COVER SHEET

3 1 0 5 0

S.E.C. Registration Number

S T A . L U C I A L A N D , I N C .

(Company's Full Name)

P E N T H O U S E , B U I L D I N G 3 , S T A .
L U C I A M A L L , M A R C O S H I G H W A Y C O R
I M E L D A A V E N U E , C A I N T A ,
R I Z A L 1 9 0 0

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

PATRICIA A. O. BUNYE
(Corporate Secretary)
Contact Person

(02) 8681-7332
Company Telephone Number

Preliminary Information Statement

1 2	3 1	2 0 - I S	0 6	1 7
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

N/A
Secondary License Type, If Applicable

S E C
Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

262
Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

Via Email
Email : msrd_covid19@sec.gov.ph
Cc : vgpfelizmenio@sec.gov.ph
eepmendinueto@sec.gov.ph
djvbernardo@sec.gov.ph
cegaliza@sec.gov.ph

25 May 2022

SECURITIES AND EXCHANGE COMMISSION
Markets and Securities Regulation Department
Secretariat Building, PICC Complex
Roxas Boulevard, Metro Manila

Attention: **MR. VICENTE GRACIANO P. FELIZMENIO, JR.**
Director

Re: **2022 Definitive Information Statement and Management Report**

Gentlemen:

We refer to the checklist of comments of the Honorable Commission's Markets and Securities Regulation Department attached to its email dated 19 May 2022 regarding the Preliminary Information Statement (SEC Form 20-IS) and Management Report of **STA. LUCIA LAND, INC.** (the "Corporation"), which was duly received by the Honorable Commission on 13 May 2022 in connection with the Annual Stockholders' Meeting ("ASM") of the Corporation to be held on 17 June 2022.

We respectfully submit herewith the Definitive Information Statement and Management Report of the Corporation, which were prepared taking into account the Checklist of Requirements attached to the Honorable Commission's email dated 19 May 2022. A table referencing the revisions made is attached as Annex "A" hereof. The Definitive Information Statement and Management Report, as well as the Notice of the ASM, shall be sent to all stockholders of record of the Corporation upon receipt of clearance from the Honorable Commission.

We trust that you will find the foregoing in order.

Very truly yours,

PATRICIA A. O. BUNYE
Corporate Secretary

Copy Furnished:
(Via Online Disclosure)

PHILIPPINE STOCK EXCHANGE, INC.
Disclosure Department
6F, PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City, Metro Manila

ANNEX "A"

STA. LUCIA LAND, INC.		
Checklist of Requirements	**Remarks**	**SLI Response**
SEC Form 20-IS Preliminary filed on 13 May 2022		
General Comment: **Comply with the disclosure requirements under Sec. 49 of the Revised Corporation Code, provide a table (at least with 2 columns) or list of the required disclosure/information on Sec. 49 of the RCC (use the wording as provided in Sec 49 of the Code and provide this in the 1st column) and the page number of the DIS, or reference it to the company's website where the disclosure/information can be found (this for the 2nd column).**	**Please comply.**	Complied with. Please refer to the Discussion on the Corporation's compliance with Section 49 of the Revised Corporation Code ("RCC") below.
SRC Rule 20.3.3.5 Information Statement and Management Report shall be uploaded to Issuer's Website for downloading by interested parties	Please upload the Management Report in the company's website.	Pursuant to Section 20.3.3.3 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code, copies of the definitive information statement, proxy form and all other materials, if any, shall be filed with the SEC **prior** to the date such material/s shall be first sent or given to security holders. The Corporation shall upload the Definitive Information Statement ("DIS") and Management Report to the Corporation's website and PSE Edge after submission of the same to the Honorable Commission.
COVER SHEET		
6. Address of principal office – Postal Code	Please indicate.	Complied with. Please refer to page 1 of the DIS.
8. Date, time, and place of the meeting of security holders	Please disclose the specific means on which the virtual meeting is to be conducted (via Zoom, Teams, etc.).	Complied with. Please refer to page 1 of the DIS.
A. General Information		
ITEM 1. DATE, TIME, AND PLACE OF MEETING		
Date, time, place of meeting	Please disclose the specific means on which the virtual meeting is to be conducted (via Zoom,	Complied with. Please refer to page 2 of the DIS.

