	A	R	I	E	S																	

Principal Office (No./Street/Barangay/City/Town/Province)

P	e	n	t	h	o	u	s	e	,	B	i	d	g	.	3	,	S	t	a	.	L	u	c	i	a
E	a	s	t	G	r	a	n	d	M	a	l	l	,	M	a	r	c	o	s	H	i	g	h	w	
a	y	c	o	r	n	e	r	I	m	e	l	d	a	A	v	e	n	u	e	,	C	a	i	n	t
a	,	R	i	z	a	l																			

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

S	E	C
---	---	---

Secondary License Type, If Applicable

N	A
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COMPANY INFORMATION

Company's Email Address

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Company's Telephone Number/s

812-7711

Mobile Number

N/A

No. of Stockholders

269

Annual Meeting
Month/Day

06/20

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

David M. Dela Cruz

Email Address

dmdelacruz@stalucialand.com.ph

Telephone Number/s

681-7332

Mobile Number

N/A

Contact Person's Address

Penthouse, Bldg. 3, Sta. Lucia East Grand Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal
--

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.





STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Sta. Lucia Land, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements for the year ended December 31, 2014, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders for the period December 31, 2014, have examined the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, have expressed its opinion on the fairness of presentation upon completion of such examination.

Vicente R. Santos,
Chairman of the Board

Exequiel D. Robles,
Chief Executive Officer

David M. Dela Cruz
Chief Financial Officer

Signed this 13th day of April, 2015

MANDALUYONG CITY

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2015, affiants exhibiting to me their _____

Doc. No. 22 ;
Page No. 6 ;
Book No. XXII ;
Series of 2015.

APR 15 2015
JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 31 December 2015
PTR No. 2334655/01.07.15/Mandaluyong
ICL Compliance No. IV-0021234/07.15.13
IBP No. 0984746/01.07.15/RSM
Appointment No. 0257-14
G/F State Center II Bldg.,
Ortigas Avenue, Mandaluyong City
Roll No. 47013

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Sta. Lucia Land, Inc.
Penthouse, Bldg. 3, Sta. Lucia East Grand Mall
Marcos Highway corner Imelda Avenue
Cainta, Rizal

We have audited the accompanying consolidated financial statements of Sta. Lucia Land, Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sta. Lucia Land, Inc. and its subsidiaries as at December 31, 2014 and 2013, and their financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia

Partner

CPA Certificate No. 90787

SEC Accreditation No. 1229-A (Group A),

May 31, 2012, valid until May 30, 2015

Tax Identification No. 162-410-623

BIR Accreditation No. 08-001998-74-2015,

February 27, 2015, valid until February 26, 2018

PTR No. 4751335, January 5, 2015, Makati City

April 13, 2015



STA. LUCIA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash (Notes 4 and 26)	₱116,071,782	₱30,463,668
Receivables (Notes 5, 19 and 26)	2,086,579,200	944,959,359
Real estate inventories (Note 7)	7,967,316,512	8,111,110,094
Deposit on land rights (Notes 6 and 19)	—	1,358,686,369
Other current assets (Note 8)	1,610,740,816	963,080,645
Total Current Assets	11,780,708,310	11,408,300,135
Noncurrent Assets		
Noncurrent installment contracts receivables (Notes 5 and 26)	510,146,024	589,211,657
Investment properties (Note 10)	4,760,314,588	4,416,427,502
Property and equipment (Note 11)	38,633,920	23,730,920
Available-for-sale financial assets (Notes 9 and 26)	729,933,085	730,556,350
Other noncurrent assets	18,632,234	16,800,989
Total Noncurrent Assets	6,057,659,851	5,776,727,418
	₱17,838,368,161	₱17,185,027,553
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 12 and 26)	₱1,693,940,082	₱1,431,651,521
Loans payable (Notes 14 and 26)	3,198,051,669	2,673,156,842
Customers' deposits (Note 13)	743,822,964	673,280,256
Income tax payable	29,044,281	21,330,363
Total Current Liabilities	5,664,858,996	4,799,418,982
Noncurrent Liabilities		
Pension liabilities (Note 20)	1,987,500	1,024,900
Deferred tax liabilities - net (Note 24)	439,237,667	300,185,599
Total Noncurrent Liabilities	441,225,167	301,210,499
Total Liabilities	6,106,084,163	5,100,629,481
Equity (Note 15)		
Capital stock	10,796,450,000	10,796,450,000
Additional paid-in capital	192,053,636	192,053,636
Retained earnings	1,237,759,693	689,012,407
Treasury shares (Note 15)	(900,000,000)	—
Unrealized gain on fair value of available-for-sale financial assets (Note 9)	406,558,117	407,181,382
Remeasurement losses on pension liabilities (Note 20)	(537,448)	(299,353)
Total Equity	11,732,283,998	12,084,398,072
	₱17,838,368,161	₱17,185,027,553

See accompanying Notes to Consolidated Financial Statements.



STA. LUCIA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2014	2013	2012
REVENUE			
Real estate sales (Note 22)	₱1,445,350,119	₱801,241,139	₱1,298,673,373
Rental income (Notes 10, 19, 22 and 23)	504,335,795	355,102,666	385,846,603
Interest income (Notes 4, 5 and 16)	83,443,459	88,760,073	65,494,554
Commission income	73,202,048	19,028,609	—
Construction income	28,036,774	—	—
Dividend income (Note 9)	5,673,449	5,544,035	5,862,404
Others (Note 17)	156,279,536	57,236,458	36,876,277
	2,296,321,180	1,326,912,980	1,792,753,211
COSTS AND EXPENSES			
Costs of real estate (Notes 7 and 22)	761,459,659	420,502,156	802,392,394
Costs of rental income (Notes 7 and 22)	248,841,127	108,091,700	108,091,700
Costs of construction	19,039,099	—	—
	1,029,339,885	528,593,856	910,484,094
SELLING AND ADMINISTRATIVE EXPENSES			
Commissions	199,603,673	85,423,330	138,480,893
Interest expense (Notes 14 and 18)	113,353,129	102,572,198	95,308,625
Taxes, licenses and fees	46,389,218	45,972,397	58,002,606
Salaries and wages (Note 20)	41,387,406	29,356,188	18,199,634
Advertising	34,597,545	56,801,392	53,891,347
Professional fees	11,046,435	9,714,129	17,752,402
Representation	7,549,044	6,258,495	6,840,162
Utilities	3,926,680	2,716,712	5,176,266
Depreciation and amortization (Notes 10 and 11)	3,557,340	4,466,045	2,548,976
Repairs and maintenance	1,753,347	3,263,122	3,699,746
Provision for doubtful accounts (Note 5)	—	267,050	166,252
Miscellaneous	20,100,950	16,815,650	14,117,456
	483,264,767	363,626,708	414,184,365
INCOME BEFORE INCOME TAX	783,716,528	434,692,416	468,084,752
PROVISION FOR INCOME TAX (Note 24)	234,969,242	134,689,298	156,869,143
NET INCOME	548,747,286	300,003,118	311,215,609
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Unrealized gain (loss) on fair value of available-for-sale financial assets (Note 9)	(623,265)	2,525,880	208,452,452
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods			
Remeasurement losses on pension liabilities - net of tax (Note 20)	(238,095)	(80,361)	(194,831)
OTHER COMPREHENSIVE INCOME (LOSS)	(861,360)	2,445,519	208,257,621
TOTAL COMPREHENSIVE INCOME	₱547,885,926	₱302,448,637	₱519,473,230
Basic/Diluted Earnings Per Share (Note 25)	₱0.0703	₱0.028	₱0.029

See accompanying Notes to Consolidated Financial Statements.



STA. LUCIA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital stock (Note 15)	Additional paid-in capital (Note 15)	Treasury stock (Note 15)	Retained earnings	Unrealized gain on fair value of available-for-sale financial assets (Note 9)	Remeasurement losses on pension liabilities - net of tax (Note 20)	Total
For the Year Ended December 31, 2014							
Balances as of January 1, 2014	₱10,796,450,000	₱192,053,636	₱—	₱689,012,407	₱407,181,382	(₱299,353)	₱12,084,398,072
Acquisition of treasury shares	—	—	(900,000,000)	—	—	—	(900,000,000)
Comprehensive income							
Net income	—	—	—	548,747,286	—	—	548,747,286
Other comprehensive loss	—	—	—	—	(623,265)	(238,095)	(861,360)
Total comprehensive income	—	—	—	548,747,286	(623,265)	(238,095)	547,885,926
Balances as of December 31, 2014	₱10,796,450,000	₱192,053,636	(₱900,000,000)	₱1,237,759,693	₱406,558,117	(₱537,448)	₱11,732,283,998
For the Year Ended December 31, 2013							
Balances as of January 1, 2013	₱10,796,450,000	₱192,053,636	₱—	₱389,009,289	₱404,655,502	(₱218,992)	₱11,781,949,435
Comprehensive income							
Net income	—	—	—	300,003,118	—	—	300,003,118
Other comprehensive income (loss)	—	—	—	—	2,525,880	(80,361)	2,445,519
Total comprehensive income	—	—	—	300,003,118	2,525,880	(80,361)	302,448,637
Balances as of December 31, 2013	₱10,796,450,000	₱192,053,636	₱—	₱689,012,407	₱407,181,382	(₱299,353)	₱12,084,398,072
For the Year Ended December 31, 2012							
Balances as of January 1, 2012	₱10,796,450,000	₱192,053,636	₱—	₱77,793,680	₱196,203,050	(₱24,161)	₱11,262,476,205
Comprehensive income							
Net income	—	—	—	311,215,609	—	—	311,215,609
Other comprehensive income (loss)	—	—	—	—	208,452,452	(194,831)	208,257,621
Total comprehensive income	—	—	—	311,215,609	208,452,452	(194,831)	519,473,230
Balances as of December 31, 2012	₱10,796,450,000	₱192,053,636	₱—	₱389,009,289	₱404,655,502	(₱218,992)	₱11,781,949,435

accompanying Notes to Consolidated Financial Statements.



STA. LUCIA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱783,716,528	₱434,692,416	₱468,084,752
Adjustments for:			
Depreciation and amortization (Notes 10 and 11)	125,281,049	112,557,745	110,640,676
Interest expense (Notes 14 and 18)	113,353,129	102,572,198	95,308,625
Fair value gain on repossessed inventory (Notes 4, 5 and 16)	33,155,466	—	—
Retirement expense (Note 20)	622,464	411,698	88,470
Disposal of property and equipment	30,684	—	—
Dividend income (Note 9)	(5,673,449)	(5,544,035)	(5,862,404)
Interest income (Notes 4, 5 and 16)	(83,443,459)	(88,760,073)	(65,494,554)
Provision for doubtful accounts (Note 5)	—	267,050	166,252
Operating income before changes in working capital	967,042,412	556,196,999	602,931,817
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	(553,295,124)	359,068,366	(71,905,989)
Real estate inventories	289,152,300	(242,132,991)	(498,810,012)
Due from related parties	8,825,081	(394,868,724)	(438,932,574)
Other current assets	(665,434,035)	(382,305,212)	(111,091,130)
Increase (decrease) in:			
Accounts and other payables	76,822,790	(172,953,802)	254,154,864
Customers' deposits	70,542,708	391,433,281	153,871,458
Net cash generated from (used in) operations	193,656,132	114,437,917	(109,781,566)
Interest paid (including capitalized borrowing costs)	(142,682,298)	(131,104,999)	(135,615,707)
Interest received	64,490,387	54,157,407	34,670,981
Income taxes paid	(70,299,730)	(23,832,877)	(72,046,360)
Net cash generated from (used in) operations	45,164,491	13,657,448	(282,772,652)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Note 11)	(19,776,324)	(16,932,348)	(4,414,538)
Other noncurrent assets	(1,831,245)	(5,877,184)	(3,553,627)
Investment properties (Note 10)	(461,001,666)	(172,934,276)	(192,343,185)
Disposal of property and equipment	1,814,156	—	—
Dividends received	5,673,449	9,095,717	2,254,831
Net cash used in investing activities	(475,121,630)	(186,648,091)	(198,056,519)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans (Note 14)	1,214,732,531	1,445,775,000	1,155,000,000
Payment of loans (Note 14)	(691,492,411)	(1,323,614,110)	(708,000,000)
Increase (decrease) in payable to related parties	(7,674,867)	16,206,104	—
Net cash provided by financing activities	515,565,253	138,366,994	447,000,000
NET INCREASE (DECREASE) IN CASH	85,608,114	(34,623,649)	(33,829,171)
CASH AT BEGINNING OF YEAR	30,463,668	65,087,317	98,916,488
CASH AT END OF YEAR (Note 4)	₱116,071,782	₱30,463,668	₱65,087,317

See accompanying Notes to Consolidated Financial Statements.



STA. LUCIA LAND, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Sta. Lucia Land, Inc. (the Parent Company) is a publicly-listed company incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 1966 under the name Zipporah Mining and Industrial Corporation to engage in mining. On August 14, 1996, the Parent Company's Articles of Incorporation was amended to effect the following: (a) changing the corporate name to Zipporah Realty Holdings, Inc., and (b) transferring the original primary purpose to secondary purpose from being a mining firm to a real estate company, the primary purpose of which is to acquire by purchase, lease, donation, and to own, use, improve, develop and hold for investment, real estate of all kinds, improve, manage or dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances. On July 16, 2007, the Parent Company changed its corporate name from Zipporah Realty Holdings, Inc. to Sta. Lucia Land, Inc.

The registered office address and principal place of business of the Parent Company and its subsidiaries (collectively referred to as the Group) is at Penthouse, Bldg. 3, Sta. Lucia East Grand Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal.

The Group is 86.59% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company).

On July 08, 2014, the Parent Company and the Ultimate Parent Company executed a deed of assignment of shares of stock wherein the parties agreed as follows:

1. The previous assignment by the Ultimate Parent Company of Saddle and Clubs Leisure Park is rescinded (see Note 6).
2. The Ultimate Parent Company transfers 3,000 million shares of the Parent Company in favor of the latter as full payment for the ₱1,801.11 million advances to the former.

In 2014, 2,250 million shares covering ₱900.00 million of advances were issued back by SLRDI to the Parent Company and formed part of the Parent Company's treasury shares. This decreased the outstanding shares of the Parent Company from 10,796.45 million in 2013 to 8,546.45 million in 2014 (see Note 15).

The accompanying consolidated financial statements were approved and authorized for issue by the Executive Committee and Audit Committee as delegated by the Board of Directors (BOD) on April 13, 2015.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared using the historical cost basis, except for available-for-sale (AFS) financial assets that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Group's functional currency and all values are rounded to nearest Philippine peso except when otherwise indicated.



Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries, and the corresponding percentages of ownership of the Parent Company as at December 31:

	Principal activity	Effective percentage of ownership		
		2014	2013	2012
Sta. Lucia Homes, Inc. (SLHI)	Property development and construction	100	100	—
Santalucia Ventures Inc. (SVI)	Marketing and advertising	100	100	—

Subsidiaries are fully consolidated from the date of incorporation, being the date on which the Parent Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

All intra-group balances and transactions, including income, expenses and dividends and gains and losses are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities



Changes in Accounting Policies and Disclosures

The Group adopted the following new and amended PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) which became effective January 1, 2014. Except as otherwise stated, adoption of these standards and interpretations did not have any significant impact on the accounting policies, financial position or performance of the Group.

The nature and the impact of each new standard and amendment are described below:

- *Investment Entities (Amendments to PFRS 10, Consolidated Financial Statements, PFRS 12, Disclosure of Interests in Other Entities, and PAS 27, Separate Financial Statements)*
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The amendments must be applied retrospectively, subject to certain transition relief. These amendments have no impact to the Group since none of the entities within the Group qualifies to be an investment entity under PFRS 10.
- *PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)*
The amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments have no impact on the Group's financial position or performance.
- *PAS 39, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendments)*
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group as the Group has no derivatives during the current or prior periods.
- *PAS 36, Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendments)*
These amendments remove the unintended consequences of PFRS 13, *Fair Value Measurement*, on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. The application of these amendments has no material impact on the disclosure in the Group's financial statements.
- *IFRIC 21, Levies*
IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Group as it has applied the recognition principles under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, consistent with the requirements of IFRIC 21 in prior years.



Annual Improvements to PFRSs (2010-2012 cycle)

In the 2010 - 2012 annual improvements cycle, seven amendments to six standards were issued, which included an amendment to PFRS 13, *Fair Value Measurement*. The amendment to PFRS 13 is effective immediately and it clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment has no impact on the Group.

Annual Improvements to PFRSs (2011-2013 cycle)

In the 2011 - 2013 annual improvements cycle, four amendments to four standards were issued, which included an amendment to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*. The amendment to PFRS 1 is effective immediately. It clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment has no impact on the Group as it is not a first time PFRS adopter.

Standards Issued But Not Yet Effective

The Group has not applied the following PFRS, PAS and Philippine Interpretations which are not yet effective as of December 31, 2014. This list consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

- PFRS 9, *Financial Instruments - Classification and Measurement* (2010 version)
PFRS 9 (2010 version) reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss (FVPL). All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. This mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Philippine Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Board of Accountancy (BOA).



In compliance with SEC Memorandum Circular No. 3, series of 2012, the Group has conducted a study on the impact of an early adoption of PFRS 9. After a careful consideration of the results on the impact evaluation, the Group has decided not to early adopt PFRS 9 for its 2014 annual financial reporting. Therefore, these financial statements do not reflect the impact of said standard.

- *Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate*
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

The adoption of this interpretation may significantly affect the determination of the Group's revenue from real estate sales and the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings accounts.

The following new standards and amendments issued by the IASB were already adopted by the FRSC but are still for approval by BOA:

Effective January 1, 2015

- *PAS 19, Employee Benefits - Defined Benefit Plans: Employee Contributions (Amendments)*
PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015. It is not expected that this amendment would be relevant to the Group since it has no defined benefit plans with contributions from employees or third parties.

