

PRESS RELEASE

SLI bullish on its housing subsidiary

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Known for developing and marketing subdivision lots nationwide, SLI's business model has been built on selling "lots only" with buyers having their decision as to when will they construct their houses using their own contractors.

Last year, SLI incorporated a fully owned subsidiary, Sta Lucia Homes ("SLH"), a contractor company whose sole purpose is to offer construction services to the Sta Lucia group's over 120,000 lot buyers over the last 40 years.

"Majority of our lot buyers do have the intention and the initial capital to construct houses, but has limited access to contractors, difficulty in securing the necessary business permits and little or no access to bank financing" says David M. Dela Cruz, SLI and SLH EVP and CFO. We have seen this gap and decided to offer our buyers a reliable contractor to address all their construction, documentation and financing needs.

"We estimate that we have over 60,000 lots buyers nationwide that has yet to build houses", says Ria Rivadeneira, SLHomes General Manager. *"Just to serve 5% of this market or to construct 3,000 houses is already a challenge. Although arguably not a captive market, these lots were sold by our agents who are still in touch with these buyers. All we need to do is to reestablish these relationships",* she added.

In terms of financing, SLI and SLH are currently working with consumer bankers who will ultimately take on the mortgage, thus insulating SLH from any credit risks.

House construction is not only a profitable venture, but will also significantly improve SLI's financial performance.

SL Homes is the Company's contribution to the country's estimated housing backlog of 3.9 Million houses (source: SHDA estimate for 2014) which benefits not just our current customers but the communities within the area as property values will increase once houses are constructed and communities are developed.