Complete mailing address of the principal office	Teams, etc.).	
Approximate date on which information statement is first sent or given to security holders		
B. Control and Compensation Information		
ITEM 4. VOTING SECURITIES & PRINCIPAL HOLDERS		
If action is with respect to the election of directors and have cumulative voting rights:		
(1) Make a statement that they have such right;	Please fully disclose the required information.	Complied with. Please refer to page 3 of the DIS.
(2) Brief description of right;		
(3) Condition precedent to the exercise thereof; and		
(4) If discretionary authority to cumulative votes is solicited, so indicate.		
Furnish information required by Part IV paragraph (C) of "Annex C, as amended": (1) Security Ownership of Certain Record and Beneficial Owners of more than 5%		
(1) Title of class	Please indicate the relationship of SLRDI with the company. Indicate the beneficial owners of SLRDI in the "Name of Beneficial Owner" column, instead of the footnote disclosure.	Complied with. Please refer to pages 3-4 of the DIS.
(2) Name, address of record owner and relationship with company		
(3) Name of Beneficial Owner and Relationship with Record Owner		
(4) Citizenship		
(5) No. of Shares Held		
(6) Percent		
ITEM 5. DIRECTORS & EXECUTIVE OFFICERS	Please submit a certification that no directors or officers are connected with any government agencies or its instrumentalities. If there is/are person/s working in any government agency, notify them to submit a written permission from the head of department instead of a certification.	Complied with. Please refer to the notarized Certifications of the Corporation's directors and officers attached to the DIS.
(A)(1) Identify Directors, including Independent Directors and Executive Officers		
(a) List the names, ages, and citizenship of all directors, including independent directors, executive officers, and all persons nominated or chosen to become such where required under Section 38 of the Code and SRC Rule 38.1 adopted thereunder; also provide	Please include age and citizenship columns in the summary tables of directors and executive officers on page 7.	Complied with. Please refer to pages 7-8 of the DIS.

the names of the incorporators in the case of an investment company.		
(b) List of positions and offices such persons held or will hold;		
(c) Term of office as a Director and the period which the person has served;		
(d) Brief description of person's business experience (last five years); and		
(e) Identification of other directorship held in reporting companies.		
(B) If a director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the registrant on any matter relating to the registrant's operations, policies or practices, and if the director has furnished the registrant with a letter describing such disagreement and requesting that the matter disclosed, the registrant shall state the date of resignation or declination to stand for re-election and summarize the director's description of the disagreement.	Please disclose if applicable. Otherwise, provide a negative statement to indicate so.	Complied with. Please refer to page 9 of the DIS.
If the registrant believes that the description provided by the director is incorrect or incomplete, it may include a brief statement presenting its views on the disagreement.		
ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS		
Election, Approval, or Ratification		
a.) Name of principal accountant selected / recommended. If none, state so and describe the reason	Please disclose.	Complied with. Please refer to pages 18-19 of the DIS.
b.) Name of principal accountant for the FY most recently completed, if different		
c.) (1) Indicate whether or not representatives are expected to be present		
(2) Whether or not they have the opportunity to make a statement if they desire to do so		
(3) Whether or not they are expected to be available to respond to appropriate questions		
ITEM 15. ACTIONS WITH RESPECT TO REPORTS		
Reports of Directors, Officers, Committees, or Any Minutes of a Meeting	Please attach the signed copy of the minutes of meeting for 2021 ASM.	The Minutes of the 2021 ASM held on 25 June 2021 shall be signed upon its approval by the stockholders during the 2022 ASM.
State whether or not it constitutes approval / disapproval.		

Identify each of such matters intended for approval / disapproval & furnish the information required by the appropriate item(s) of this Form.		The execution copy of the Minutes of the 2021 ASM is attached to the DIS.
ITEM 19. VOTING PROCEDURES		
Vote required for approval / election	Incomplete disclosure. Please provide a detailed discussion as to the remote voting and counting method.	Complied with. Please refer to pages 25-26 of the DIS.
Methods by which votes will be counted		
DISCUSSION ON THE COMPANY'S COMPLIANCE WITH SECTION 49 OF THE REVISED CORPORATION CODE (RCC)		
1) A description of the voting and vote tabulation procedures used in the previous meeting;	Comply with the disclosure requirements under Sec. 49 of the Revised Corporation Code, provide a table (at least with 2 columns) or list of the required disclosure / information on Sec. 49 of the RCC (use the wording as provided in Sec 49 of the Code and provide this in the 1st column) and the page number of the DIS, or reference it to the company's website where the disclosure / information can be found (this for the 2nd column).	Please refer to the Minutes of the ASM dated 25 June 2021 (the "Minutes"), which are attached to the DIS and available at https://stalucialand.com.ph/wp-content/uploads/2022/05/SLI-Minutes-of-the-ASHM-2021-25-June-2021.pdf 1) A description of the voting and vote tabulation procedures may be found in item IV of the Minutes; 2) A description of the opportunity given to stockholders to ask questions and a record of the questions asked and answers given may be found in item XIII of the Minutes; 3) The matters discussed and resolutions reached may be found in items IV to XII of the Minutes; 4) A record of the voting results for each agenda item may be found in items V, IX, X, XI, and XII of the Minutes; 5) A certification by the stock transfer agent of the Corporation on the total shares represented may be found in Annex "A" of the Minutes, and a list of directors, officers and stockholders who attended the meeting is attached as Annex "B" of the Minutes; 6) The Corporate Secretary discussed material information on the current stockholders
2) A description of the opportunity given to stockholders to ask questions and a record of the questions asked and answers given;		
3) the matters discussed and resolutions reached;		
4) a record of the voting results for each agenda item;		
5) A list of directors, officers and stockholders who attended the meeting; and		
6) such other items that the Commission may require in the interest of good governance and the protection of minority stockholders.		
7) Appraisals and performance reports for the board and the criteria and procedure for assessment;		
8) director disclosures on self-dealings and related party transactions.		