Annual Improvements to PFRSs (2010-2012 cycle)

The *Annual Improvements to PFRSs (2010-2012 cycle)* are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group. They include:

- *PFRS 2, Share-based Payment - Definition of Vesting Condition*
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
 - A performance condition must contain a service condition
 - A performance target must be met while the counterparty is rendering service
 - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
 - A performance condition may be a market or non-market condition
 - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This amendment does not apply to the Group as it has no share-based payments.



- *PFRS 3, Business Combinations - Accounting for Contingent Consideration in a Business Combination*
The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39, *Financial Instruments: Recognition and Measurement*. The Group shall consider this amendment for future business combinations.
- *PFRS 8, Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
The amendments are applied retrospectively and clarify that:
 - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
 - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- *PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.
- *PAS 24, Related Party Disclosures - Key Management Personnel*
The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual Improvements to PFRSs (2011-2013 cycle)

The *Annual Improvements to PFRSs* (2011-2013 cycle) are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group. They include:

- *PFRS 3, Business Combinations - Scope Exceptions for Joint Arrangements*
The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
 - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
 - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.
- *PFRS 13, Fair Value Measurement - Portfolio Exception*
The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.



- *PAS 40, Investment Property*
The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Effective January 1, 2016

- *PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.
- *PAS 16, Property, Plant and Equipment, and PAS 41, Agriculture - Bearer Plants (Amendments)*
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.
- *PAS 27, Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments)*
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's financial statements.
- *PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss



is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016.

- *PFRS 11, Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (Amendments)*
The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

- *PFRS 14, Regulatory Deferral Accounts*
PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing PFRS preparer, this standard would not apply.

Annual Improvements to PFRSs (2012-2014 cycle)

The *Annual Improvements to PFRSs (2012-2014 cycle)* are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group. They include:

- *PFRS 5, Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- *PFRS 7, Financial Instruments: Disclosures - Servicing Contracts*
PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in



order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- *PFRS 7 - Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.
- *PAS 19, Employee Benefits - regional market issue regarding discount rate*
This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- *PAS 34, Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report'*
The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective January 1, 2018

- *PFRS 9, Financial Instruments - Hedge Accounting* and amendments to PFRS 9, PFRS 7 and PAS 39 (2013 version)
PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA. The adoption of PFRS 9 is not expected to have any significant impact on the Group's financial statements.



- PFRS 9, *Financial Instruments* (2014 or final version)
In July 2014, the final version of PFRS 9, Financial Instruments, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

The adoption of PFRS 9 is not expected to have any significant impact on the Group's financial statements.

The following new standard issued by the IASB has not yet been adopted by the FRSC:

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers*
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Group is engaged in selling activities of real estate projects while construction is in progress or even before it has started. The standard is expected to impact the revenue recognition on these pre-completed real estate sales whether revenue will be recognized at a point-in-time or over time. If there will be change in revenue recognition, this will also impact the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings account.

Cash

Cash includes cash on hand and in banks. Cash in bank earns interest at the prevailing bank deposit rate.

Fair Value Measurement

The Group measures AFS financial assets at fair value at each reporting date. The Group also discloses the fair value of certain loans and receivables and investment properties every reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.



The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial Assets and Financial Liabilities

Date of recognition

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Initial recognition of financial assets and financial liabilities

All financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and financial liabilities, except for financial assets and financial liabilities measured at FVPL. Financial assets within the scope of PAS 39 are classified into the following categories: financial assets at FVPL, loans and receivables, held-to-maturity (HTM) financial assets, or AFS financial assets. Financial liabilities are classified as either financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the financial assets were acquired or financial liabilities were incurred and whether they are quoted in an active market. Management determines the classification of its financial assets and financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

Financial assets and financial liabilities are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are offset when there is a legally enforceable right to offset and intention to settle either on a net basis or to realize the asset and settle the liability simultaneously.



As of December 31, 2014 and 2013, the financial assets of the Group are of the nature of loans and receivables and AFS financial assets while the financial liabilities pertain to other financial liabilities.

"Day 1" difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset or liability. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

After initial measurement, the loans and receivables are subsequently measured at amortized cost using the effective interest rate (EIR) method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in "Interest income" in the consolidated statement of comprehensive income. The losses arising from impairment of such loans and receivables are recognized in the consolidated statement of comprehensive income.

Loans and receivables are included in current assets if maturity is within twelve months from the reporting date. Otherwise, these are classified as noncurrent assets.

As of December 31, 2014 and 2013, loans and receivables of the Group consist of cash in banks, receivables and noncurrent installment contracts receivables.

AFS financial assets

AFS financial assets are those which are designated as such or do not qualify to be classified or designated as financial assets at FVPL, HTM investments or loans and receivables.

Financial assets may be designated at initial recognition as AFS if they are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. AFS financial assets include equity investments.

After initial measurement, AFS financial assets are measured at fair value. The unrealized gains and losses arising from the fair valuation of AFS financial assets are excluded from reported earnings and are reported as "Unrealized gain (loss) on fair value of available-for-sale financial assets" in the other comprehensive income section of the consolidated statement of comprehensive income.

When the investment is disposed of, the cumulative gain or loss previously recognized in other comprehensive income is recognized in "Others" account in the consolidated statement of comprehensive income. Where the Group holds more than one investment in the same security these are deemed to be disposed of on a first-in first-out basis. Interest earned on holding AFS



debt investments are reported as interest income using the EIR. Dividends earned on holding AFS equity investments are recognized in profit or loss as "Dividend income" when the right to receive payment has been established. The losses arising from impairment of such investments are recognized as "Provisions on impairment losses" under operating expenses in the consolidated statement of comprehensive income.

Investments in unquoted equity securities are carried at cost net of impairment losses, if any. AFS financial assets are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from reporting date.

The Group's AFS financial assets pertain to quoted equity securities included under "Available-for-sale financial assets" account in the consolidated statement of financial position.

Other financial liabilities

Other financial liabilities pertain to financial liabilities not classified or designated as financial liabilities at FVPL where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the effective interest rate.

As of December 31, 2014 and 2013, the Group's other financial liabilities consist of accounts and other payables, excluding statutory liabilities and loans payable.

Debt Issuance Costs

Debt issuance costs represent costs arising from fees incurred to obtain loans. Debt issuance costs are deducted against loans payable and are amortized over the terms of the related borrowings using the EIR method.

Impairment of Financial Assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables

For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability



to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is charged to profit or loss. Interest income continues to be recognized based on the original EIR of the asset. Receivables, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as customer type, payment history, past-due status and term.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

AFS financial assets

For AFS financial assets, the Group assesses at each financial reporting date whether there is objective evidence that a financial asset is impaired. In the case of equity investments classified as AFS financial assets, this would include a significant or prolonged decline in the fair value of the investments below their costs. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of comprehensive income - is removed from other comprehensive income and recognized in profit and loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in other comprehensive income.

Derecognition of Financial Assets and Liabilities

Financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

- a. the rights to receive cash flows from the asset have expired;
 - b. the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement;
- or



- c. the Group has transferred its right to receive cash flows from the asset and either (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Real Estate Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated cost of completion and estimated costs of sale.

Cost includes the purchase price of land and those costs incurred for the development and improvement of the properties such as amounts paid to contractors for construction, capitalized borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Deposit on Land Rights

Deposits are stated at cost. Cost is the fair value of the asset given up at the date of transfer to the related parties. This account represents amount given to related parties for the assignment of rights for real estate properties.

Other Current Assets

Other current assets are carried at cost and pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group. The includes prepayments of construction costs and deferred portion of commissions paid to sales or marketing agents that are yet to be charged to the period the related revenue is recognized.



Investment Properties

Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and any impairment in residual value. Land is carried at cost less any impairment in value.

Construction in progress are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time that the relevant assets are available for their intended use.

Depreciation of investment properties is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties. The estimated useful lives of investment properties follow:

	Years
Land improvements	40
Buildings and improvements	40
Machinery and equipment	10

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.



Depreciation and amortization of property and equipment commences once the assets are put into operational use and is computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Office tools and equipment	3 to 5
Transportation equipment	5
Furniture and fixtures	3 to 5
Software	3

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Interests in Joint Ventures

Interests in joint ventures represent one or more assets, usually in the form of cash, contributed to, or acquired for the purpose of the joint venture and dedicated to the purposes of the joint venture. The assets are used to obtain benefits for the venturers. Each venturer may take a share of the output from the assets and each bears an agreed share of the expenses incurred. These joint ventures do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves. Each venturer has control over its share of future economic benefits through its share of the jointly controlled asset.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that a nonfinancial asset (e.g., real estate inventories, other current assets, investment properties and property and equipment) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income unless the asset is carried at revalued amount, in which case, the reversal is



treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Customers' Deposits

Customers' deposits represent payment received from customer accounts which have not yet reached the minimum required percentage for recording real estate sale transaction. When the level of required payment is reached, sales are recognized and these deposits and down payments will be applied against the related receivable.

Under the percentage of completion method of recognizing sales for real estate, when a real estate does not meet the requirements for revenue recognition, the sale is accounted for under the deposit method. Under this method, cash received from customers are recorded under "Customers' deposit" account in the consolidated statement of financial position. It is also recognized when the cash received from customers is greater than the receivable from customers under percentage of completion. Subsequently, customers' deposits are applied against receivable from customers as a result of the recognition of sales through completion of the project.

Pension Liabilities

The Group has an unfunded, noncontributory defined benefit retirement plan covering substantially all of its qualified employees. The Group's pension liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Pension costs comprise the following:

- Service cost
- Interest on the pension liability
- Remeasurements of pension liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated annually by independent qualified actuaries.

Interest on the pension liability is the change during the period in the pension liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the pension liability. Interest on the pension liability is recognized as expense in profit or loss.

Remeasurements comprising actuarial gains and losses are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. All remeasurements recognized in the "Remeasurements on pension liabilities" are not reclassified to another equity account in subsequent periods.

Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. A liability and expense for a termination



benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly within twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Equity

The Group records capital stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are deducted from proceeds.

Retained earnings represent accumulated earnings of the Group less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend declaration when they are declared by the subsidiaries as approved by their respective BOD.

Treasury Stock

Own equity instruments which are acquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit and loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Revenue and Cost Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. In arrangements where the Group is acting as the principal to its customers, revenue is recognized on a gross basis. However, if the Group is acting as an agent to its customers, only the amount of net commission retained is recognized as revenue. The following specific criteria must be met before revenue is recognized.

Real estate sales

For real estate sales, the Group assesses whether it is probable that the economic benefits will flow to the Group when the sales prices are collectible. Collectibility of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Collectibility is also assessed by considering factors such as the credit standing of the buyer, age and location of the property.

Revenue from sales of completed real estate projects is accounted for using the full accrual method. In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-01, the percentage-of-completion method is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to the buyer, construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and



preparation, excavation and the building foundation are finished), and the costs incurred or to be incurred can be measured reliably. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work.

Any excess of collections over the recognized receivables are included in the "Customers' deposits" account in the liabilities section of the consolidated statement of financial position.

If any of the criteria under the full accrual or percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Customers' deposit" account in the consolidated statement of financial position.

Construction income

Construction income on housing units is recognized by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date compared to the estimated total cost of the contract.

Rental income

Rental income arising from operating leases on investment properties is recognized in the consolidated statement of comprehensive income as follows:

- Based on certain percentage of net income of operator after adjustments on shared expenses, as provided in the terms of the contract.
- Based on a straight-line basis over the term of the lease plus a certain percentage of sales of the tenants, as provided under the terms of the contract.

Interest income

Interest income is recognized as it accrues using the EIR method.

Commission income

Commission income on promotions and marketing services is recognized when services are rendered.

Dividend income

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Others

Other income is derived from processing the registration of properties of buyers, collection from surcharges and penalties for late payments and income earned from development contracts which are recognized as revenue upon collection.

Other income also includes profit share in hotel operations which is derived from its share in rent income, net of operating expenses, from units in a specific property development which is being operated as a hotel by a third party. Income is recognized once share is established.

Cost of real estate

Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision land and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical staff.



The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

Cost of construction

Cost of construction includes all direct materials, labor costs and incidental costs related to the construction of housing units.

Cost and expenses

Costs and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statement of comprehensive income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Commission Expense

The Group recognizes commission when services are rendered by the broker. The commission expense is accrued upon receipt of down payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales under the deferred cash payment arrangement.

Borrowing Costs

Interest and other financing costs incurred during the construction period on borrowings used to finance the acquisition and construction of a qualifying asset are capitalized as to the appropriate asset accounts (included in "Real estate inventories" account in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings and the actual borrowing costs eligible for capitalization for funds borrowed specifically.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.



A reassessment is made after inception of the lease only if one of the following applies:

- (a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
- (b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
- (c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or
- (d) There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c), or (d) and at the date of renewal or extension period for scenario (b).

Group as lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease income is recognized on a straight-line basis over the lease term in the profit or loss. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating losses carryover (NOLCO), to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carry forward of unused tax credits from excess MCIT over RCIT credits and unexpired NOLCO can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.



The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Movements in the deferred tax assets and liabilities arising from changes in tax rates are credited to or charged against income for the period.

Deferred tax relating to items recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Basic and Diluted Earnings Per Share

Basic EPS is computed by dividing net income applicable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period.

Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options and dilutive convertible preferred shares. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted would decrease the basic EPS, and then such convertible preferred shares would be deemed dilutive.

Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 22.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.



Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Date

Post year-end events up to date when the consolidated financial statements are authorized for issue that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements, when material.

3. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue recognition

Selecting an appropriate revenue recognition method for a particular sale transaction requires certain judgments based on the buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment and the stage of completion of the project. In determining whether the sales price are collectible, the Group considers that initial and continuing investments by the buyer of 20% for real estate for development and sale would demonstrate the buyer's commitment to pay.

Classification of financial instruments

The Group classifies financial instruments, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of the instruments. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statement of financial position. The Group determines the classification at initial recognition and reevaluates this designation at every reporting date.

Impairment of AFS financial assets

The Group treats AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Group treats "significant" generally as 20% or more of the carrying value before provision for impairment and "prolonged" as greater than six months.



Distinction between real estate inventories and investment properties

The Group determines whether a property is classified as investment property or real estate inventories as follows:

- Investment property comprises land and buildings (principally offices, commercial and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Real estate inventories comprises property that is held for sale in the ordinary course of business. Principally, this is residential and industrial property that the Group develops and intends to sell before or on completion of construction.

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately as of reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment. See Notes 10 and 11 for the related balances.

Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all significant risks and rewards of ownership of these properties which are leased out on operating leases.

The Group's operating lease contracts are accounted for as cancellable operating leases. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue and cost recognition

The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group's revenue from real estate is recognized based on the percentage of completion measured principally on the basis of the estimated completion of a physical proportion of the contract work, and by reference to the actual costs incurred to date over the estimated total costs of the project. For the year ended December 31, 2014, 2013 and 2012, the real estate sales amounted to ₱1,445.35 million, ₱801.24 million and ₱1,298.67 million, respectively while cost of sales amounted to ₱761.46 million, ₱420.50 million and ₱802.39 million, respectively.



Estimating allowance for impairment losses on receivables

The Group maintains allowance for impairment losses at a level based on the result of the individual and collective assessment under PAS 39. Under the individual assessment, the Group is required to obtain the present value of estimated cash flows using the receivable's original EIR. Impairment loss is determined as the difference between the receivable's carrying balance and the computed present value. The collective assessment would require the Group to group its receivables based on the credit risk characteristics (e.g., industry, past-due status and term) of the customers. Impairment loss is then determined based on historical loss experience of the receivables grouped per credit risk profile. See Note 5 for the related balances.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for the individual and collective assessments are based on management's judgment and estimate. Therefore, the amount and timing of recorded expense for any period would differ depending on the judgments and estimates made for the year.

Evaluation of net realizable value and asset impairment

The Group reviews real estate inventories, other current assets, investment properties and property and equipment for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, plans in the real estate projects, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's net selling price, except for assets where value in use computation is applied.

The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. See Notes 7, 8, 10 and 11 for the related balances.

Estimating useful lives of investment properties and property and equipment

The Group estimates the useful lives of investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these property and equipment. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. See Notes 10 and 11 for the related balances.

Deferred tax assets

The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of deferred tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.



The Group did not recognize deferred tax assets amounting to ₱2.11 million and ₱2.49 million, respectively. The unrecognized deferred tax asset primarily comes from NOLCO which is not expected to be utilized by the subsidiaries as management assessed that there is no available taxable income against which the deferred income tax asset can be utilized (see Note 24).

Estimating pension costs

The cost of defined benefit pension plans and other post-employment benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Pension liabilities amounted to ₱1.99 million and ₱1.02 million as of December 31, 2014 and 2013, respectively (see Note 20).

In determining the appropriate discount rate, management considers the interest rates of government bonds in the respective currencies with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Assumed discount rate is used in the measurement of the present value obligation, service and interest cost components of the pension expense. The mortality rate represents the proportion of current plan members who might demise prior to retirement. Further details about the assumptions used are provided in Note 20.

Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and based upon analysis of potential results. The Group currently does not believe these proceedings will have material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation (see Note 26).

4. Cash

	2014	2013
Cash on hand	₱495,000	₱385,000
Cash in banks	115,576,782	30,078,668
	<u>₱116,071,782</u>	<u>₱30,463,668</u>



Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱0.13 million, ₱0.11 million and ₱0.16 million in 2014, 2013 and 2012, respectively (see Note 16).

There are no cash restriction on the Group's cash balances as of December 31, 2014 and 2013.