		and their voting rights, as may be found in item IV of the Minutes; 7) The Chief Compliance Officer discussed the Report on the Board of Directors, as may be found in item VI of the Minutes; and 8) Director disclosures on self-dealings and related party transactions may be found in item VI of the Minutes.
MANAGEMENT REPORT		
Management's Discussion and Analysis (MD&A) or Plan of Operation (Required by Part III(A) of "Annex C")		
All other registrants shall provide the following information:		
(4) Key Variable and Other Qualitative and Quantitative Factors.		
If Material:		
(i) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)	Please disclose.	There is no material information covered by such matters.
(ii) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation	Please disclose the effect of breach of debt covenants.	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, as stated on page 4 of the Management Report.
(v) Any Known Trends, Events or Uncertainties (Material Impact on Sales)	Please disclose.	There is no material information covered by such matters.
(vi) Any Significant Elements of Income or Loss (from continuing operations)		
(vii) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)	Please include a summary table for horizontal and vertical analysis of the financial position and performance. Present the table prior to the discussion on material changes in the CAFS. Please ensure completeness of the material changes, kindly take note that the requirement is for each line item in the presented FS.	Complied with. Please refer to pages 4-5, 7-8, 31-32, and 34-35 of the Management Report.

(viii) Seasonal Aspects that has Material Effect on the FS	Please disclose.	There is no material information covered by such matters.
(b) Interim Periods: Comparable discussion to assess material changes (last fiscal year and comparable interim period in the preceding year). Disclose the required information under subparagraph (2)(a)(I) to (viii) above.	Please provide a discussion for the 1st quarter of 2022 in the MD&A.	Complied with. Please refer to pages 30 to 37 of the Management Report and the Quarterly Report for the period ended 31 March 2022 attached to the DIS.
AUDITED FINANCIAL STATEMENTS		
1) Statement of Management Responsibility on the Financial Statements	Please submit the consolidated audited financial statements for 2021.	Complied with. Please refer to the Audited Financial Statements of the Corporation for the year ended 31 December 2021 attached to the DIS.
2) Comparative Financial Statements		
A. Comparative Form. Figures for the most recently ended fiscal year presented in the right portion immediately after the accounts name, followed by the figures for the last preceding year.		
B. Balance Sheet or Statement of Financial Position The audited BS or Statement of financial position shall be as of the end of each of the two (2) most recently completed fiscal years.		
C. Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity		
3) Additional Components of Financial Statements (SRC Rule 68, as Amended)		
A. Legal matter paragraph in the Auditor's Report on each components: (Financial Reporting Bulletin No. 1)		
B. Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1,4 (c))		
C. Tabular schedule of standards and interpretations as of reporting date (Par 4(J))		
D. A map of the conglomerate or group of companies showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates (Par 4(h))		
4) Additional Requirements (SRC Rule 68, as amended October 2011)		
A schedule showing financial soundness indicators in two comparative period as follows: 1)		

current/ liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) asset-to-equity ratio; 4) interest rate coverage ratio; 5) profitability ratio; and 6) other relevant ratio as the Commission may prescribe.		
5) Interim Financial Statements	Submit Unaudited Interim Consolidated Financial Statements for the Quarter ended March 31, 2021	Complied with. Please refer to the Quarterly Report for the period ending 31 March 2022 attached to the DIS.

STA. LUCIA LAND INC.

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, 17 June 2022,** at **8:00 a.m.** at Penthouse Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal, via remote communication through the **Zoom** application, 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 25 June 2021
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 25 June 2021 to 16 June 2022
7. Election of Members of the Board of Directors for 2022-2023
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

Electronic copies of the Corporation's Definitive Information Statement, Management Report, Annual Report and other pertinent documents may be accessed and downloaded from the Corporation's website at https://stalucialand.com.ph/investor-relations/annual-stockholders-meeting/ and PSE EDGE.

In relation to the Election of Members of the Board of Directors for 2022-2023 (Item 7), the requirements and procedure for the nomination and election of directors are as follows:

1. Nomination

Any stockholder of record of the Corporation 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.

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.

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.

Penthouse Bldg. Ill Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal, Philippines
Tel. No.: (+632) 681-7332 Telefax: (+632) 681-7467

2. Election

A majority of the subscribed capital present via remote communication or represented by proxy shall be sufficient to constitute a quorum for the election of directors.

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

The directors of the Corporation shall be elected by plurality vote and 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.

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, 13 May 2022, 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.

Due to the COVID-19 pandemic, stockholders may only attend the meeting via remote communication or by proxy, and by complying with the Guidelines for Participation via Remote Communication and Voting *in Absentia,* which is available at the Corporation's website. Stockholders who have successfully registered and been duly verified may access the online livestreaming of the meeting and vote *in absentia*.

All stockholders who do not expect to attend the meeting via remote communication are urged to fill in, date, sign and return the proxy, which is available on the Corporation's website, to the Corporation not later than Thursday, 09 June 2022, in accordance with the 2015 Revised 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-à-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 Friday, 10 June 2022, at the principal office of the Corporation.

25 May 2022.

PATRICIA A. O. BUNYE
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
   METRO MANILA, 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 1900

7. Registrant’s telephone number, including area code **(632) 8681-7332**

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

   17 June 2022, 8:00 a.m., at Penthouse Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal. The meeting will be conducted virtually and participation will be via remote communication through the Zoom application.

9. The approximate date on which the Information Statement will be sent or given to the security holders is on **27 May 2022**

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
Common	**8,196,450,000**

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 : 17 June 2022
Time : 8:00 a.m.
Place : Penthouse Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal, 1900. The meeting will be conducted virtually and participation will be via remote communication through the Zoom application.

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 27 May 2022.

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 80, Title X, Appraisal Right, Revised Corporation Code of the Philippines.

A stockholder who shall have voted against any corporate action involving matters enumerated under Section 80, Title X, Appraisal Right, the Revised Corporation Code of the Philippines (the "dissenting stockholder") may exercise his appraisal right by making a written demand on the Registrant for the payment of the fair value of shares held 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 31 March 2022:

Common: 8,196,450,000

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

(b) Record date: 13 May 2022

Cumulative Voting Rights

Pursuant to Sections 1.06 and 1.07 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. Stockholders may exercise their right to vote through remote communication or *in absentia*.

Applying Section 23 of the Revised 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 (1) 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 2022:

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") Ground Floor State Financing Center Building, Ortigas Center, Pasig City	Relationship: Parent Company Beneficial owners: Mariza Santos-Tan, Vicente R. Santos, Orestes R.	Domestic	6,701,005,767	81.75%

		Santos, Felizardo R. Santos, and Leodegario R. Santos			
Common	PCD Nominee Corporation Ground Floor, MKSE Building, 6767 Ayala Avenue, 1226 Makati City Relationship with Issuer: N/A	1. Various beneficial owners 2. Cualoping Securities Corporation	Domestic	1,467,197,607	17.90%

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.

Based on its latest General Information Sheet ("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. SLRDI has not yet submitted its proxy for the 2022 Annual Stockholders' Meeting of the Registrant since the deadline for submission is on 09 June 2022.

- Security Ownership of Management (as of 31 March 2022)

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	SIMEON S. CUA Director 1765 P.M. Guazon Street Paco, Manila 1007	999 Direct 0 Indirect	Filipino	0.00%

Common	ANTONIO D. ROBLES Director Odyssey St., Acropolis Green Subd. Libis, Quezon City	1 Direct 0 Indirect	Filipino	-
Common	ORESTES R. SANTOS Director Odyssey St., Acropolis Quezon City	1 Direct 0 Indirect	Filipino	-
Common	DANILO A. ANTONIO Independent Director Taft Avenue Extension Brgy. San Rafael, Pasay City	1,000 Direct 0 Indirect	Filipino	-
Common	RENATO C. FRANCISCO Independent Director Sparrow Street New Marikina Subdivision Marikina City	1,000 Direct 0 Indirect	Filipino	-
Common	DAVID M. DELA CRUZ Executive Vice President, CFO, and Chief Risk Officer 31 La Naval Street Remmanville Subdivision Better Living, Parañaque	0 Direct 0 Indirect	Filipino	-
Common	ATTY. PATRICIA A. O. BUNYE Corporate Secretary One Orion 11th Avenue cor. University Parkway 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. PANCHO G. UMALI[1] Assistant Corporate Secretary One Orion 11th Avenue cor. University Parkway Bonifacio Global City 1634 Metro Manila	0 Direct 0 Indirect	Filipino	-
Common	JEREMIAH T. PAMPOLINA	0	Filipino	-

[1] In a letter dated 19 April 2022, Atty. Pancho G. Umali tendered his resignation as Assistant Corporate Secretary of Sta. Lucia Land, Inc. effective immediately due to personal reasons.