5. Receivables

	2014	2013
Trade		
Subdivision land	₱951,156,248	₱824,736,982
Condominium units	263,821,459	192,889,524
Receivable from related parties (Note 19)		
Trade	473,811,274	394,868,724
Non-trade	784,882,216	26,876,333
Advances to officers and employees	70,609,793	72,557,967
Accrued interest receivable	16,310,580	27,194,229
Advances to joint venture	14,142,169	11,142,169
Commission receivable (Note 19)	12,669,379	917,587
Dividend receivable	5,729,340	55,891
Receivable from tenants	5,087,420	—
Others	26,811,970	14,440,491
	2,625,031,848	1,565,679,897
Less unamortized discount	22,984,775	26,187,032
	2,602,047,073	1,539,492,865
Less allowance for doubtful accounts	5,321,849	5,321,849
	2,596,725,224	1,534,171,016
Less noncurrent installment contract receivable	510,146,024	589,211,657
	₱2,086,579,200	₱944,959,359

Trade receivables primarily represent buyers' unpaid balances arising from real estate sales. These are collectible in monthly installments over a period of 1 year to 10 years and bear interest of 8% to 18% per annum computed daily based on the diminishing balance of the principal.

Trade receivables from related parties are composed of unremitted sales collections by related parties in behalf of the Group and uncollected rental income from a related party (see Note 19). Non-trade receivables from related parties includes set-up of receivables due to returned deposit on land rights to the Parent Company as a result of the rescission of the assignment of land rights (see Note 6).

Advances to officers and employees pertain to loans granted to the Group's employees which are collectible through salary deduction, are noninterest-bearing and have various maturity dates. These also include advances for liquidation pertaining to cash advances to custodians for site costs and administrative expenses which are replenished upon liquidation.

Accrued interest receivable is derived from buyers under installment scheme which are due and demandable.

Advances to joint venture partner pertain to cash advances to land owner or joint venture partner for the property or land that will be developed.



Commission receivable represents the uncollected and unbilled commission revenue equivalent to a certain percentage of the total contract price of properties sold when the Parent Company acted as an agent.

Other receivables primarily represent the Group's uncollected development income in a project in Antipolo, Rizal.

As of December 31, 2014 and 2013, receivables from sales of subdivision land and condominium units with a nominal amount of ₱1,214.98 million and ₱1,017.63 million, respectively, were recorded at fair value at initial recognition. The fair value of the receivables was obtained by discounting future cash flows using the applicable rates of similar types of instruments ranging from 4.89% to 6.63% in 2014 and 2013, respectively. The aggregate unamortized discount amounted to ₱22.98 million and ₱26.19 million as of December 31, 2014 and 2013, respectively.

Movements in the unamortized discount of the Group's receivables follow:

	2014	2013
Balance at January 1	₱26,187,032	₱49,206,681
Additions	26,634,464	9,922,715
Accretion from unamortized discount (Note 16)	(29,836,721)	(32,942,364)
Balance at December 31	₱22,984,775	₱26,187,032

Movements in allowance for doubtful accounts follow:

	2014	2013
Balance at January 1	₱5,321,849	₱5,054,799
Provisions	—	267,050
Balance at December 31	₱5,321,849	₱5,321,849

Interest income arising from the Group's trade receivables is detailed as follows (see Note 16):

	2014	2013	2012
Accretion from unamortized discount	₱29,836,721	₱32,942,364	₱39,612,749
Interest from interest-bearing receivables	53,478,315	55,712,158	25,717,951
	₱83,315,036	₱88,654,522	₱65,330,700

6. Deposit on Land Rights

On April 13, 2012, the Parent Company and SLRDI entered into an assignment of rights for properties at Saddles and Club Leisure Park located at General Trias, Cavite with an area of approximately 545,000 square meters to either: (a) to purchase real estate properties, (b) to develop the property as developer in a joint venture or (c) to undertake a combination of any of the foregoing, as may be agreed by the parties. The consideration amounted to ₱1,358.69 million and this was recorded by the Parent Company as deposit on land right while awaiting for the final plan on the property.

As discussed in Note 1, on July 8, 2014, the Parent Company and SLRDI rescinded the above assignment of land rights. This resulted to the derecognition of the asset in 2014 and recording of receivable from SLRDI amounting to ₱1,358.69 million as a result of the rescission (see Notes 15 and 19).



7. Real Estate Inventories

A summary of the movement in inventory is set out below:

	2014	2013
Balance at beginning of year	₱8,111,110,094	₱7,663,871,869
Construction/development costs incurred	574,486,375	831,569,932
Repossessed real estate inventories	78,738,174	–
Borrowing costs capitalized (Notes 14 and 18)	31,290,028	26,517,849
Land acquired during the year	4,726,500	9,652,600
Disposal of raw land	(71,575,000)	–
Costs of real estate	(761,459,659)	(420,502,156)
Balance at end of year	₱7,967,316,512	₱8,111,110,094

Real estate inventories are stated at cost, which is lower than net realizable value. Inventories recognized as cost of sales under the caption “Costs of real estate” in consolidated statements of comprehensive income amounted to ₱761.46 million, ₱420.50 million and ₱802.39 million in 2014, 2013 and 2012, respectively.

Repossessed real estate inventories represent previously sold lot inventories which are recorded back to inventories due to cancellation of sales due to buyers’ default in payment. Upon transfer back to the Group, these are recorded at fair value less cost to sell at the time of transfer and are held for sale in the ordinary course of business. In 2014, gain on repossession of real estate inventories amounted to ₱33.16 million (see Note 17).

The Group acquired various land for development amounting to ₱4.73 million and ₱9.65 million in 2014 and 2013, respectively. Initial stages of development are underway on these properties with a view to subsequent sale as subdivision lots.

Inventories with carrying value amounting to ₱1,150.75 million and ₱412.61 million were pledged as collateral on a loan facility agreement with the local banks as of December 31, 2014 and 2013, respectively (see Note 14).

8. Other Current Assets

	2014	2013
Advances to contractors	₱1,235,741,378	₱732,298,261
Prepaid commission	176,969,678	183,860,264
Advances to lot owners	144,873,240	38,893,001
Input VAT	31,669,899	–
Others	21,486,621	8,029,119
	₱1,610,740,816	₱963,080,645

Advances to contractors represent payments made in advance for construction. The advances will be settled through recoupment against the contractor’s billings and are expected to be liquidated within a year.

Prepaid commission pertains to payments to agents for sales commission on inventory units that are not yet recognized as sales during the year. These are recognized as expense when the related customer account qualifies for revenue recognition.



Advances to lot owners consist of advance payments to land owners which will be applied against the costs of the real properties that will be acquired. The application is expected to be within 12 months after the reporting date.

Others represent creditable withholding taxes which are applied against income tax payable. This also includes prepaid rent and security deposits for short term leases.

9. Available-for-Sale Financial Assets

This account consists of investments in:

	2014	2013
Quoted AFS financial assets - cost	₱323,374,968	₱323,374,968
Net unrealized gain on quoted AFS financial assets	406,558,117	407,181,382
	₱729,933,085	₱730,556,350

Unrealized gain or loss on change in market value of AFS securities for the period recognized in OCI amounted to ₱0.62 million, ₱2.53 million and ₱208.45 million in 2014, 2013, 2012, respectively.

Dividends earned amounted to ₱5.67 million, ₱5.54 million and ₱5.86 million in 2014, 2013 and 2012, respectively.

Movements in the net unrealized gain on AFS financial assets follow:

	2014	2013
Balances at beginning of year	₱407,181,382	₱404,655,502
Fair value change during the year	(623,265)	2,525,880
Balances at end of year	₱406,558,117	₱407,181,382



10. Investment Properties

The rollforward analyses of this account follow:

	2014				
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress
Cost					
Balances at beginning of year					
Additions	₱1,607,845,000	₱44,259,000	₱2,629,773,000	₱412,409,000	₱370,691,702
Transfers	-	-	97,827,334	-	363,174,332
	-	-	733,866,034	-	(733,866,034)
Balances at end of year	1,607,845,000	44,259,000	3,461,466,368	412,409,000	-
Accumulated Depreciation					
Balances at beginning of year	-	6,638,850	394,465,950	247,445,400	-
Depreciation	-	1,106,475	74,767,205	41,240,900	-
Balances at end of year	-	7,745,325	469,233,155	288,686,300	-
Net Book Value at December 31	₱1,607,845,000	₱36,513,675	₱2,992,233,213	₱123,722,700	₱-

	2013				
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress
Cost					
Balances at beginning of year					
Additions	₱1,607,845,000	₱44,259,000	₱2,629,773,000	₱412,409,000	₱197,757,426
	-	-	-	-	172,934,276
Balances at end of year	1,607,845,000	44,259,000	2,629,773,000	412,409,000	370,691,702
Accumulated Depreciation					
Balances at beginning of year	-	5,532,375	328,721,625	206,204,500	-
Depreciation	-	1,106,475	65,744,325	41,240,900	-
Balances at end of year	-	6,638,850	394,465,950	247,445,400	-
Net Book Value at December 31	₱1,607,845,000	₱37,620,150	₱2,235,307,050	₱164,963,600	₱370,691,702



The aggregate fair value of the Group's investment properties amounting to ₱7,437.69 million and ₱6,752.12 million as of December 31, 2014 and 2013 were determined by independent professional qualified appraiser. The fair value of the investment properties disclosed in the consolidated financial statements is categorized within Level 3 of the fair value hierarchy.

The value of investment properties was arrived using Market Data Approach. In this approach, the value of the investment properties is based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the establishing of comparable property by reducing reasonable comparative sales and listings within to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property.

Total rental income arising from investment properties amounted to ₱504.34 million, ₱355.10 million and ₱385.85 million in 2014, 2013 and 2012, respectively. Direct costs arising from the investment properties amounted to ₱117.11 million, ₱108.09 million and ₱108.09 million in 2014, 2013 and 2012 is included in the costs of rental income in the consolidated statements of comprehensive income.

The carrying value of investment property pertaining to Sta. Lucia East Grand Mall is pledged as collateral on a loan facility agreement with a local bank (see Note 14).

On August 30, 2014, the construction of the iL Centro Mall was completed and the total construction costs included in 'Construction in progress' account was transferred to 'Building and Improvements'.

11. Property and Equipment

The rollforward analyses of this account follow:

	2014				
	Office Tools and Equipment	Transportation Equipment	Furniture and Fixtures	Software	Total
Cost					
Balances at beginning of year	₱5,485,495	₱14,303,337	₱4,056,066	₱36,767,239	₱60,612,137
Additions	666,256	17,179,241	215,827	1,715,000	19,776,324
Transfers (Note 23)	2,267,496	2,864,755	5,734	—	5,137,985
Disposals	—	1,973,784	—	—	1,973,784
Balances at end of year	8,419,247	32,373,549	4,277,627	38,482,239	83,552,662
Accumulated Depreciation and Amortization					
Balances at beginning of year	3,201,750	5,792,381	1,761,454	26,125,632	36,881,217
Depreciation and amortization	1,230,736	3,974,932	600,109	2,360,692	8,166,469
On Disposals	—	128,944	—	—	128,944
Balances at end of year	4,432,486	9,638,369	2,361,563	28,486,324	44,918,742
Net Book Value	₱3,986,761	₱22,735,180	₱1,916,064	₱9,995,915	₱38,633,920



	2013				
	Office Tools and Equipment	Transportation Equipment	Furniture and Fixtures	Software	Total
Cost					
Balances at beginning of year	₱3,340,595	₱11,216,732	₱1,828,823	₱25,567,239	₱41,953,389
Additions	2,144,900	3,086,605	2,227,243	11,200,000	18,658,748
Balances at end of year	5,485,495	14,303,337	4,056,066	36,767,239	60,612,137
Accumulated Depreciation and Amortization					
Balances at beginning of year	2,123,579	3,460,227	1,275,377	25,555,989	32,415,172
Depreciation and amortization	1,078,171	2,332,154	486,077	569,643	4,466,045
Balances at end of year	3,201,750	5,792,381	1,761,454	26,125,632	36,881,217
Net Book Value	₱2,283,745	₱8,510,956	₱2,294,612	₱10,641,607	₱23,730,920

The cost of fully depreciated property and equipment that are still in use amounted to ₱32.42 million and ₱29.97 million as of December 31, 2014 and 2013, respectively.

As of December 31, 2014 and 2013, there are no capital commitments for property and equipment.

12. Accounts and Other Payables

This account consists of:

	2014	2013
Contractors payable	₱828,726,652	₱690,206,348
Offsetting payable	464,259,502	408,280,242
Commission payable	85,388,330	85,388,330
Joint venture payable	65,656,019	61,878,300
Accounts payable	60,450,002	64,333,536
Retentions payable	46,920,798	42,760,775
Accrued payables	27,430,303	10,430,410
Advances from shareholders	16,206,103	16,206,103
Professional fees	9,767,127	5,195,107
Interest payable	8,975,286	7,014,427
Others	80,159,960	39,957,943
	₱1,693,940,082	₱1,431,651,521

Contractors payable arises from progress billings received from contractors' unbilled completed work on the development of projects. These are non-interest bearing and are normally settled on 30 to 60-day terms.

The Group entered into offsetting agreements with its suppliers whereby the Group sells subdivision land and condominium units in exchange for the delivery of the equivalent value of construction materials or services in accordance with specifications stated in the purchase orders and as stated in the bid proposal. The contract price of the arrangement subject to offsetting is presented as "Offsetting payable" until all revenue recognition criteria are met.

Commission payable pertains to balances due to marketing arms, agents and brokers for commission expenses for marketing efforts which are non-interest bearing and are normally settled on 30 to 60-day terms.

Joint venture payable pertains to the share of the joint venture partners and is normally remitted within 90 days from the date of collection.



Accounts payable are amounts due to suppliers which are noninterest-bearing and are normally settled on 15 to 60-day terms.

Retentions payable represents amounts withheld from payments to contractors as a guaranty for any claims against them. These are non-interest bearing and will be remitted to contractors at the end of the contract work.

Accrued payables include accruals for operating expenses and are normally settled on 15 to 60-day terms.

Advances from shareholders represent financial support for the initial commercial operations of SVI.

Professional fees represents unpaid portion of fees to professionals for brokering between the Group and landowners for joint venture agreements.

Professional fees represents unpaid portion of fees to professionals for brokering between the Group and landowners for joint venture agreements.

Other payables primarily consist of withholding taxes and mandatory employer's contributions which are non-interest bearing and are normally settled within one year.

13. Customers' Deposits

The Group requires buyers of the residential condominium units and subdivision lots to pay a minimum percentage of the total selling price before the two parties enter into a sale transaction. In this regard, this account represents the payment of buyers which have not reached the minimum required percentage of collection. When the level of required payment is reached by the buyer, the sale is recognized and customers' deposits will be applied against the related installment contracts receivable.

Customers' deposits amounted to ₱743.82 million and ₱673.28 million as of December 31, 2014 and 2013, respectively.

14. Loans Payable

This account consists of:

	2014	2013
Loans under notes facility	₱1,390,366,541	₱1,589,130,952
Loans under revolving credit facility	1,175,295,520	49,000,000
Single payment short-term loan	634,884,011	1,038,000,000
	3,200,546,072	2,676,130,952
Less unamortized debt issuance cost	(2,494,403)	(2,974,110)
	₱3,198,051,669	₱2,673,156,842

Loans bear average interest rates of 3.85% to 7.00% per annum and 3.85% to 7.00% per annum in December 31, 2014 and 2013, respectively (see Note 18).



Loans under notes facility agreement

On November 12, 2009, the Group entered into a Local Currency Notes Facility Agreement with Banco De Oro (BDO) whereby the Group was granted a credit line facility amounting to ₱1,500.00 million. The Group availed ₱500.00 million, ₱400.00 million and ₱600.00 million in 2011, 2010 and 2009, respectively, of the amount granted. The loan facility was fully drawn in 2011. The loan is payable in equal quarterly amortization and is expected to mature on November 2015. The outstanding loan balance from this credit line facility amounted to ₱600.00 million and ₱900.00 million as of December 31, 2014 and 2013, respectively.

On June 26, 2011, the Group entered into another Local Currency Notes Facility with BDO, whereby the Group was granted a credit line facility amounting ₱1,500.00 million. The Group availed ₱200.00 million during 2011 and 2012, ₱339.00 million during 2013 and an additional ₱430.00 million in 2014. As of December 31, 2014, the unused credit facility amounted to ₱331.00 million and the outstanding loan balance from the drawdowns made amounted to ₱790.37 million, payable quarterly.

Interest rate is based on the latest 91-day Treasury bill rates plus 2.50%. The term loan facility is secured by a Mortgage Trust Indenture over land and building with a total carrying value ₱3,104.97 million as of December 31, 2014 and 2013 (see Note 10).

The Group reassessed its loan agreement and determined that there are existing conditions that warrant the Group to present these bank loans as current.

Transaction costs capitalized amounted to ₱1.18 million and ₱0.73 million in 2014 and 2013, respectively. Amortization amounted ₱1.65 million and ₱1.98 million was expensed as part of "Taxes, licenses and fees expenses" in 2014 and 2013, respectively.

The rollforward analyses of unamortized debt issuance cost follow:

	2014	2013
Balance at beginning of the year	₱2,974,110	₱4,231,860
Availments	1,175,000	725,000
Amortization	(1,654,707)	(1,982,750)
Balance at end of the year	₱2,494,403	₱2,974,110

Loans under revolving credit facility agreement

On June 22, 2011, the Group obtained an ₱800.00 million contract to sell (CTS) financing from China Banking Corporation (CBC) against its receivables from condominium projects namely, La Breza, La Mirada and Splendido Tower, on a with recourse basis.

On August 24, 2011, the Group obtained another ₱800.00 million revolving credit facility from CBC, whereby the Group offered real estate properties as collateral. In 2012, the Group fully drawn the remaining revolving credit facility granted in 2011 which matured during the year. On October 20, 2012, the Group renewed and fully drawn the credit line which bears fixed interest at 5.25%, with a maturity of one year from drawdown date. The loan is secured with various real estate mortgages (REM) on land with a carrying value of ₱261.98 million as of December 31, 2014 and 2013 (Note 10). On October 25, 2013, the Group renewed its revolving credit facility REM commercial loans amounting to ₱820.00 million, bearing interest rate of 5.25%. As of December 31, 2014 and 2013, outstanding CBC loan amounted to ₱994.00 million and ₱799.50 million, respectively.