	Chief Compliance Officer and VP for Investor Relations & Corporate Planning 67C J.P. Rizal Street, Project 4 Quezon City	Direct 0 Indirect		
Common	ACE FRANZIZ D. CUNTAPAY Internal Auditor and Data Protection Officer Unit 3020, GA Tower 2, EDSA Mandaluyong City	0 Direct 0 Indirect	Filipino	-

MANAGEMENT AND CERTAIN SECURITY HOLDERS

- Directors and Executive Officers as a Group

Title of class	Name of Beneficial Owner	Amount of Ownership Percent of Class as Director & Officers	Percent of class
Common	DIRECTORS & EXECUTIVE OFFICERS	1,890,997	0.02%

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 (P14,000,000,000.00). 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 (P10,000,000,000.00) 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 ("Deed of Assignment") 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 Registrant 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 the Registrant accumulates more than P901,107,601.00 in Unrestricted Retained Earnings, whichever is earlier

On 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 the Registrant.

On 27 December 2018, pursuant to the Deed of Assignment, SLRDI and the Registrant executed the Second tranche in the Deed of Assignment. The Registrant acquired Seven Hundred Fifty Million (750,000,000) treasury shares at the price of P1.20 per share to cover the settlement of the advances in the amount of Nine Hundred Million Pesos (PhP900,000,000.00) made by the Registrant to SLRDI.

Please note that, as of 31 March 2022, SLRDI directly and beneficially owns Six Billion Seven Hundred One Million Five Thousand Seven Hundred Sixty Seven (6,701,005,767) shares, representing 81.75% 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

Names	Position	Age	Citizenship
VICENTE R. SANTOS	Chairman	65	Filipino
EXEQUIEL D. ROBLES	President	67	Filipino
MARIZA R. SANTOS-TAN	Treasurer	63	Filipino
AURORA D. ROBLES	Assistant Treasurer	55	Filipino
ANTONIO D. ROBLES	Director	57	Filipino
ORESTES R. SANTOS	Director	60	Filipino
SIMEON S. CUA	Director	65	Filipino
RENATO C. FRANCISCO	Independent Director	73	Filipino
DANILO A. ANTONIO	Independent Director	67	Filipino

Executive/Corporate Officers

Names	Position	Age	Citizenship
VICENTE R. SANTOS	Chairman	65	Filipino
EXEQUIEL D. ROBLES	President	67	Filipino
DAVID M. DELA CRUZ	Executive Vice-President, Chief Financial Officer, and Chief Risk Officer	55	Filipino
MARIZA R. SANTOS-TAN	Treasurer	63	Filipino
AURORA D. ROBLES	Assistant Treasurer	55	Filipino
ACE FRANZIZ D. CUNTAPAY	Internal Auditor and Data Protection Officer	28	Filipino
JEREMIAH T. PAMPOLINA	Chief Compliance Officer and VP for Investor Relations & Corporate Planning	44	Filipino
PATRICIA A. O. BUNYE	Corporate Secretary	53	Filipino
PANCHO G. UMALI[2]	Assistant Corporate Secretary	45	Filipino
CRYSTAL I. PRADO	Assistant Corporate Secretary	41	Filipino

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 02 May 2022, Mr. Exequiel D. Robles and Mr. Vicente R. Santos, stockholders of the Registrant, nominated Messrs. Renato C. Francisco and Danilo A. Antonio as Independent Directors of the Registrant for the year 2022-2023 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

[2] In a letter dated 19 April 2022, Atty. Pancho G. Umali tendered his resignation as Assistant Corporate Secretary of Sta. Lucia Land, Inc. effective immediately due to personal reasons.

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. Vicente R. Santos and Mr. Exequiel D. Robles are not related by affinity, consanguinity, contract or agreement to Mr. Renato C. Francisco and Mr. Danilo A. Antonio. The Certifications on Qualifications and Disqualifications executed by Messrs. Renato C. Francisco and Danilo A. Antonio shall be attached to the Definitive Information Statement.