In 2012, the Group renewed the peso-denominated short-term loan contract with Bank of the Philippine Islands (BPI) amounting to ₱155.00 million, which bears a fixed interest rate of 7.00% per annum subject to quarterly repricing and payable monthly in arrears which is secured by various real properties with carrying value of ₱261.98 million (see Note 7). The proceeds of the loans were used in the working capital requirements of the Group. As of December 31, 2014 and 2013, outstanding BPI loan amounted to ₱86.80 million and ₱144.00 million, respectively.

On June 12, 2013, the Group availed of a ₱100.00 million credit line agreement with Malayan Bank Savings and Mortgage Bank, whereby the Group offered its 20,000,000 PRCI shares as collateral. The Group has drawn ₱46.00 million and ₱48.50 million in June and July 2013, respectively, which are still outstanding as of December 31, 2013 and 2014.

The Group entered into a short term secured omnibus line with Asia United Bank in September 2014 amounting to ₱250.00 million. The Group drew ₱100.00 million and ₱150.00 million, in September and November 2014, respectively. The loan is mortgaged with various real estate properties with a carrying value of ₱228.20 million as of December 31, 2014 located at Neopolitan Business Park.

Single payment short-term loan

The Company obtained one-year secured loan from Rizal Commercial Banking Corporation (RCBC) amounting to ₱49.00 million and ₱50.00 million on 2013 and 2014, respectively. The loan is secured by various real properties with carrying value of ₱150.63 million as of December 31, 2014 (see Note 7).

On December 22, 2014, SLRDI and the Parent Company entered into an agreement wherein the Parent Company assumed the loan of SLRDI from RCBC amounting to ₱285.88 million. Payments of interest to RCBC starting January 2015 will be reimbursed by SLRDI (see Note 19).

As of December 31, 2014 and 2013, outstanding RCBC loan is ₱384.88 and ₱49.00 million respectively.

The Group capitalized interest amounting to ₱31.29 million and ₱26.52 million for 2014 and 2013, respectively, as part of "Real estate inventories" in the consolidated statements of financial position (see Note 7). The average capitalization rate is 4.89% and 4.78% in 2014 and 2013, respectively.

15. Equity

As of December 31, 2014, 2013 and 2012, capital stock consists of:

	2014	2013	2012
Par value per share - ₱1.00			
Authorized common shares	16,000,000,000	16,000,000,000	16,000,000,000
Issued shares	10,796,450,000	10,796,450,000	10,796,450,000
Treasury shares	2,250,000,000	—	—
Outstanding shares	8,546,450,000	10,796,450,000	10,796,450,000



Below is the Parent Company's track record of registration:

- a) The Parent Company was incorporated as Zipporah Mining and Industrial Corporation ('Zipporah Mining') on December 6, 1966 as a mining firm.
- b) On September 14, 1987, the Parent Company launched its Initial Public Offering where a total of 20,000,000 common shares were offered at an offering price of ₱1.00 per share.
- c) Subject to a restructuring program, the BOD of the Parent Company approved on November 22, 1995 the offering of up to 1,000,000,000 shares of stock out of the increase in the authorized capital stock from ₱50.00 million to ₱2,000.00 million at a par value of ₱1.00, to a group of investors led by the Ultimate Parent Company. This was subsequently approved and ratified by the stockholders in a Special Stockholders' Meeting on December 18, 1995.
- d) On December 18, 1995, the stockholders of the Parent Company approved a number of changes in the corporate structure as part of its diversification scheme. These were:
 - 1. The change of its name to Zipporah Realty Holdings, Inc.;
 - 2. The increase in the number of directors from nine to 11;
 - 3. The waiver of the pre-emptive rights over the future issuances of shares;
 - 4. The change in the primary and secondary purposes;
 - 5. The change in the par value of its shares from ₱0.01 to ₱1.00; and
 - 6. The increase in its authorized capital stock to ₱2,000.00 million.

The first four changes were approved by the SEC on August 14, 1996 while the last two corporate acts were approved on January 22, 1997.

- e) On June 15, 2007, the BOD approved the following resolutions and was ratified by the stockholders on July 16, 2007:
 - 1. Change in Corporate name to Sta. Lucia Land, Inc.
 - 2. Increase in authorized capital stock of the Parent Company from ₱2,000.00 million divided into 2,000,000,000 shares to ₱16,000.00 million divided into 16,000,000,000 shares or an increase of ₱14,000.00 million with a par value of ₱1.00 per share.
 - 3. Subscription of the Ultimate Parent Company of up to 10,000,000,000 shares out of the increase in the Parent Company's authorized capital stock; and
 - 4. Ultimate Parent Company's subscription to such shares shall be at par value, and the consideration for which shall be the assignment and transfer by the Ultimate Parent Company to the Parent Company of assets acceptable to the Parent Company at a reasonable discount on the fair market value of such assets. The fair value market value was determined by independent professionally qualified appraisers. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and knowledgeable, willing seller in an arm's length transaction at the date of valuation.

The above resolutions were ratified by the Parent Company's shareholders on July 16, 2007.



- f) On December 8, 2007, the Parent Company and the Ultimate Parent Company executed various deeds of assignment wherein the Ultimate Parent Company assigned all its rights, title and interest to certain properties consisting of investment properties (Sta. Lucia East Grand Mall) amounting to ₱4,710.00 million and certain parcels of land amounting to ₱6,018.50 million and assumption of mortgage in the investment properties of ₱723.60 million. The investments of the Ultimate Parent Company through the said assignment of various properties, net of mortgage assumed, were recognized as additional outstanding shares of ₱10,000.00 million.

Below is the summary of outstanding number of shares and holders of security as of December 31, 2014:

Year	Number of Shares Registered	Number of Holders of Securities
January 1, 2013	10,796,450,000	274
Add/(Deduct) movement	—	(4)
December 31, 2013	10,796,450,000	270
Add/(Deduct) movement	(2,250,000,000)	(1)
December 31, 2014	8,546,450,000	269

Treasury Stock

On July 8, 2014, the Parent Company and the Ultimate Parent Company executed a deed of assignment of shares of stock wherein the parties agreed as follows:

1. The previous assignment by the Ultimate Parent Company of Saddle and Clubs Leisure Park was rescinded (see Note 6).
2. The Ultimate Parent Company will transfer 3,000 million shares of the Parent Company in favor of the latter as payment for the ₱1,801.11 million advances to the former.
3. The parties agreed that the assignment of the 3,000 million shares will be in two tranches, as follows:
 - a. Tranche 1 - 2,250 million shares covering ₱900.00 million of advances; and
 - b. Tranche 2 - 750 million shares covering ₱901.11 million of the advances.

On October 8, 2014, the first tranche was executed and resulted to a decrease in the outstanding shares of the Parent Company from 10,796.45 million in 2013 to 8,546.45 million in 2014 due to treasury shares in the first tranche .

The second tranche is expected to be completed one year from the date of the deed of assignment of shares of stock.

Retained Earnings

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Group's retained earnings available for dividend declaration as of December 31, 2014 and 2013 amounted to ₱1,216.33 million and ₱689.01 million, respectively, subject to certain restrictions as provided by the loan agreements (see Note 14).



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 credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks. The Group will manage its capital structure and make adjustments to it, in light of changes in economic decisions.

The Group's sources of capital include all the components of the equity totaling ₱11.73 billion in 2014 and ₱12.08 billion in 2013.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. The Group includes within debt, interest-bearing loans and external borrowings whether in the form of short term notes or long-term notes and bonds.

The following table shows how the Group computes for its net debt-to-equity ratios as of December 31, 2014 and 2013:

	2014	2013
Debt	₱3,198,051,669	₱2,673,156,842
Less: Cash (Note 4)	116,071,882	30,463,668
Net debt	3,081,979,787	2,642,693,174
Equity	11,732,283,998	12,084,398,072
Net debt-to-equity ratio	26.27 %	21.86%

Financial risk assessment

The Group's financial condition and operating results would not be materially affected by the current changes in credit, interest and liquidity conditions.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's base of counterparties remains diverse. As such, it is not exposed to large concentration of credit risk.

Exposure to changes in interest rates is reduced by a debt portfolio mix of both fixed and floating interest rates. The Group's ratio of fixed to floating rate debt stood at 43:57 and 59:41 as of December 31, 2014 and 2013. As a result, any adverse movement in interest rates is mitigated.

16. Interest Income

This account consists of:

	2014	2013	2012
Interest income from:			
Trade receivables (Note 5)	₱53,478,315	₱55,712,158	₱25,717,951
Accretion from unamortized discount (Note 5)	29,836,721	32,942,364	39,612,749
Cash in banks (Note 4)	128,423	105,551	163,854
	₱83,443,459	₱88,760,073	₱65,494,554



17. Other Income

This account consists of:

	2014	2013	2012
Management income (Note 19)	₱45,763,393	₱-	₱-
Processing and registration fee	35,228,500	16,279,024	15,225,590
Surcharges and penalties	34,977,973	27,293,304	14,921,805
Gain on repossession of real estate inventories (Note 7)	33,155,466	-	-
Profit share in hotel operations	2,498,150	10,381,792	6,728,882
Others	4,656,054	3,282,338	-
	₱156,279,536	₱57,236,458	₱36,876,277

Others mainly consists of income from contractual developments and foreign exchange gains and losses.

18. Interest Expense

Interest expense consists of:

	2014	2013	2012
Interest expense on loans	₱140,767,865	₱127,667,565	₱117,521,896
Other financing charges	3,875,292	1,422,482	1,173,839
	144,643,157	129,090,047	118,695,735
Less capitalized borrowing costs	(31,290,028)	(26,517,849)	(23,387,110)
	₱113,353,129	₱102,572,198	₱95,308,625

19. Related Party Transactions

The Group in its regular conduct of business has entered into transactions with related parties. Parties are considered to be related if, among others, one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions, the parties are subject to common control or the party is an associate or a joint venture. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed-upon by the parties.

The significant transactions with related parties follow:

- a. The Parent Company, in the normal course of business, has transactions with its affiliated companies consisting of non-interest bearing advances for working capital requirements with no fixed repayment terms.

On July 8, 2014, the Parent Company and SLRDI agreed to rescind the assignment of rights for properties at Saddles and Club Leisure Park (see Note 6). This resulted to reversal of deposit on land rights and recording of advances to related parties amounting to ₱1,358.69 million.



On the same date, the Parent Company and SLRDI entered into a deed of assignment of shares of stock. The agreement involves settlement of advances to related parties amounting to ₱1,801.11 million in exchange of 3,000 million shares of the Parent Company held by SLRDI. The transaction will be done in two tranches and the first tranche involving return of 2,250,000 shares applied against ₱900.00 million advances to SLRDI was completed in 2014 (see Note 15).

- b. The Parent Company together with SLRDI, in the normal course of business, enters into offsetting agreement with contractors and suppliers (offsetters) where lots will be given out in exchange for the services rendered or materials/supplies delivered. Contractors and suppliers have the option to choose any lot from the available projects of the Group or of SLRDI, regardless of whom the services were rendered or materials were delivered. Such arrangement resulted to receivables from SLRDI amounting to ₱33.32 million and ₱7.10 million as of December 31, 2014 and 2013, respectively.
- c. Other transactions with the SLRDI include non-interest bearing cash advances for various charges to and from affiliated companies for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies, rentals for project exhibits and advertising/marketing costs.
- d. This pertains to the monthly amortization payment from the buyers of the Group collected by SLRDI due to be remitted to the Parent Company.
- e. In 2014, other shareholders advanced working capital to its subsidiary, SVI, to be used on administrative expenses related to selling properties.
- f. In 2014, SLRDI sold to a third party a piece of real property located in Cansaga, Consolacion, Cebu for a consideration of ₱102.51 million. SLRDI, through a memorandum of agreement, contracted the services of the Parent Company for the management of the property, research on the market price and negotiation of the sale. The Parent Company recognized management fee of ₱45.76 million in relation to the services provided.
- g. At the start of 2014, the Parent Company and SLRDI entered into several memorandums of agreements wherein the Parent Company undertakes the development and marketing of the several projects of SLRDI and has assumed the position of the development contractor and marketing arm. In consideration of the services rendered by the Parent Company, SLRDI has agreed to the following:
 - Colinas Verdes Bulacan Project - SLRDI has entered into a joint venture agreement with Araneta Properties, Inc. (API) for a proceeds sharing agreement of 60% SLRDI - 40% API share. The Parent Company shall be entitled to 75% of SLRDI's share in all the income and share in the proceeds joint venture and 12% marketing fee on the gross selling price of all sales made from the project;
 - Green Meadows Iloilo Project - SLRDI has entered into a joint venture agreement with AFP-Retirement and Separation Benefits System (ARSBS) for a lot sharing agreement of 55% SLRDI - 45% ARSBS share. The Parent Company shall be entitled to 75% of SLRDI's share in of all the income from the lot share in the joint venture and 12% marketing fee on the gross selling price of all sales made from the project;



- Ponte Verde Davao Project- SLRDI has entered into a joint venture agreement with Green Sphere Realty Corporation (GSRC) for a lot sharing agreement of 60% SLRDI - 40% GSRC share. The Parent Company shall be entitled to 75% of SLRDI's share in of all the income from the lot share in the joint venture and 12% marketing fee on the gross selling price of all sales made from the project; and
- Valle Verde Davao Project - SLRDI has entered into a joint venture agreement with GSRC for a lot sharing agreement of 60% SLRDI - 40% GSRC share. The Parent Company shall be entitled to 75% of SLRDI's share in of all the income from the lot share in the joint venture and 12% marketing fee on the gross selling price of all sales made from the project.

During the year, the Company recognized real estate revenue amounting to a total of ₱795.90 million for the above agreements.

Proceeds from the above agreements are offset from the advances of the Parent Company to SLRDI.

- h. SLRDI has entered into a loan agreement with Rizal Commercial Banking Corporation (RCBC) and has a loan balance of ₱285.88 million as of December 22, 2014. On the same date SLRDI and the Parent Company entered into a memorandum of agreement whereby the Parent Company shall assume the liability and the payment of SLRDI's financial obligation (see Note 14).
- i. The Parent Company entered into a lease agreement with Sta. Lucia East Commercial Corporation (SLECC), an affiliate, starting January 2011. The lease agreements convey to SLECC the lease of a mall owned by the Parent Company. The agreement is automatically renewed every year. Since the inception of the lease, the payment of SLECC to SLLI is at 90% of SLECC's net income, gross of real property tax from managing mall operations including repairs and maintenance and collection of space rental from storeowners or tenants (see Note 23). This lease agreement was terminated on September 30, 2014.

Effective October 1, 2014, the Parent Company directly entered into lease agreements with mall tenants. SLECC and the Parent Company, on the other hand entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management and business development services, leveraging its knowledge in the mall operations from the past years. In exchange of SLECC's services, the Parent Company shall pay SLECC a management fee equivalent to 7% of the gross rental revenue.

- j. Advances to tenants pertain to the unpaid portion of rent charges of the Parent Company shareholders.



The related amounts and outstanding balances from related party transactions in 2014 and 2013 follow:

	2014			
	Amount	Due from (to)	Terms	Conditions
Ultimate Parent Company (SLRDI)				
<i>Non-trade receivables</i>				
Advances (a)	₱ 1,617,397,165	₱465,674,313	Due and demandable; noninterest-bearing	Unsecured; no impairment
Offsetting (b)	71,499,656	33,323,892	Due and demandable; noninterest-bearing	Unsecured; no impairment
Assumption of loan (h)	285,884,011	285,884,011	Due and demandable; non-interest bearing	Unsecured; no impairment
<i>Trade receivables</i>				
Sharing of expenses (c)	43,171,632	28,244,061	Due and demandable; non-interest bearing	Unsecured; no impairment
Unremitted collections (d)	114,565,969	5,302,240	Due and demandable; noninterest-bearing	Unsecured; no impairment
Management fee (f)	45,763,393	—	—	—
Revenue sharing (g)	795,900,099	(20,117,746)	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliate				
<i>Trade receivables</i>				
Rental income (i)	262,701,389	444,723,303	Due and demandable; non-interest bearing	Unsecured; no impairment
Tenants (j)	15,659,416	15,659,416	Due and demandable; non-interest bearing	Unsecured; no impairment
Shareholders				
Advances (e)	—	(16,206,103)	Due and demandable; non-interest bearing	Unsecured
	₱1,242,487,387			
	2013			
	Amount	Due from (to)	Terms	Conditions
Ultimate Parent Company				
<i>Non-trade receivables</i>				
Advances (a)	₱167,562,972	₱19,771,840	Due and demandable; noninterest-bearing	Unsecured; no impairment
Offsetting (b)	33,294,637	7,104,493	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Trade receivables</i>				
Sharing of expenses (c)	4,000,674	4,000,674	Due and demandable; non-interest bearing	Unsecured; no impairment
Unremitted collections (d)	153,637,226	183,110	Due and demandable; noninterest-bearing	Unsecured; no impairment
Deposit on land rights (a)	—	1,358,686,369	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliate				
<i>Trade receivables</i>				
Rental income (i)	355,102,666	390,684,940	Due and demandable; non-interest bearing	Unsecured; no impairment
Shareholders				
Advances (e)	16,206,103	(16,206,103)	Due and demandable; non-interest bearing	Unsecured
	₱1,764,225,323			



As of December 31, 2014 and 2013, the Group has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Key management personnel

Compensation of key management personnel by benefit type follows:

	2014	2013
Short-term employee benefits	₱14,670,000	₱14,670,000
Post-employment benefits (Note 20)	500,000	300,553
	<u>₱15,170,000</u>	<u>₱14,970,553</u>

Terms and conditions of transactions with related parties

There have been no guarantees and collaterals provided or received for any related party receivables or payables. These accounts are noninterest-bearing and are generally unsecured. Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

20. Pension Liabilities

The Group has no formal retirement plan and accrues retirement liability based on the requirement under Republic Act (RA) 7641. Under the existing regulatory framework, RA 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law.

RA 7641 provides pension benefits equivalent to one-half month's salary for every year of service, with six months or more of service considered as one year. The Group updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary.

The following tables summarize the components of the retirement expense and the pension liability recognized in the consolidated statements of financial position for the retirement plan.

The retirement expense included in "Salaries and wages" in the consolidated statements of comprehensive income follow:

	2014	2013	2012
Current service cost	₱565,275	₱382,542	₱76,981
Interest cost	57,189	29,156	11,489
	<u>₱622,464</u>	<u>₱411,698</u>	<u>₱88,470</u>



The remeasurement recognized in OCI for the year ended December 31, 2014, 2013 and 2012 follows:

	2014	2013	2012
Actuarial loss due to:			
Experience adjustments	(P12,764)	P63,302	P55,230
Changes in financial assumptions	352,900	51,500	223,100
	<u>P340,136</u>	<u>P114,802</u>	<u>P278,330</u>

Changes in the present value of the defined benefit obligation follow:

	2014	2013
At beginning of year	P1,024,900	P498,400
Current service cost	565,275	382,542
Interest cost	57,189	29,156
Actuarial loss due to:		
Experience adjustments	(12,764)	63,302
Changes in financial assumptions	352,900	51,500
At end of year	<u>P1,987,500</u>	<u>P1,024,900</u>

The movements in pension liabilities follow:

	2014	2013
At beginning of year	P1,024,900	P498,400
Retirement expense	622,464	411,698
Remeasurement recognized in OCI	340,136	114,802
At end of year	<u>P1,987,500</u>	<u>P1,024,900</u>

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension for the defined benefit plans are shown below:

	2014	2013	2012
Discount rate	4.50%	5.58%	5.85%
Salary increase rate	2.00%	2.00%	2.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

		2014	
		Impact on defined benefit obligation	
	Increase/ decrease in rate	Increase	Decrease
Salary increase rate	±1%	P222,500	(P179,200)
Discount rate	±1%	(177,400)	224,000



	Increase/ decrease in rate	2013	
		Impact on defined benefit obligation	
		Increase	Decrease
Salary increase rate	±1%	₱406,800	(₱179,200)
Discount rate	±1%	(177,400)	224,000

The Group does not expect to set-up a fund for its retirement benefit obligation in 2014. In case of retirement due without an established fund, the Group plans to source its payments from its operating funds.

Shown below is the maturity analysis of the undiscounted benefit payments:

	December 31	
	2014	2013
Less than 1 year	₱—	₱—
More than 1 year to 5 years	—	—
More than 5 years to 10 years	507,218	520,470
More than 10 years to 15 years	8,456,547	8,528,648
More than 15 years to 20 years	1,614,689	1,593,512
More than 20 years	28,363,515	26,963,113

There was no plan amendment, curtailment, or settlement recognized in 2014 and 2013.

21. Interest in Joint Ventures

The Group has entered into joint venture agreements with various landowners and other companies, which include related parties. The interests in these joint ventures range from 32% to 80% depending on the value of the land or investment against the estimated development costs. These joint venture agreements entered into by the Group relate to the development and sale of subdivision land and condominium projects, with certain specified lots or units allocated to the joint venture partner. The Group's joint venture arrangements typically require the joint venture partner to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Group bearing all costs related to land development and the construction of subdivision and condominium facilities.

Sales and marketing costs are allocated to both the Group and the joint venture partners. The projects covering the joint venture agreements are expected to be completed in 2015 to 2017. Capital commitments amounted to ₱2.26 billion and ₱2.19 billion in 2014 and 2013, respectively.

22. Segment Information

Operating segments are components of an entity for which discrete financial information is available that is regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segments and in assessing performance. Generally, financial information is required to be reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources to segments.



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 two reportable operating segments as follows:

- *Leasing*
This segment consists of the Group's investment properties which includes properties that are held to earn rentals and are not occupied by the Group.
- *Residential Development*
This represents the development and selling of subdivision lots and high rise condominium projects across the Philippines.

For investment properties, financial information is provided to the BOD on a property by property basis. The information provided is net rentals (including gross rent less property expenses). Information on the residential development property segment provided to the BOD is aggregated and is represented by revenue and profit from the sale of real estate inventories.

Segment assets for the investment property segment represent investment property held to earn rentals. Segment assets for the residential development segment represent unsold real estate inventories. Segment liabilities represent loans payable and customers' deposits as these are the only liabilities reported to the BOD on a segmental basis.

The Group's administrative costs, interest income and interest expense are reported to the BOD on a segmental basis. There are no sales between segments.

The following tables regarding business segments present assets and liabilities as of December 31, 2014, 2013 and 2012 and revenue and income information for each of the three years in the period ended December 31, 2014.

	2014		
	Leasing	Residential Development	Total
Rental income	₱504,335,795	₱—	₱504,335,795
Depreciation	(3,557,340)	—	(3,557,340)
Cost of rental income	(248,841,127)	—	(248,841,127)
Real estate sales	—	1,445,350,119	1,445,350,119
Cost of real estate sales	—	(761,459,659)	(761,459,659)
Construction income	—	28,036,774	28,036,774
Cost of real estate sales	—	(19,039,099)	(19,039,099)
Segment gross profit	251,937,328	692,888,135	944,825,463
General and administrative expense	(10,942,200)	(335,311,148)	(346,253,348)
Interest income	—	83,443,459	83,443,459
Interest expense	—	(113,353,129)	(113,353,129)
Dividend income	—	5,673,449	5,673,449
Commission income	—	73,202,048	73,202,048
Other income	—	156,279,536	156,279,536
Other expense	—	(20,100,950)	(20,100,950)
Provision for income tax	(79,741,096)	(155,228,146)	(234,969,242)
Net income	₱161,254,032	₱387,493,254	₱548,747,286
Total segment assets	₱4,760,314,588	₱13,078,053,574	₱17,838,368,162



2014			
	Leasing	Residential Development	Total
Segment liabilities	86,802,000.00	3,865,591,369	3,952,393,369
Accounts and other payables	—	1,685,408,846	1,685,408,846
Income tax payable	—	29,044,281	29,044,281
Deferred tax liability	271,345,990	167,993,718	439,339,708
Total liabilities	₱358,147,990	₱5,748,038,214	₱6,106,186,204
Cash flows arising from:			
Operating activities	₱17,010,517	₱28,153,974	₱45,164,491
Investing activities	(363,174,332)	(111,947,298)	(475,121,630)
Financing activities	—	515,565,253	515,565,253
2013			
	Leasing	Residential Development	Total
Rental income	₱355,102,666	₱—	₱355,102,666
Depreciation	(108,091,700)	(4,466,045)	(112,557,745)
Real estate sales	—	820,269,748	820,269,748
Cost of real estate sales	—	(420,502,156)	(420,502,156)
Segment gross profit	247,010,966	395,301,547	642,312,513
General and administrative expense	(14,726,678)	(225,046,137)	(239,772,815)
Interest income	—	88,760,073	88,760,073
Interest expense	—	(102,572,198)	(102,572,198)
Dividend income	—	5,544,035	5,544,035
Other income	—	57,236,458	57,236,458
Other expense	—	(16,815,650)	(16,815,650)
Provision for income tax	(56,102,666)	(78,586,632)	(134,689,298)
Net income	₱176,181,622	₱123,821,496	₱300,003,118
Segment assets	₱4,416,427,502	₱11,409,913,682	₱15,826,341,184
Deposit on land rights	—	1,358,686,369	1,358,686,369
Total segment assets	₱4,416,427,502	₱12,768,600,051	₱17,185,027,553
Segment liabilities	₱—	₱3,347,461,998	₱3,347,461,998
Accounts and other payables	—	1,431,651,521	1,431,651,521
Income tax payable	—	21,330,363	21,330,363
Deferred tax liability	166,532,263	133,653,336	300,185,599
Total liabilities	₱166,532,263	₱4,934,097,218	₱5,100,629,481
Cash flows arising from:			
Operating activities	₱74,973,322	(₱61,315,874)	₱13,657,448
Investing activities	(172,934,276)	(13,713,815)	(186,648,091)
Financing activities	—	138,366,994	138,366,994



	2012		
	Leasing	Residential Development	Total
Rental income	₱385,846,603	₱-	₱385,846,603
Depreciation	(108,091,700)	(2,548,976)	(110,640,676)
Real estate sales	-	1,298,673,373	1,298,673,373
Cost of real estate sales	-	(802,392,394)	(802,392,394)
Segment gross profit	277,754,903	493,732,003	771,486,906
General and administrative expense	(10,942,200)	(291,267,108)	(302,209,308)
Interest income	-	65,494,554	65,494,554
Interest expense	-	(95,308,625)	(95,308,625)
Dividend income	-	5,862,404	5,862,404
Other income	-	36,876,277	36,876,277
Other expense	-	(14,117,456)	(14,117,456)
Provision for income tax	(56,982,877)	(99,886,266)	(156,869,143)
Net income	₱209,829,826	₱101,385,783	₱311,215,609
Segment assets	₱4,543,928,111	₱10,333,470,651	₱14,877,398,762
Deposit on land rights	-	1,358,686,369	1,358,686,369
Total segment assets	₱4,543,928,111	₱11,692,157,020	₱16,236,085,131
Segment liabilities	₱155,000,000	₱2,677,616,327	₱2,832,616,327
Accounts and other payables	-	1,399,457,484	1,399,457,484
Income tax payable	-	-	-
Deferred tax liability	149,701,463	72,360,422	222,061,885
Total liabilities	₱304,701,463	₱4,149,434,233	₱4,454,135,696
Cash flows arising from:			
Operating activities	₱72,681,423	(₱355,454,075)	(₱282,772,652)
Investing activities	(192,343,185)	(5,713,334)	(198,056,519)
Financing activities	-	447,000,000	447,000,000

Capital expenditures consist of additions to investment property amounting to ₱461.00 million and ₱172.93 million in 2014 and 2013, respectively.

Significant rental income earned from SLECC amounting to ₱504.34 million, ₱355.10 million and ₱385.85 million in 2014, 2013 and 2012, respectively.

23. Operating Lease

On January 1, 2011, the Group entered into a lease agreement with SLECC for the leasing of its investment property pertaining to the Sta. Lucia East Grand Mall (the Mall). The term of the lease is 15 months, with an automatic renewal provision for another one year unless written notice of termination is given by either party. In July 2012, the contract was further extended for another 15 months, ending in October 2013. Subsequent to October 2013, both parties have mutually agreed to continue with the lease agreement until termination is given by either party. Lease income is based on a certain percentage of net income derived by SLECC from mall tenants. On September 31, 2014, the lease agreement was terminated by both parties.

Total contingent rent income amounted to ₱262.70 million, ₱355.10 million and ₱385.85 million for the nine month period ended September 31, 2014 and for the years ended December 31, 2013 and 2012, respectively.



Effective October 1, 2014, the existing lease agreement over the Mall is directly between the Parent Company and the tenants.

Total rent income from mall tenants amount to ₱241.66 million for the three month period ended December 31, 2014.

Real property taxes amounting to ₱14.83 million, ₱14.73 million and ₱10.94 million were incurred for the property in 2014, 2013 and 2012, respectively.

24. Income Tax

Provision for income tax consists of:

	2014	2013	2012
Current	₱95,787,512	₱56,510,381	₱58,183,642
Deferred	139,154,109	78,158,154	98,648,983
Final	27,621	20,763	36,518
	<u>₱234,969,242</u>	<u>₱134,689,298</u>	<u>₱156,869,143</u>

The current provision for income tax in 2014, 2013 and 2012 represents RCIT.

The Group recognized deferred tax assets amounting to ₱102,040, ₱34,441 and ₱83,499 on remeasurement losses from pension liabilities recognized in OCI for the year ended December 31, 2014, 2013 and 2012, respectively.

The reconciliation of the statutory income tax rate to the effective income tax rate follows:

	2014	2013	2012
Statutory income tax rate	30.00%	30.00%	30.00%
Tax effect of:			
Nondeductible expenses	0.01	0.77	3.82
Income subjected to final taxes	(0.02)	(0.00)	(0.00)
Nontaxable dividend income	(0.72)	(0.38)	(0.38)
Effective income tax rate	<u>29.27%</u>	<u>30.39%</u>	<u>33.44%</u>



The components of net deferred tax liabilities as of December 31, 2014 and 2013 are as follows:

	2014	2013
Deferred tax assets on:		
Allowance for doubtful accounts	₱1,596,555	₱1,596,555
Accrued retirement liability	596,250	307,470
	2,192,805	1,904,025
Deferred tax liabilities on:		
Uncollected rental income	271,345,990	166,545,251
Excess of realized gross profit over taxable realized gross profit on real estate sales	66,395,469	47,189,089
Capitalized borrowing cost	28,463,762	23,669,569
Unamortized discount on receivables	23,658,868	22,698,191
Prepaid commission	41,105,087	41,239,436
Reopened lots	9,946,640	—
Unamortized transaction cost	599,165	743,077
Others	17,532	5,011
	441,532,513	302,089,624
Net deferred tax liability	(₱439,339,708)	(₱300,185,599)

The Group did not recognize deferred tax asset on NOLCO of SLHI and SVI amounting to ₱2.11 million and ₱2.49 million in 2014 and 2013, respectively, since management believes that the tax benefit related will not reverse through income tax deductions in the near future.

25. Basic/Diluted Earnings per Share

The basic/diluted earnings per share amounts for the years ended December 31, 2014, 2013 and 2012 were computed as follows:

	2014	2013	2012 (As restated)
Net income	₱548,747,286	₱300,003,118	₱311,215,609
Weighted average number of shares outstanding	7,534,837,500	10,796,450,000	10,796,450,000
Basic/Diluted EPS	₱0.073	₱0.028	₱0.029

Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

There have been no other transactions involving common shares or potential common shares between the reporting date and the date of authorization of the financial statements.

26. Financial Assets and Liabilities

Fair Value Information

The methods and assumptions used by the Group in estimating fair value of the financial instruments are as follows:



Cash, receivables accounts and other payables

Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Loans payable

Carrying amounts approximate the fair values because they carry interest rates which are the prevailing market rates for similar instruments.

Noncurrent installment contracts receivables

The fair values of real estate receivable are calculated by discounting expected future cash flows at applicable rates for similar instruments using the remaining terms of maturity. The discount rate used in 2014 and 2013 ranges from 2.17% to 4.14% and 2.50% to 3.60%, respectively. The carrying value and fair value of the receivables amounted to ₱1,214.98 million and ₱2,694.01 million, respectively, as of December 31, 2014 and ₱1,017.63 million and ₱2,434.39 million, respectively, as of December 31, 2013, respectively.

AFS financial assets

Fair values are based on quoted prices published in markets.

Fair Value Hierarchy

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2014, the Group's AFS financial assets amounting to ₱729.93 million (see Note 9) is carried at fair value based on Level 1 while the fair value for noncurrent installment contracts receivables property are based on Level 3. There have been no transfers between Level 1 and Level 2 during 2014 and 2013.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash, receivables, AFS financial assets and bank loans. The Group has other financial liabilities such as accounts and other payables which arise directly from the conduct of its operations.

Management closely monitors the cash fund and financial transactions of the Group. These strategies, to an extent, mitigate the Group's interest rate and credit risks.

Exposure to liquidity and credit risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.



Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The Group actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments, matches debt maturities with the assets being financed, maintains a diversity of funding sources with its unhampered access to bank financing and the capital markets. As of December 31, 2014 and 2013, the Group has undrawn facilities amounting to ₱1,566.00 million and ₱1,900.00 million, respectively. As part of the liquidity risk management, the Group currently transacts with local banks for an extension and negotiation of higher undrawn credit lines to meet the suppliers' and contractors' obligations and business expansion.

Through scenario analysis and contingency planning, the Group also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost, and ensures the availability of ample unused credit facilities as back-up liquidity.

Cash are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise.

The table summarizes the maturity profile of the Group's financial assets and financial liabilities at December 31 based on contractual undiscounted payments:

	2014			Total
	< 1 year	>1 to < 5 years	> 5 years	
Cash	₱116,071,782	₱—	₱—	₱116,071,782
Receivables:				
Trade:				
Subdivision land	564,416,928	109,669,834	277,069,486	951,156,248
Condominium units	117,429,980	36,434,138	109,957,341	263,821,459
Receivable from related parties	1,258,693,490	—	—	1,258,693,490
Advances to officers and employees	70,609,793	—	—	70,609,793
Accrued interest receivable	16,310,580	—	—	16,310,580
Commission receivable	12,669,379	—	—	12,669,379
Advances to joint venture	14,142,169	—	—	14,142,169
Receivables from tenants	5,087,420	—	—	5,087,420
Dividend receivable	5,729,340	—	—	5,729,340
Others	26,811,970	—	—	26,811,970
	₱2,207,972,831	₱146,103,972	₱387,026,827	₱2,741,103,630
Accounts and other payables:				
Contractors payable	₱828,726,652	₱—	₱—	₱828,726,652
Commissions payable	85,388,330	—	—	85,388,330
Accounts payable	60,450,002	—	—	60,450,002
Joint venture payable	65,656,019	—	—	65,656,019
Retention payable	46,920,798	—	—	46,920,798
Interest payable	8,975,286	—	—	8,975,286
Accrued payable	27,430,303	—	—	27,430,303
Others	80,159,960	—	—	80,159,960
Loans payable	3,198,051,669	—	—	3,198,051,669
	₱4,401,759,019	₱—	₱—	₱4,401,759,019



	2013			Total
	< 1 year	>1 to < 5 years	> 5 years	
Cash	P30,463,668	P—	P—	P30,463,668
Receivables:				
Trade:				
Subdivision land	363,594,000	121,308,642	339,834,340	824,736,982
Condominium units	64,820,849	35,886,798	92,181,877	192,889,524
Receivable from related parties	421,745,057	—	—	421,745,057
Advances to officers and employees	72,557,967	—	—	72,557,967
Accrued interest receivable	27,194,229	—	—	27,194,229
Advances to joint venture	11,142,169	—	—	11,142,169
Commission receivable	917,587	—	—	917,587
Dividend receivable	55,891	—	—	55,891
Others	14,440,491	—	—	14,440,491
	P1,006,931,908	P157,195,440	P432,016,217	P1,596,143,565
Accounts and other payables:				
Contractors payable	P690,206,348	P—	P—	P690,206,348
Commissions payable	85,388,330	—	—	85,388,330
Accounts payable	64,333,536	—	—	64,333,536
Joint venture payable	61,878,300	—	—	61,878,300
Retention payable	42,760,775	—	—	42,760,775
Advances from shareholders	16,206,103	—	—	16,206,103
Interest payable	7,014,427	—	—	7,014,427
Accrued payable	10,430,410	—	—	10,430,410
Others	39,957,943	—	—	39,957,943
Loans payable	2,673,156,842	—	—	2,673,156,842
	P3,691,333,014	P—	P—	P3,691,333,014

Cash and receivables are used for the Group's liquidity requirements. Refer to the terms and maturity profile of these financial assets under the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section.