The members of the Audit Committee are the following:

Danilo A. Antonio – Chairman
Vicente R. Santos
Renato C. Francisco
Orestes R. Santos

The members of the Corporate Governance Committee are the following:

Renato C. Francisco – Chairman
Danilo A. Antonio
Vicente R. Santos

The following persons are nominees for election as directors for the year 2022-2023 :

Nominees	Regular/Independent Director
VICENTE R. SANTOS	Regular
EXEQUIEL D. ROBLES	Regular
MARIZA R. SANTOS-TAN	Regular
AURORA D. ROBLES	Regular
ANTONIO D. ROBLES	Regular
ORESTES R. SANTOS	Regular
SIMEON S. CUA	Regular
RENATO C. FRANCISCO	Independent
DANILO A. ANTONIO	Independent

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of any disagreement with the registrant on any matter relating to the Registrant's operations, policies or practices.

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

VICENTE R. SANTOS – Chairman

Term of Office	One year (2021-2022)
Address	Evangelista St., Brgy. Santolan, Pasig City
Age	65
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.; President, Acropolis North; Corporate Secretary, Lakewood Cabanatuan; 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 year (2021-2022)
Address	F. Pasco Avenue, Dumandan Compound, Santolan, Pasig City
Age	67
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 year (2021-2022)
Address	G/F, State Center II, Ortigas Avenue, Mandaluyong City
Age	63
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, Inc.

AURORA D. ROBLES – Assistant Treasurer/Director

Term of Office	One year (2021-2022)
Address	The Alexandra Condominiums, Meralco Avenue, Pasig City
Age	55
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.

SIMEON S. CUA – Director

Term of Office	One year (2021-2022)
Address	1765 P.M. Guazon St., Paco Manila 1007
Age	65
Citizenship	Filipino
Positions Held	President and CEO, Philippine Racing Club, Inc.; President, Cualoping Securities, Inc.
Directorships held	Philippine Racing Club, Inc., Cualoping Securities, Inc., AReit Fund Managers, Inc.

ANTONIO D. ROBLES – Director

Term of Office	One year (2021-2022)
Address	Odyssey, Acropolis, Quezon City
Age	57
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 year (2021-2022)
Address	Odyssey St., Acropolis, Quezon City
Age	60
Citizenship	Filipino
Positions Held	Project Manager, Sta. Lucia Realty & Development, Inc.; President, RS Superbatch, Inc.
Directorships held	City Chain Realty

RENATO C. FRANCISCO – Independent Director

Term of Office	One year (2021-2022)
Address	No. 8 Sparrow Street, New Marikina Subdivision, Marikina City
Age	73
Citizenship	Filipino
Positions Held	Associate Justice, Court of Appeals (2012-2018; retired in 2018)

DANILO A. ANTONIO – Independent Director

Term of Office	One year (2021-2022)
Address	2731 Taft Avenue Extension, Brgy. San Rafael, Pasay City
Age	67
Citizenship	Filipino
Positions Held	CEO, Land-Excel Consulting Inc.; President, West Palawan Premiere; Professor of Entrepreneurship, Ateneo de Manila University Graduate School of Business; Management Committee Member and Advisor, AIM Conference Center Manila

DAVID M. DE LA CRUZ – Executive Vice President, Chief Financial Officer and Chief Risk Officer

Term of Office	One year (2021-2022)
Address	#31, La Naval Street Remmanville Subdivision Better Living, Parañaque City
Age	55
Citizenship	Filipino
Positions Held	VP and CFO – Atlas Consolidated Mining and Development Corp.; SAVP – 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.

ATTY. PATRICIA A. O. BUNYE – Corporate Secretary

Term of Office	One year (2021-2022)
Address	9th, 10th, 11th & 12th Floors, One Orion, 11th Avenue cor. University Parkway, Bonifacio Global City, Metro Manila
Age	53

Citizenship	Filipino
Positions Held	Senior Partner, Cruz Marcelo & Tenefrancia; Past President, Licensing Executives Society International; Founding President, Diwata-Women in Resource Development, Inc.; Past President, Integrated Bar of the Philippines (Pasay, Parañaque, Las Piñas & Muntinlupa Chapter); Corporate Secretary, PTFC Redevelopment Corporation; Corporate Secretary, Lawphil Investments, Inc.; President, CVCLAW Center Condominium Corporation; Fellow, Institute of Corporate Directors.
Directorships Held	Baskerville Trading Corporation; Belmont Equities, Inc.; DineEquity Philippines Holdings, Inc.; Lawphil Investments, Inc.; Mianstal Holdings, Inc.; Quaestor Holdings, Inc.; Westminster Trading Corporation; Winchester Trading Corporation; Windermere Marketing Corporation; CVCLAW Center Condominium Corporation; TDF Holdings, Inc.