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 for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial assets comprise of cash on hand and in bank, trade receivable, interest receivable and AFS financial assets. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. The Group's exposure to credit risk from cash on hand and in bank and AFS financial assets arise from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Real estate contracts

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. In addition, the credit risk for installment contracts receivables is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject lot in case of refusal by the buyer to pay on time the amortization due. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.



The table below shows the maximum exposure to credit risk for the components of the consolidated statements of financial position as of December 31, 2014 and 2013.

	2014	2013
Trade receivables:		
Subdivision land	₱951,156,248	₱824,736,982
Condominium units	263,821,459	192,889,524
Accrued interest receivable	16,310,580	27,194,229
Receivables from tenants	5,087,420	—
Receivable from related parties	1,258,693,490	421,745,057
Dividend receivable	5,729,340	55,891
	₱2,500,798,537	₱1,466,621,683



Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk. As of December 31, 2014 and 2013, the aging analysis of past due but not impaired receivables presented per class, is as follows:

	2014						
	Neither Past Due nor Impaired			Past Due but not Impaired			Total
	Impaired	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	
Trade:							
Subdivision land	P894,404,107	P1,904,959	P1,920,471	P783,103	P1,030,064	P45,791,695	P951,156,248
Condominium units	243,075,254	790,610	697,289	413,650	1,622,382	17,222,274	263,821,459
Receivable from related parties	1,258,693,490	-	-	-	-	-	1,258,693,490
Advances to officers and employees	70,609,793	-	-	-	-	-	70,609,793
Accrued interest receivable	16,310,580	-	-	-	-	-	16,310,580
Advances to joint venture	14,142,169	-	-	-	-	-	14,142,169
Commission receivable	12,669,379	-	-	-	-	-	12,669,379
Receivable from tenants	5,087,420	-	-	-	-	-	5,087,420
Dividend receivable	5,729,340	-	-	-	-	-	5,729,340
Others	26,811,970	-	-	-	-	-	26,811,970
Total	P2,547,533,502	P2,695,569	P2,617,760	P1,196,753	P2,652,446	P63,013,969	P5,321,849 P2,625,031,848

	2013						
	Neither Past Due nor Impaired			Past Due but not Impaired			Total
	Impaired	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	
Trade:							
Subdivision land	P749,756,260	P3,056,943	P2,144,176	P1,389,172	P5,977,993	P57,090,589	P824,736,982
Condominium units	158,424,000	2,146,032	1,723,076	1,545,527	1,652,667	27,398,222	192,889,524
Receivable from related parties	421,745,057	-	-	-	-	-	421,745,057
Advances to officers and employees	72,557,967	-	-	-	-	-	72,557,967
Accrued interest receivable	27,194,229	-	-	-	-	-	27,194,229
Advances to joint venture	11,142,169	-	-	-	-	-	11,142,169
Commission receivable	917,587	-	-	-	-	-	917,587
Dividend receivable	55,891	-	-	-	-	-	55,891
Others	14,440,491	-	-	-	-	-	14,440,491
Total	P1,461,555,500	P5,202,975	P3,867,252	P2,934,699	P7,630,660	P84,488,811	P5,321,849 P1,565,679,897



The table below shows the credit quality of the Group's financial assets as of December 31, 2014 and 2013.

	2014					
	Neither past due nor impaired			Past due but not impaired		Total
	High Grade	Medium Grade	Low Grade	Total	Impaired	
Cash	₱116,071,782			₱116,071,782	₱-	₱116,071,782
Receivables:						
Trade:						
Subdivision land	894,404,107	-	-	894,404,107	5,321,849	951,156,248
Condominium units	243,075,254	-	-	243,075,254	-	263,821,459
Receivable from related parties	1,258,693,490	-	-	1,258,693,490	-	1,258,693,490
Advances to officers and employees	70,609,793	-	-	70,609,793	-	70,609,793
Accrued interest receivable	16,310,580	-	-	16,310,580	-	16,310,580
Commission receivable	12,669,379	-	-	12,669,379	-	12,669,379
Advances to joint venture	14,142,169	-	-	14,142,169	-	14,142,169
Receivables from tenants	5,087,420	-	-	5,087,420	-	5,087,420
Dividend receivable	5,729,340	-	-	5,729,340	-	5,729,340
Others	26,811,970	-	-	26,811,970	-	26,811,970
AFS financial assets	729,933,085	-	-	729,933,085	-	729,933,085
	₱3,393,538,369	₱-	₱-	₱3,393,538,369	₱5,321,849	₱3,471,036,715
2013						
	Neither past due nor impaired			Past due but not impaired		Total
	High Grade	Medium Grade	Low Grade	Total	Impaired	
Cash	₱30,463,668			₱30,463,668	₱-	₱30,463,668
Receivables:						
Trade:						
Subdivision land	749,756,260	-	-	749,756,260	5,321,849	824,736,982
Condominium units	158,424,000	-	-	158,424,000	-	192,889,524
Receivable from related parties	421,745,057	-	-	421,745,057	-	421,745,057
Advances to officers and employees	72,557,967	-	-	72,557,967	-	72,557,967
Accrued interest receivable	27,194,229	-	-	27,194,229	-	27,194,229
Advances to joint venture	11,142,169	-	-	11,142,169	-	11,142,169
Commission receivable	917,587	-	-	917,587	-	917,587
Dividend receivable	55,891	-	-	55,891	-	55,891
Others	14,440,491	-	-	14,440,491	-	14,440,491
AFS financial assets	730,556,350	-	-	730,556,350	-	730,556,350
	₱2,217,253,669	₱-	₱-	₱2,217,253,669	₱5,321,849	₱2,326,699,915



The credit quality of the financial assets was determined as follows:

Cash - based on the nature of the counterparty.

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Group manages the equity price risk through diversification and placing limits on equity instruments.

The effect on equity, as a result of a change in fair value of quoted equity instruments held as AFS financial assets as of December 31, 2014 and 2013 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱72.99 million and ₱73.06 million, respectively, if equity indices will increase by 10%. An equal change in the opposite direction would have decreased equity by the same amount.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and maintaining a debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function of historical, current trend and outlook of interest rates, volatility of short-term interest rates, the steepness of the yield curve, and degree of variability of cash flows.

The following table demonstrates the sensitivity of the Group's income before tax and equity to a reasonably possible change in interest rates on December 31, 2014 and 2013, with all variables held constant, (through the impact on floating rate borrowings):

	Effect on income before income tax	
	Increase (decrease)	
	2014	2013
Change in basis points:		
+100 basis points	(₱112,172,563)	(₱26,731,568)
-100 basis points	112,172,563	26,731,568

The assumed change in rate is based on the currently observable market environment. There is no other impact on the Group's equity other than those already affecting the net income.



The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table:

2014						
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years
Cash	Fixed at the date of investment	Various	P116,071,782	P116,071,782	P-	P116,071,782
Trade receivables	Fixed at the date of sale	Date of sale	1,214,977,707	681,846,908	146,103,972	387,026,827
			P1,331,049,489	P797,918,690	P146,103,972	P387,026,827
						P1,331,049,489
Floating						
Short-term debt - various peso loans						
Peso	Variable at 3% over 91 days PDST R1	Monthly	P1,810,179,531	P1,810,179,531	P-	P1,810,179,531
Peso	Variable at 2.5% over 91 days PDST R1	Quarterly	1,390,366,541	1,390,366,541	-	1,390,366,541
			P3,200,546,072	P3,200,546,072	P-	P3,200,546,072
2013						
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years
Cash	Fixed at the date of investment	Various	P30,463,668	P30,463,668	P-	P30,463,668
Trade receivables	Fixed at the date of sale	Date of sale	1,017,626,506	428,414,849	157,195,441	432,016,216
			P1,048,090,174	P458,878,517	P157,195,441	P432,016,216
						P1,048,090,174
Floating						
Short-term debt - various peso loans						
Peso	Variable at 3% over 91 days PDST R1	Monthly	P1,281,000,000	P1,281,000,000	P-	P1,281,000,000
Peso	Variable at 2.5% over 91 days PDST R1	Quarterly	1,395,130,952	1,395,130,952	-	1,392,156,852
			P2,676,130,952	P2,676,130,952	P-	P2,673,156,852



27. Notes to Statement of Cash Flows

Below are the non-cash transactions for December 31, 2014 and 2013:

1. Impact of the transaction with SLRDI pertaining to the rescission of the assignment on land rights resulting to:
 - a. derecognition of deposit on land rights of ₱1.36 million and set-up of receivables from SLRDI of the same amount
 - b. offset of receipts of treasury shares valued at ₱900.00 million against the receivable set-up in (a)
2. Sale of lots of SLRDI to the Group amounting to ₱2.08 million and ₱1.61 million ₱1.61 million in 2014, 2013 and 2012, respectively. This was paid through the offset of outstanding amounts due from SLRDI.
3. As of December 31, 2013, the Group has an unpaid property and equipment amount to ₱1.73 million.





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BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Sta. Lucia Land, Inc.
Penthouse, Bldg. 3, Sta. Lucia East Grand Mall
Marcos Highway corner Imelda Avenue
Cainta, Rizal

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Sta. Lucia Land, Inc. and its subsidiaries as at December 31, 2014 and 2013 for each of the three years in the period ended December 31, 2014 included in this Form 17-A and have issued our report thereon dated April 13, 2015. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management and are presented for purposes of complying with the Securities Regulation Code Rule 68, as Amended (2011) and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, present fairly in all material respects the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia
Cyril Jasmin B. Valencia

Partner

CPA Certificate No. 90787

SEC Accreditation No. 1229-A (Group A),

May 31, 2012, valid until May 30, 2015

Tax Identification No. 162-410-623

BIR Accreditation No. 08-001998-74-2015,

February 27, 2015, valid until February 26, 2018

PTR No. 4751335, January 5, 2015, Makati City

April 13, 2015



STA. LUCIA LAND, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Management's Responsibility for Financial Statements

Report of Independent Auditors

Consolidated Statements of Financial Position as at December 31, 2014 and 2013

Consolidated Statements of Comprehensive Income for the years ended
December 31, 2014, 2013 and 2012

Consolidated Statements of Changes in Equity for the years ended
December 31, 2014, 2013 and 2012

Consolidated Statements of Cash Flows for the years ended
December 31, 2014, 2013 and 2012

Notes to Consolidated Financial Statements

SUPPLEMENTARY SCHEDULES

Report of Independent Auditors' on Supplementary Schedules

A. Financial Assets in Equity Securities

B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal
Stockholders (other than related parties)

C. Amounts Receivable from Related Parties which are Eliminated During the
Consolidation of Financial Statements

D. Intangible Assets

E. Long-term debt

F. Indebtedness to Related Parties (Long term Loans from Related Companies)

G. Guarantees of Securities of Other Issuers

H. Capital Stock

I. Reconciliation of Unappropriated Retained Earnings Available For Dividend Declaration

J. Schedule of all Effective Standards and Interpretations under PFRS as of December 31, 2014



STA. LUCIA LAND, INC. AND SUBSIDIARIES**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON
SRC RULE 68 AND 68.1 AS AMENDED****DECEMBER 31, 2014**

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not a required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

Below is the detailed schedule of financial assets in equity securities of the Group as of December 31, 2014:

Name of Issuing entity and association of each issue	Number of Shares	Amount Shown in the Statement of Financial Position
AFS financial assets		
Quoted		
Philippine Racing Club, Inc.	70,831,426	₱668,648,661
Manila Jockey Club, Inc.	28,471,277	61,284,424
	99,302,703	₱729,933,085

The basis in determining the value of equity securities is the market quotation on December 31, 2014.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Below is the schedule of advances to employees of the Group with balances above ₱100,000 as of December 31, 2014:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Antonio D. Robles	₱720,000	₱440,000	₱—	₱1,160,000
Aurora D. Robles	835,000	440,000	—	1,275,000
David M. Dela Cruz	—	—	—	—
Emerita Jingle C. Punzalan	—	62,000	—	62,000
Exequiel D. Robles	120,000	1,100,000	—	1,220,000
Kristine May Robles-Ordiz	250,000	440,000	—	690,000
Mardon Santos	—	440,000	—	440,000
Mariza Santos-Tan	—	440,000	—	440,000
Orestes R. Santos	1,690,248	440,000	—	2,130,248
Rolando Castro	—	—	—	—
Vicente R. Santos	—	1,100,000.00	—	1,100,000
	₱3,615,248	₱4,902,000	₱—	₱8,517,248



These advances consist of advances for expenses and disbursements necessary in carrying out their functions in the ordinary course of business such as for selling and marketing activities, official business trips, emergency and cash on delivery (COD) purchases of materials, equipment and supplies, repair of Group's vehicles, model units and housing units, registration of titles, etc. and short term loans given to officers and employees. The advances will be liquidated when the purposes for which these advances were granted are accomplished or completed or deducted from the officers'/employees' salaries if not liquidated. No amounts were written-off during the year and all amounts are presented as current.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2014:

	Nature	Volume of Transactions	Receivable	Terms
Sta. Lucia Homes, Inc. (SLHI)	Advances	P-	P4,401,866	Non-interest bearing and to be settled within one year
Santalucia Ventures Inc. (SVI)	Advances	-	16,754,572	Non-interest bearing and to be settled within one year
		P19,351,443	P12,352,706	

	Balance at beginning of period	Additions	Collections	Balance at end of period
SLHI	(P4,460,993.00)	P-	P59,127	(P4,401,866)
SVI	2,699,347	16,652,095	(2,596,870)	16,754,572
	P7,160,340	P16,652,097	(P2,655,997)	P12,352,708

The intercompany transactions between the Parent Company and the subsidiaries pertain to commission fees and advances for the pre-operations. There were no amounts written-off during the year and all amounts are expected to be settled within the year.

Related Party Transactions

Due from related parties

Below is the list of outstanding receivable from related parties of the Group presented in the consolidated statements of financial position as of December 31, 2014:

	Relationship	Nature	Balance at end of period
Sta. Lucia Realty and Development, Inc. (SLRDI)	Ultimate Parent Company	a,b,c,d, e, f, g	P798,310,771
Sta. Lucia East Commercial Corporation (SLECC)	Affiliate	h	444,723,303
			P1,258,693,489



Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

- a. Consisting of non-interest bearing advances for working capital requirements with no fixed repayment terms.
- b. Pertain to receivables from offsetting agreements with common suppliers with the Ultimate Parent Company.
- c. Pertain to noninterest-bearing cash advances for various charges to and from affiliated companies for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies, rentals for project exhibits and advertising/marketing costs.
- d. Represent monthly amortization payment from the buyers of the Group remitted to the Ultimate Parent Company.
- e. Pertain to the reinstated due from the Ultimate Parent Company after the after rescission of deposit on land rights and subsequently entering into a deed of assignment of shares of stock.
- f. Pertain to payable to Ultimate Parent Company for the Ultimate Parent Company's share in the sale of real estate properties of the Ultimate Parent Company but developed by the Parent Company.
- g. Pertains to the due from Ultimate Parent Company for the assumption of the its bank loan
- h. Pertain to uncollected rental income.

The outstanding balances of intercompany transactions have no fixed repayment period as of December 31, 2014.

Schedule D. Intangible Assets

The Group does not have intangible assets as of December 31, 2014.

Schedule E. Long-term debt

The Group does not have long-term debt as of December 31, 2014.

Schedule F. Indebtedness to Related Parties (Long term Loans from Related Companies)

The Group does not have long-term loans from related companies as of December 31, 2014.

Schedule G. Guarantees of Securities of Other Issuers

The Group does not have guarantees of securities of other issuers as of December 31, 2014.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	16,000,000,000	10,796,450,000	–	9,701,005,767	2,173,000	1,093,271,233



STA. LUCIA LAND, INC. AND SUBSIDIARIES
SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2014

**Unappropriated Retained Earnings, as adjusted to available for dividend distribution,
2014**

Non-actual/unrealized income - net of tax	₱591,966,276
Deferred income tax liabilities	(78,158,154)
Accretion income	32,942,364
Unrealized foreign exchange loss	(30,068)
Unappropriated Retained Earnings as adjusted, January 1, 2014	552,720,418
Net income actually earned/realized during the year	
Net income during the year closed to retained earnings	548,747,286
Less: Non-actual/unrealized income, net of tax	
Movement in deferred tax	139,154,109
Unrealized foreign exchange gain - net	—
Unrealized actuarial loss	340,136
Accretion income	(3,202,256)
Adjustment due to deviation from PFRS/GAAP - gain	—
Other unrealized expense or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS:	—
	1,237,759,693
Add (Less):	
Dividend declaration during the year	—
Cash dividend declaration during the year	—
Reversal of appropriation	—
Effects of prior period adjustments	—
Additional appropriation during the year	—
Total Unappropriated Retained Earnings Available For Dividend Distribution, December 31, 2014	₱1,237,759,693



STA. LUCIA LAND, INC. AND SUBSIDIARIES
SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND
INTERPRETATION AS OF DECEMBER 31, 2014

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional schedule requirements for large entities showing a list of all effective standards and interpretations under Philippine Financial Reporting Standards (PFRS).

Below is the list of all effective PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of December 31, 2014:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendments to PFRS 1: Borrowing Cost	✓		
	Amendments to PFRS 1: Meaning of "Effective PFRS"			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Definition of Vesting Condition		✓	



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
PFRS 3	Business Combinations			✓
	Accounting for Contingent Consideration in a Business Combination		✓	
	Scope Exceptions for Joint Arrangements		✓	
PFRS 4	Insurance Contracts			✓
PFRS 4 (cont.)	Amendments to PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Changes in Methods of Disposal		✓	
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Servicing Contracts		✓	
	Amendments to PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			✓
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
	Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements		✓	
	Amendments to PFRS 7: Hedge Accounting (2013 version)		✓	
PFRS 8	Operating Segments	✓		
	Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets		✓	
PFRS 9	Financial Instruments		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
	Financial Instruments: Classification and Measurement (2010 version)		✓	
	Amendments to PFRS 9: Hedge Accounting (2013 version)		✓	



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities		✓	
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		✓	
PFRS 11	Joint Arrangements	✓		
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations		✓	
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Investment Entities			✓
PFRS 13	Fair Value Measurement	✓		
	Amendments to PFRS 13: Short Term Receivable and Payable			✓
	Portfolio Exception		✓	
PFRS 14	Regulatory Deferral Accounts		✓	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Clarification of the Requirements for Comparative Information	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Date	✓		
PAS 11	Construction Contracts	✓		
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization		✓	
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization		✓	



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 16: Bearer Plants		✓	
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			✓
	Regional Market Issue Regarding Discount Rate		✓	
	Amendments to PAS 19: Defined Benefit Plan: Employee Contributions		✓	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24	Related Party Disclosures - Key Management Personnel	✓		
	Related Party Disclosures - Key Management Personnel (Amended)		✓	
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PAS 27: Equity Method in Separate Financial Statements		✓	
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
PAS 28	Investments in Associates and Joint Ventures	✓		
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendment to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities		✓	
PAS 33	Earnings per Share			✓



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
PAS 34	Interim Financial Reporting	✓		
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities	✓		
	Disclosure of Information 'Elsewhere in the Interim Financial Report'		✓	
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets			✓
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization		✓	
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization		✓	
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting		✓	
PAS 40	Investment Property	✓		
	Amendments to PAS 40: Clarification on Ancillary Services		✓	
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants		✓	
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
IFRIC 4	<i>Determining Whether an Arrangement Contains a Lease</i>			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	<i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>			✓
IFRIC 7	<i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i>			✓
IFRIC 8	<i>Scope of PFRS 2</i>			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC 9: Embedded Derivatives			✓
IFRIC 10	<i>Interim Financial Reporting and Impairment</i>			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real Estate		✓	
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Adopted	Not Applicable
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓
IFRS 15	Revenue from Contracts with Customers		✓	

Standards tagged as "Not Applicable" have been adopted by the Parent Company but have no significant covered transactions for the year ended December 31, 2014.

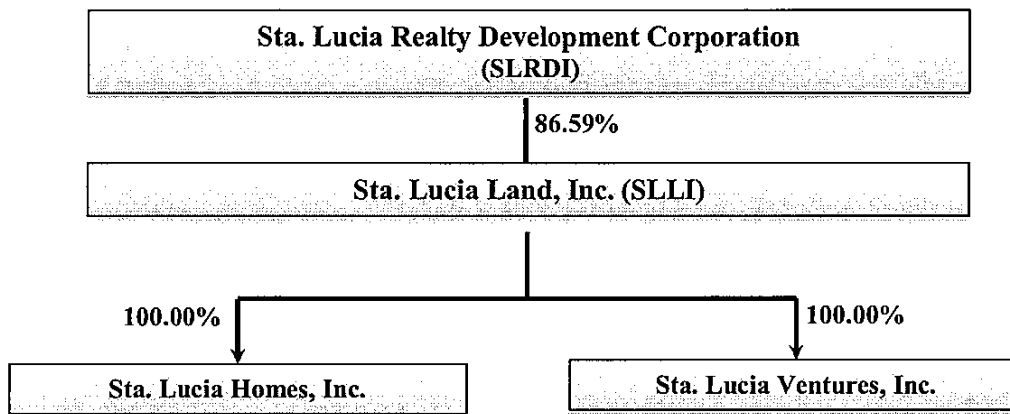
Standards tagged as "Not Adopted" are standards issued but not yet effective as of December 31, 2014. The Parent Company will adopt the Standards and Interpretations when these become effective.



STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONGLOMERATE MAP

The following chart illustrates the Company's material shareholders and subsidiaries as of the date of this Offering Memorandum.



Sta. Lucia Land, Inc.**Financial Ratios****December 31, 2014****2014****2013**

Interest Coverage Ratio	484.1042244	423.7916555
Net Income Before Tax	548,747,286	434,692,416.00
Interest Expense	113,353,129	102,572,198.00
	<u>4.841042244</u>	<u>4.237916555</u>

Profitability Ratio

Net Income Margin Ratio	23.89680027	22.60910267
Net Income	548,747,286	300,003,118
Revenue	2,296,321,180	1,326,912,980
	<u>0.238968003</u>	<u>0.226091027</u>

Return on Total Assets	3.076219086	1.745723811
Net Income	548,747,286	300,003,118
Total Assets	17,838,368,161	17,185,027,553
	<u>0.030762191</u>	<u>0.017457238</u>

Return on Equity	4.677241755	2.482504174
Net Income	548,747,286	300,003,118
Equity	11,732,283,998	12,084,697,425
	<u>0.046772418</u>	<u>0.024825042</u>

SEC Number: 031-050

File Number: _____

STA. LUCIA LAND, INC. AND SUBSIDIARIES

(Company's Full Name)

Penthouse Building 3, Sta. Lucia East Grand Mall,
Marcos Highway Cor. Imelda Ave., Cainta Rizal

(Company Address)

(632) 681-7332

(Telephone Number)

March 31, 2015

(Quarter Ended)

2015 1st Quarter Report – SEC Form 17-Q

(Form Type)

(Amendments)

**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 March 31, 2015
2. Commission identification number. 31050 3. BIR Tax Identification No. 000-152-291-000
- STA. LUCIA LAND, INC. AND SUBSIDIARIES
4. Exact name of issuer as specified in its charter
- Republic of the Philippines
5. Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
- Penthouse, Bldg. III, Sta. Lucia East Grand Mall, Marcos Highway cor. Imelda Ave., Cainta, Rizal 1900
7. Address of issuer's principal office Postal Code
- (02) 681-7332
8. Issuer's telephone number, including area code
9. 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 |
|---------------------|----------------------------|
| <u>Common</u> | Stock outstanding |
| | <u>10,796,450,000</u> |
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:
- _____
12. Indicate by check mark whether the registrant:
- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period 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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PART I - FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the Three Months ended March 31, 2015 and December 31, 2014

	March 31	December 31
	2015 (Unaudited)	2014(Audited)
ASSETS		
Current Assets		
Cash	₱142,522,280	₱116,071,782
Receivables	2,000,201,870	2,086,579,200
Real estate inventories	8,062,796,837	7,967,316,512
Deposits on land purchase	—	—
Other current assets	1,848,316,864	1,610,740,816
Total Current Assets	12,053,837,851	11,780,708,310
Noncurrent Assets		
Noncurrent installment contracts receivables	719,771,625	510,146,024
Available for sale financial assets	697,493,350	729,933,085
Investment properties	4,728,187,834	4,760,314,588
Property and equipment	41,192,700	38,633,920
Other noncurrent assets	18,744,302	18,632,234
Total Noncurrent Assets	6,205,389,811	6,057,659,851
	₱18,259,227,662	₱17,838,368,161
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	₱1,936,923,522	₱1,693,940,082
Loans payable	3,252,451,767	3,198,051,669
Customers' deposits	582,052,866	743,822,964
Income tax payable	47,909,422	29,044,281
Total Current Liabilities	5,819,337,577	5,664,858,996
Noncurrent Liabilities		
Pension Liability	1,987,500	1,987,500
Deferred tax liabilities - net	509,935,830	439,237,667
Total Noncurrent Liabilities	511,923,330	441,225,167
Total Liabilities	6,331,260,907	6,106,084,163
Equity		
Capital stock	10,796,450,000	10,796,450,000
Additional paid-in capital	192,053,636	192,053,636
Retained earnings	1,465,882,185	1,237,759,693
Treasury Shares	(900,000,000)	(900,000,000)
Unrealized gain on fair value of AFS	374,118,382	406,558,117
Remeasurement losses on pension liabilities	(537,448)	(537,448)
Total Equity	11,927,966,755	11,732,283,998
	₱18,259,227,662	₱17,838,368,161

STA. LUCIA LAND, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the Three Months ended March 31, 2015 and March 31, 2014 and December 31, 2014

	March 2015	March 2014	December 2014
REVENUE			
Real estate sales	₱614,370,007	₱425,134,017	₱1,445,350,119
Rental income	202,113,700	100,530,754	504,335,795
Interest income	19,015,408	13,548,334	83,443,459
Commission income	36,990,174	—	73,202,048
Construction income	—	—	28,036,774
Dividend income	—	—	5,673,449
Others	21,448,296	17,219,537	156,279,536
	893,937,585	556,432,642	2,296,321,180
COSTS AND EXPENSES			
Costs of real estate	262,252,929	103,019,784	761,459,659
Costs of rental income	126,582,752	27,022,925	248,841,127
Costs of construction	—	—	19,039,099
Interest expense	40,718,064	32,200,629	113,353,129
Depreciation and amortization	2,171,352	1,731,365	3,557,340
Commissions	69,404,489	81,903,660	199,603,673
Advertising	16,178,436	7,710,408	34,597,545
Taxes, licenses and fees	10,861,600	13,914,147	46,389,218
Salaries and wages	10,240,028	6,854,337	41,387,406
Professional fees	14,603,992	1,220,031	11,046,435
Representation	6,181,169	813,683	7,549,044
Utilities	3,381,565	845,114	3,926,680
Repairs and maintenance	699,792	518,588	1,753,347
Provision for doubtful account	—	—	—
Miscellaneous	5,617,468	10,767,895	20,100,950
	568,893,636	288,522,566	1,512,604,652
INCOME BEFORE INCOME TAX	325,043,949	267,910,076	783,716,528
PROVISION FOR INCOME TAX	96,921,457	82,738,411	234,969,242
NET INCOME	228,122,492	185,171,665	548,747,286
OTHER COMPREHENSIVE INCOME			
Unrealized gain for fair value of AFS	(32,439,735)	(54,998,476)	(623,265)
Remeasurement losses on pension liabilities	—	—	(238,095)
TOTAL COMPREHENSIVE INCOME	₱195,682,757	₱130,173,189	₱547,885,926
Basic/Diluted Earnings Per Share	₱0.027	₱0.017	₱0.070

STA. LUCIA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months ended March 31, 2015 and March 31, 2014

	March 31	March 31
	2015	2014
CAPITAL STOCK		
Common shares - ₱1 par value		
Authorized - 16,000,000,000 shares		
Issued and outstanding – 10,796,450,000 shares	₱10,796,450,000	₱10,796,450,000
	10,796,450,000	10,796,450,000
ADDITIONAL PAID-IN CAPITAL	192,053,636	192,053,636
TREASURY SHARES	(900,000,000)	
RETAINED EARNINGS		
Balance at beginning of year	1,237,759,693	689,012,407
Net income	228,122,492	185,171,665
Balance at end of year	1,465,882,185	874,184,072
UNREALIZED GAIN ON FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL ASSETS	374,118,382	352,182,906
REMEASUREMENT LOSSES ON PENSION LIABILITIES- NET OF TAX	(537,448)	(299,353)
	₱11,927,966,755	₱12,214,571,261

STA. LUCIA LAND, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Three Months ended March 31, 2015 and March 31, 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱325,043,949	₱267,910,076
Adjustments for:		
Depreciation and amortization expense	36,827,616	28,754,290
Interest expense	40,718,064	32,200,629
Interest income	(19,015,408)	(13,548,334)
Operating income before changes in working capital	383,574,221	315,316,661
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(439,407,001)	339,484,011
Real estate inventories	(338,591,660)	(315,349,156)
Due from related parties	(10,624,456)	(54,832,446)
Other current assets	232,157,838	(135,789,023)
Increase (decrease) in:		
Accounts and other payables	242,983,443	(296,402,471)
Customers' deposits	(73,310,322)	147,259,565
Net cash generated from (used in) operations	(3,217,937)	(312,859)
Interest paid	(40,718,064)	(32,200,629)
Interest received	19,015,408	13,548,334
Income taxes paid	—	—
Net cash provided by (used in) operating activities	(24,920,593)	(18,965,154)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Investment properties	(2,529,510)	—
Property and equipment	(387,428)	(10,707,738)
Other noncurrent assets	(112,068)	(522,230)
Net cash used in investing activities	(3,029,006)	(11,229,968)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	250,000,000	145,000,000
Payment of loans	(195,599,903)	(115,191,103)
Net cash provided by financing activities	54,400,097	29,808,897
NET INCREASE (DECREASE) IN CASH	26,450,498	(386,225)
CASH AT BEGINNING OF YEAR	116,071,782	30,463,668
CASH AT END OF PERIOD	₱142,522,280	₱30,077,443

STA. LUCIA LAND, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Sta. Lucia Land, Inc. (the Parent Company) is a publicly-listed company incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 1966 under the name Zipporah Mining and Industrial Corporation to engage in mining. On August 14, 1996, the Parent Company's Articles of Incorporation was amended to effect the following: (a) changing the corporate name to Zipporah Realty Holdings, Inc., and (b) transferring the original primary purpose to secondary purpose from being a mining firm to a real estate company, the primary purpose of which is to acquire by purchase, lease, donation, and to own, use, improve, develop and hold for investment, real estate of all kinds, improve, manage or dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances.

The registered office address and principal place of business of the Parent Company and its subsidiaries (collectively referred to as the Group) is at Penthouse, Bldg. 3, Sta. Lucia East Grand Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal.

The Group is 89.85% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company).

On January 9, 2013, the Parent Company filed an application with SEC for the incorporation of one of its wholly owned subsidiary Sta. Lucia Homes, Inc. (SLHI), the primary purpose of which is to construct, develop, improve, mortgage, pledge and deal with residential structure for lot buyers of the Group. The Parent Company received an approval on February 20, 2013. On January 31, 2013, the Parent Company also filed an application with SEC for the incorporation of another wholly owned subsidiary Santalucia Ventures Inc. (SVI), whose primary purpose is to market, operate, manage, develop, improve, dispose, mortgage, pledge and deal with residential structure for lot buyers of the Group. Such application was approved by SEC on April 5, 2013.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared using the historical cost basis, except for available-for-sale (AFS) financial assets that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Group's functional currency and all values are rounded to nearest Philippine peso except when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries, and the corresponding percentages of ownership of the Parent Company as at December 31:

	Principal activity	Effective percentage of ownership		
		Mar 2015	2014	2013
Sta. Lucia Homes, Inc. (SLHI)	Property development and construction	100	100	100
Santalucia Ventures Inc. (SVI)	Marketing and advertising	100	100	100

Subsidiaries are fully consolidated from the date of incorporation, being the date on which the Parent Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if, and only if, it has:

- a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

All intra-group balances and transactions, including income, expenses and dividends and gains and losses are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Changes in Accounting Policies and Disclosures

The Group adopted the following new and amended PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) which became effective January 1, 2014. Except as otherwise stated, adoption of these standards and interpretations did not have any significant impact on the accounting policies, financial position or performance of the Group.

The nature and the impact of each new standard and amendment are described below:

- **Investment Entities (Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 27, *Separate Financial Statements*)**
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The amendments must be applied retrospectively, subject to certain transition relief. These amendments have no impact to the Group since none of the entities within the Group qualifies to be an investment entity under PFRS 10.
- **PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)**
The amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments have no impact on the Group's financial position or performance.
- **PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)**
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group as the Group has no its derivatives during the current or prior periods.
- **PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)**
These amendments remove the unintended consequences of PFRS 13, Fair Value Measurement, on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. The application of these amendments has no material impact on the disclosure in the Group's financial statements.
- **IFRIC 21, *Levies***
IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Group as it has applied the recognition principles under PAS 37, Provisions, Contingent Liabilities and Contingent Assets, consistent with the requirements of IFRIC 21 in prior years.

Annual Improvements to PFRSs (2010-2012 cycle)

In the 2010 - 2012 annual improvements cycle, seven amendments to six standards were issued, which included an amendment to PFRS 13, Fair Value Measurement. The amendment to

PFRS 13 is effective immediately and it clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment has no impact on the Group.

Annual Improvements to PFRSs (2011-2013 cycle)

In the 2011 - 2013 annual improvements cycle, four amendments to four standards were issued, which included an amendment to PFRS 1, First-time Adoption of Philippine Financial Reporting Standards. The amendment to PFRS 1 is effective immediately. It clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment has no impact on the Group as it is not a first time PFRS adopter.

Standards Issued But Not Yet Effective

The Group has not applied the following PFRS, PAS and Philippine Interpretations which are not yet effective as of December 31, 2014. This list consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

- *PFRS 9, Financial Instruments - Classification and Measurement (2010 version)*
PFRS 9 (2010 version) reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, Financial Instruments: Recognition and Measurement. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss (FVPL). All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. This mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Philippine Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Board of Accountancy (BOA).