ATTY. CRYSTAL I. PRADO – Assistant Corporate Secretary

Term of Office	One year (2021-2022)
Address	N409, Phase 4, El Pueblo One Condominium, King Christian St., Kingspoint Subd., Novaliches, Quezon City
Age	41
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[3] – Assistant Corporate Secretary

Term of Office	One year (2021-2022)
Address	9th, 10th, 11th & 12th Floors, One Orion, 11th Avenue cor. University Parkway, Bonifacio Global City, Metro Manila
Age	45
Citizenship	Filipino
Positions Held	Partner, Cruz Marcelo & Tenefrancia; First Vice President, The Law Foundation of Makati, Inc.; Treasurer, Taguig Lawyers League; Assistant Corporate Secretary, Lawphil Investments, Inc.; Assistant Corporate Secretary, PTFC Redevelopment Corporation; Corporate Secretary, Philippine Equity Partners, Inc.; Assistant Corporate Secretary, CVCLAW Center Condominium Corporation; Corporate Secretary, Haw Par Tiger Balm (Philippines), Inc.
Directorships Held	Catania Property Holdings, Inc.; China Systems Technology Corporation; Cosmo System Corporation; Junabejo Trading Corporation; Junabejo Food Corporation; Loscano Holdings, Inc.; Haw Par Tiger Balm (Philippines), Inc.; IAMSPA, Inc.; Sun East Asia Corporation; Sincere Facade Philippines, Inc.; Sincere Facade Innovations, Inc.; Synchrogenix Philippines, Inc.; Union Earn Holdings, Inc.; Wooloomooloo Steakhouse Philippines, Inc.

[3] In a letter dated 19 April 2022, Atty. Pancho G. Umali tendered his resignation as Assistant Corporate Secretary of Sta. Lucia Land, Inc. effective immediately due to personal reasons.

ACE FRANZIZ CUNTAPAY – Internal Auditor and Data Protection Officer

Term of Office	One year (2021-2022)
Address	Unit 3020, GA Tower 2, EDSA, Mandaluyong City
Age	28
Citizenship	Filipino
Positions Held	Associate Auditor, SGV & Co.

JEREMIAH T. PAMPOLINA – Chief Compliance Officer and VP for Investor Relations & Corporate Planning

Term of Office	One year (2021-2022)
Address	67C J.P. Rizal Street, Project 4, Quezon City
Age	44
Citizenship	Filipino
Positions Held	Junior Bank Officer, Union Bank of the Philippines; Business Development & Strategic Planning Manager, P. J. Lhuillier Group of Companies; Supply Chain and Operations Manager, Technomarine Philippines; Business Development & Operations Manager, Aboitiz-Jebsen; Associate Lecturer - Strategic Management, De La Salle University

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 INVOLVED	STATUS
1	**FELICISIMA BALAGTAS AND OFELIA ALVAREZ VS. SLLI, MICHAEL ROBLES AND MILESTONE FARMS**	CANCELLA-TION OF SALE, REFUND OF ALL PAYMENTS TO THE RESPONDENTS AND THE CORRESPON-DING VAT WITH INTEREST AND DAMAGES	PALO ALTO	HLURB QUEZON CITY	HLURB REM-121012-14950	> 4,158,229.00 > 100,000.00 MORAL DAMAGES > 100,000.00 EXEMPLARY DAMAGES > 30,000.00 ATTORNEY'S FEES	**FILED APPEAL MEMORANDUM AT OFFICE OF THE PRESIDENT** **PENDING APPEAL**
2	**SHERRYL ADRIANO VS. STA. LUCIA LAND**	REFUND		HLURB CALAMBA LAGUNA	HLURB CASE NO. RIV-102317-4813		**FOR REFUND SETTLEMENT**
3	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC.**	INJUNCTION WITH PRAYER FOR ISSUANCE OF PRELIMINARY INJUNCTION AND/OR		REGIONAL TRIAL COURT BR. 215 QUEZON CITY	R-QZN-18-04305-CV		**DISMISSED**