In compliance with SEC Memorandum Circular No. 3, series of 2012, the Group has conducted a study on the impact of an early adoption of PFRS 9. After a careful consideration of the results on the impact evaluation, the Group has decided not to early adopt PFRS 9 for its 2014 annual financial reporting. Therefore, these financial statements do not reflect the impact of said standard.

- *Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate*

This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

The adoption of this interpretation may significantly affect the determination of the Group's revenue from real estate sales and the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings accounts.

The following new standards and amendments issued by the IASB were already adopted by the FRSC but are still for approval by BOA:

Effective January 1, 2015

- *PAS 19, Employee Benefits - Defined Benefit Plans: Employee Contributions (Amendments)*
PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015. It is not expected that this amendment would be relevant to the Group since it has no defined benefit plans with contributions from employees or third parties.

Annual Improvements to PFRSs (2010-2012 cycle)

The Annual Improvements to PFRSs (2010-2012 cycle) are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group. They include:

- *PFRS 2, Share-based Payment - Definition of Vesting Condition*
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
 - A performance condition must contain a service condition
 - A performance target must be met while the counterparty is rendering service
 - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
 - A performance condition may be a market or non-market condition
 - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This amendment does not apply to the Group as it has no share-based payments.

- *PFRS 3, Business Combinations - Accounting for Contingent Consideration in a Business Combination*
The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39, Financial Instruments: Recognition and Measurement. The Group shall consider this amendment for future business combinations.

- *PFRS 8, Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*

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The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- *PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.
- *PAS 24, Related Party Disclosures - Key Management Personnel*
The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual Improvements to PFRSs (2011-2013 cycle)

The Annual Improvements to PFRSs (2011-2013 cycle) are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group. They include:

- *PFRS 3, Business Combinations - Scope Exceptions for Joint Arrangements*
The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
 - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
 - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.
- *PFRS 13, Fair Value Measurement - Portfolio Exception*
The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.
- *PAS 40, Investment Property*
The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Effective January 1, 2016

- *PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*

The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

- *PAS 16, Property, Plant and Equipment, and PAS 41, Agriculture - Bearer Plants (Amendments)*

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, Accounting for Government Grants and Disclosure of Government Assistance, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.
- *PAS 27, Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments)*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's financial statements.
- *PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016.
- *PFRS 11, Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (Amendments)*

The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the

amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

- *PFRS 14, Regulatory Deferral Accounts*
PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing PFRS preparer, this standard would not apply.

Annual Improvements to PFRSs (2012-2014 cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group. They include:

- *PFRS 5, Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- *PFRS 7, Financial Instruments: Disclosures - Servicing Contracts*
PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.
- *PFRS 7 - Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.
- *PAS 19, Employee Benefits - regional market issue regarding discount rate*
This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated,

rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report'*
The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective January 1, 2018

- PFRS 9, *Financial Instruments - Hedge Accounting and amendments* to PFRS 9, PFRS 7 and PAS 39 (2013 version)
PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA. The adoption of PFRS 9 is not expected to have any significant impact on the Group's financial statements.

- PFRS 9, *Financial Instruments* (2014 or final version)
In July 2014, the final version of PFRS 9, Financial Instruments, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

The adoption of PFRS 9 is not expected to have any significant impact on the Group's financial statements.

The following new standard issued by the IASB has not yet been adopted by the FRSC:

- International Financial Reporting Standards (IFRS) 15, Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for

transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Group is engaged in selling activities of real estate projects while construction is in progress or even before it has started. The standard is expected to impact the revenue recognition on these pre-completed real estate sales whether revenue will be recognized at a point-in-time or over time. If there will be change in revenue recognition, this will also impact the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings account.

4. Aging of Receivables

As of March 31, 2015(Unaudited)

	Neither Past Due nor Impaired	Past Due but not Impaired					Total	Impaired	Total
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days			
Trade	P 1,848,095,347	P2,736,405	P2,808,903	P2,277,412	P7,417,913	P59,839,837	P75,080,470	P-	P1,923,175,817
Nontrade	796,797,678	-	-	-	-	-	-	-	796,797,678
Total	P2,644,893,025	P2,736,405	P2,808,903	P2,277,412	P7,417,913	P59,839,837	P75,080,470	P-	P2,719,973,495

As of March 31, 2014 (Unaudited)

	Neither Past Due nor Impaired	Past Due but not Impaired					Total	Impaired	Total
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days			
Trade	P959,256,762	P39,406,880	P6,981,617	P5,479,843	P9,368,428	P34,065,697	P95,302,465	P-	P1,054,559,227
Nontrade	565,949,354	-	-	-	-	-	-	-	565,949,354
Total	P1,525,206,116	P39,406,880	P6,981,617	P5,479,843	P9,368,428	P34,065,697	P95,302,465	P-	P1,620,508,581

5. Segment Information

The following tables regarding business segments present assets and liabilities as of March 31, 2015 and March 31, 2014 and revenue and income information for each of the two periods ended March 31, 2015 and March 31, 2014.

As of March 31, 2015 (Unaudited)

	Leasing	Residential Development	Total
Rental income	₱202,113,700	₱–	₱202,113,700
Depreciation	(2,171,352)	–	(2,171,352)
Cost of rental income	(126,582,752)	–	(126,582,752)
Real estate sales	–	651,360,181	651,360,181
Cost of real estate sales	–	(262,252,929)	(262,252,929)
Construction income	–	–	–
Cost of construction income	–	–	–
Segment profit	73,359,596	389,107,252	462,466,848
General and administrative expense	(2,735,550)	(128,815,521)	(131,551,071)
Interest income	–	19,015,408	19,015,408
Interest expense	–	(40,718,064)	(40,718,064)
Other income	–	21,448,296	21,448,296
Other expense	–	(5,617,468)	(5,617,468)
Provision for income tax	(21,187,214)	(75,734,243)	(96,921,457)
Net income	₱49,436,832	₱178,685,660	₱228,122,492
Segment assets	₱4,728,187,834	₱13,531,039,828	₱18,259,227,662
Segment liabilities	₱74,295,520	₱3,762,196,609	₱3,836,492,129
Accounts and other payables	–	1,936,923,525	1,936,923,525
Income tax payable	21,187,214	26,722,209	47,909,423
Deferred tax liability	271,345,990	238,589,840	509,935,830
Total liabilities	₱366,828,724	₱5,964,432,186	₱6,331,260,907

As of March 31, 2014 (Unaudited)

	Leasing	Residential Development	Total
Rental income	₱100,530,754	₱–	₱100,530,754
Depreciation	(27,022,925)	–	(27,022,925)
Cost of rental income	–	–	–
Real estate sales	–	425,134,017	425,134,017
Cost of real estate sales	–	(103,019,784)	(103,019,784)
Construction income	–	–	–
Cost of construction income	–	–	–
Segment profit	73,507,829	322,114,233	395,622,062
General and administrative expense	(2,735,550)	(109,104,582)	(111,840,132)
Interest income	–	13,548,334	13,548,334
Interest expense	–	(32,200,629)	(32,200,629)
Other income	–	13,548,334	13,548,334
Other expense	–	(10,767,895)	(10,767,895)
Provision for income tax	(14,393,122)	(68,345,289)	(82,738,411)
Net income	₱56,379,157	₱128,792,506	₱185,171,663
Segment assets	₱4,389,404,576	₱11,636,629,697	₱16,026,034,273
Deposit on land purchase	598,574,775	760,111,594	1,358,686,369
Total segment assets	₱4,987,979,351	₱12,396,741,291	₱17,384,720,642
Segment liabilities	₱144,000,000	₱3,186,440,570	₱3,330,440,570
Accounts and other payables	–	1,436,358,031	1,436,358,031
Income tax payable	14,393,122	25,802,973	40,196,095
Deferred tax liability	174,191,489	188,963,196	363,154,685
Total liabilities	₱332,584,611	₱4,837,564,770	₱5,170,149,381

6. Financial Instruments

Fair Value Information

The methods and assumptions used by the Group in estimating fair value of the financial instruments are as follows:

Cash, receivable from related parties, accrued interest receivable, dividend receivable, accounts and other payables and loans payable - Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Noncurrent receivables - The fair values of real estate receivable are calculated by discounting expected future cash flows at applicable rates for similar instruments using the remaining terms of maturity.

AFS financial assets - Fair values are based on quoted prices published in markets.

Fair value hierarchy

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: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of March 31, 2015, the Company's AFS financial assets amounting to P697.49 million are carried at fair value based on Level 1. There were no transfers between and among levels 1, 2 and 3 in 2015 and 2014.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash, receivables, AFS financial assets and bank loans. The Company has other financial liabilities such as accounts and other payables which arise directly from the conduct of its operations.

Management closely monitors the cash fund and financial transactions of the Group. These strategies, to an extent, mitigate the Group's interest rate and credit risks.

Exposure to liquidity and credit risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- ☐ to identify and monitor such risks on an ongoing basis;
- ☐ to minimize and mitigate such risks; and
- ☐ to provide a degree of certainty about costs.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

Liquidity risk

The Group actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments, matches debt maturities with the assets being financed, maintains a diversity of funding sources with its unhampered access to bank financing and the capital markets. As part of the liquidity risk management, the Company currently transacts with local banks for an extension and negotiation of higher undrawn credit lines to meet the suppliers' and contractors' obligations and business expansion.

Through scenario analysis and contingency planning, the Group also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost, and ensures the availability of ample unused credit facilities as back-up liquidity.

Cash are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise.

Credit risk

Financial assets comprise of cash on hand and in bank, trade receivable, interest receivable and AFS financial assets. The Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. The Group's exposure to credit risk from cash on hand and in bank and AFS financial assets arise from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Real estate contracts

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. In addition, the credit risk for installment contracts receivables is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject lot in case of refusal by the buyer to pay on time the due installment contracts receivable. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Company manages the equity price risk through diversification and placing limits on equity instruments.

Interest rate risk

The Company's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Company's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Company manages its interest rate risk by leveraging on its premier credit rating and maintaining a debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function of historical, current trend and outlook of interest rates, volatility of short-term interest rates, the steepness of the yield curve, and degree of variability of cash flows.

ITEM 2: MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULT OF OPERATIONS

Result of Operations

(Three months ended March 31, 2015 compared to the Three Months ended March 31, 2014)

Revenue

A 61% overall increase in revenue was generated by Sta. Lucia Land, Inc. and Subsidiaries (Group) for the first three months in 2015 compared to last year's same period. A high of P894 Million totaled in revenue compared to last year's P556 Million. This showcases the Group's residential and condominium sales take up attributed to the increasing sales activities made on the past years evidenced by 45% increase in real estate sales amounted to P614 Million. Since the management has addressed the internal restructuring of the mall management, a 101% increase was posted in the first quarter of operations in terms of revenue. This stamps the Group's continuous engagement on new developments that will improve its revenue take up in the next periods to come.

Cost and Expense

Relative to the increase in sales, an increase to P159 Million of the Company's cost of sales was observed for the first three months of 2014 from P103 Million of the same period last year. An additional cost line item, cost of rental income, is observed amounting to P127 Million as a direct cost of the mall operations. Increase in commission was also imminent due to the increase in sales.

Comprehensive Income

For the first quarter of 2015, though a decrease in the bid price of the shares was observed which amounted to P32 Million, the Group still managed to increase its Comprehensive income from P130 Million to P196 Million.

Financial Condition

(Three months ended March 31, 2015 compared to year ended December 31, 2014)

Total Assets

Total assets increased for the period ending March 31, 2015 amounted to P18,259 Million, which shows a 2% increase from P17,838 Million of December 31, 2014. Increase in Installment Contract Receivables, Real Estate Inventory, Advances to Contractors and Prepaid Commissions contributed largely to the increase.

Total Liabilities

The Group's total liabilities is up by 4% from P6,106 Million of last year to P6,313 Million of this year due to the construction payables, additional availed term loans, deferred tax liabilities and income taxes payables posted.

Key Performance Indicators

	March 31, 2015	December 31, 2014
Current Ratio	2.08	2.08
Debt to Equity	.27	.28
Interest Coverage Ratio	798.28%	691.39%
Return on Asset	1.25%	3.08%
Return on Equity	1.91%	4.68%

*Notes to Key Performance Indicator:

1. Current Ratio = current assets (cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset) over current liabilities (accounts payable, customer deposit, current portion of bank loans and income tax payables).
2. Debt to Equity = Total debt over shareholder's equity.
3. Interest Coverage Ratio= Earnings before Income Tax over Interest Expense
4. Return on Asset = Net Income over Total Assets
5. Return on Equity = Net Income over shareholder's equity.

Material Changes in the Balance Sheet (+/- 5%) as of March 31, 2015 versus the Balance Sheet as of December 31, 2014

87% increase in cash

This was primarily due to the operations of the Group on real estate sales and mall management.

9% decrease in current receivables

This was primarily due to the increase in long term receivable contract with the new sales take up for the period.

25% increase in other current assets

The increase primarily was due to the increase in commission advances and prepayments to contractors.

36% increase in Non-current installment contract receivables

Corresponds to the new mix of buyers opting longer payment schemes.

11% increase in property and equipment

Mainly due to the additional acquisition of new office and transportation equipments.

16% increase in accounts and other payables

This increase corresponds to the continuous development of projects by the Group which will incur construction costs.

24% decrease in customer's deposit

Though there were increase in new reservations applications and collections under down payment period, the recognition of new sales in the period caused the decrease.

88% increase in income tax payable

Primarily due to results of operations in the first quarter of the year and payment for 2014 year end income tax was made in the second quarter of the year.

24% increase in deferred tax liabilities

Primarily due to results of operations in the first quarter of the year that resulted to a deferral of tax.

36% increase in retained earnings

The increase was mainly due to the net income recognized for the period.

8% decrease in unrealized fair market value of AFS

The decrease was mainly due to the said decrease in AFS investment value of the Company.

Material Changes in the Income Statement (+/-5% and >P10M) for the Three-Month Period Ended March 31, 2015 versus the Income Statement for the Three-Month Period Ended March 31, 2014

45% increase in Real Estate Sales

The effect of longer downpayment schemes on sales of previous years was reflected in the books this period hence the increase in real estate sales.

101% increase in Rental Income

Due to the change in internal operations of the Company whereby a management services agreement was executed in place of the lease agreement.

100% increase in Commission Income

This is due to the commission generated by the Group from the sale of certain projects tied up with the parent.

40% increase in interest income

Increase in collection of interest income for the period.

25% increase in other income

Primarily due to the continuous increase in revenue other than its real estate sales such as booking of surcharges/penalties, processing fees and other services.

155% increase in cost of real estate sales

This is primarily attributable to the adjustment of costs per square meter by the Group to cope up with inflation.

368% increase in cost of rental income

A change in accounting of mall income as the Company whereby a management services agreement was executed in place of the lease agreement.

15% decrease in Commission

Due to varying percentage of commission was given on the marketing companies and broker depending the type of the project.

92% decrease in depreciation

Mainly due to the change in presentation of depreciation for the investment properties booked at cost of rental income.

26% increase in interest expense

Due to the additional loan availments made by Company during the period.

110% increase in advertising

Due to the aggressive selling and marketing activities of the Group.

1097% increase in professional fee

A management expense was booked by the Company for the services of the party managing the mall operations.

660% increase in representation

Mainly due to the expansion activities of the Company

PART II – OTHER INFORMATION

Item 3: 1st Quarter of 2015 Developments

No additional subscription was made by the Company nor was any merger executed.

A. Composition of Board of Directors

Vicente R. Santos	Chairman
Exequiel D. Robles	President
Mariza Santos-Tan	Treasurer
Aurora D. Robles	Assistant Treasurer
Antonio D. Robles	Director
Orestes R. Santos	Director
Santiago Cua	Director
Jose Ferdinand R. Guiang	Independent Director
Osmundo De Guzman, Jr.	Independent Director

B. Performance of the corporation or result/progress of operations.

Please see the unaudited Financial Statements and Management's Discussion and Analysis (MD&A) on result of operation with regards to the performance of the corporation or result/process of operations.

C. Declaration of Dividends.

None

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

None

E. Offering of rights, granting of Stock Options and corresponding plans thereof.

None

F. Acquisition of additional mining claims or other capital assets or patents, formula, real estate.

Not Applicable

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

None

- H. Transferring of assets, except in normal course of business.
None

Item 4: Other notes to Operations and Financials as of March 31, 2015

- I. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents
None
- J. Nature and amount of change 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.
- K. New financing through loans/ issuances, repurchases and repayments of debt and equity securities.
Availment of additional loans
- L. All Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
There were no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the period covered.
- M. 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 investment restructurings, and discontinuing operations.
None
- N. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.
None
- O. Existence of material contingencies and other material events or transactions during the interim period.
None
- P. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
None
- Q. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations) , and other relationships of the company with unconsolidated entities or others persons created during the reporting period.
None
- R. Material commitments for capital expenditures, general purpose and expected sources of funds.
None
- S. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.
None

- T. Significant elements of income or loss that did not arise from continuing operations.
None
- U. Causes for any material change/s from period to period in one or more line items of the financial statements.
See Management Discussion & Analysis portion of the quarter report
- V. Seasonal aspects that had material effect on the financial condition or results of operations.
None
- W. Disclosures not made under SEC Form 17-C
None

STA. LUCIA LAND, INC. AND SUBSIDIARIES**FINANCIAL RATIOS**

As of March 31, 2015

	March 31, 2015	December 31, 2014
Current Ratio	2.08	2.08
Debt to Equity	.27	.28
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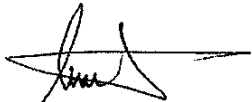
SIGNATURES

Pursuant to the Requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

STA. LUCIA LAND, INC.
Issuer



VICENTE R. SANTOS
Chairman
Date: May 12, 2015



EXEQUIEL D. ROBLES
President
Date: May 12, 2015



MARIZA R. SANTOS-TAN
Treasurer
Date: May 12, 2015