	AND LIBERATO D. ROBLES, ET., AL.	TEMPORARY RESTRAINING ORDER (TRO)					
4	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS AND LIBERATO D. ROBLES, ET., AL.**	Syndicated Estafa		PROSECU-TORS OFFICE OF QUEZON CITY	XV-03-INV-18F-05949		**FILED PETITION FOR REVIEW AT DOJ; DISMISSED**
5	**MICHAEL RAY HERNANDEZ**	LEGAL ASSISTANCE FOR LOT REPLACEMENT (H&L BUYER)	COLINAS VERDES BULACAN	HLURB PAMPANGA	NTR-CON-061719-0486		**DISMISSED; COMPLAINANT APPEALED THE DISMISSAL**
6	**JOSEPH VELASQUEZ**	TURNOVER OF TITLE	MESILO DASMA	HLURB CALAMBA	R.NO. 1904057071 C-08281904145		**TERMINATED**
7	**JONAH FE ELISCUPIDES**		ALMERIA VERDE PANGASINAN	HLURB BAGUIO			**FOR FINAL DISPOSITION** **WAIVER OF PENALTIES GRANTED, 50%. INTEREST ARE NOT WAIVED SINCE IT IS STIPULATED IN THE CONTRACT**
8	**GOLDEN SEA BEACH RESORT AND DEVELOP-MENT CORP.**	QUIETING OF TITLE	LIAN, BATANGAS PROJECT	RTC BATANGAS	CIVIL CASE NO. 1422		**HEARING ON JUNE 29, 2021**
9	**MEGATOP REALTY VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS**	ESTAFA		OCP QC	XV-03-INV-20A-00819		**FILED MOTION FOR RECONSI-DERATION** **FILED COUNTER AFFIDAVIT**
10	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL.**	ANNULMENT OF TITLE WITH PRAYER FOR ISSUANCE OF PRELIMINARY INJUNCTION AND/OR TEMPORARY RESTRAINING ORDER (TRO)		REGIONAL TRIAL COURT BR. 219 QUEZON CITY			**MOTION TO DISMISS FILED BY STA.LUCIA LAND, GRANTED. CASE DISMISSED.** **PLAINTIFFS' MR GRANTED ONGOING HEARING (SUMMARY: PRAYER FOR PRELIMINARY INJUNCTION)**
11	**SPS. CHRISTIAN AND MARY DIANA ALVA**	REFUND	SouthCoast, Batangas	DSHUD R4	non-docketed		**FOR FILING OF RESPONSE; FULL REFUND DELIVERED.**
12	**MARIA LUISA APOSTOL**	WAIVER OF INTEREST	Summerhills, Antipolo	DSHUD R4	non-docketed		**FOR FILING OF RESPONSE; WAIVER OF INTEREST**

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

	CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	PENDING COURT	CASE NO.	STATUS
1	**DOMINADOR TAN VS. EXEQUIEL D. ROBLES AND SLRDI**	Recovery of ownership and possession with application for the issuance of a temporary order and/or preliminary injunction ***Date Instituted: March 26, 2013***	Portion of SOUTH SPRING	RTC, Binan, Laguna	Civil Case No. B-9022	**FOR DISMISSAL** **ONGOING JV NEGOTIATION**
2	**LA MIRADA ROYALE RESIDENTIAL I,II,III,IV AND V VS. VICENTE R. SANTOS AND LA MIRADA ROYALE RESIDENTIAL ASSOCIATION**	CANCELLATION OF CERTIFICATES OF REGISTRATION ***Date Instituted: August 22, 2013***	LA MIRADA	HLURB QUEZON CITY	HLURB CASE NO. NTR-HOA-082213-575	**FILED APPEAL MEMORANDUM AT OP** **PENDING**
3	**BAYBREEZE EXECUTIVE VILLAGE HOMEOWNERS ASS. VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI**	Development ***Date Instituted: November 26, 2013***	BAYBREEZE	OFFICE OF THE PRESIDENT	HLURB CASE NO. NCRHOA-112613-1932	**FILED APPEAL MEMORANDUM AT OP** **PENDING**
4	**ROSALINA HONRADO VS. EXEQUIEL D. ROBLES, ET., AL. AND SLRDI**	Pay the decreased in area and/or lot replacement ***Date Instituted: August 12, 2014***	ORCHARD RES. Phase 02 Block 12 Lot 60	HLURB Calamba, Laguna	RIV-081214-4114	**FILED MOTION TO DISMISS September 15, 2014** **PENDING**
5	**PTOLYME DIMENSIONS INC AND SIAPORE MICRO VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI, EAGLERIDGE AND RS**	Fraudulent Machination, unsound business practice, election of HOA officers, Annulment of property management contract, quo warranto with prayer for the issuance of a cease and desist order/application for temporary restraining order and/or writ of preliminary injuction ***Date Instituted: April 13, 2015***	EAGLE RIDGE	OFFICE OF THE PRESIDENT	HLURB CASE NO. RIV-041315-0741	**FILED APPEAL MEMORANDUM AT OP** **PENDING**
6	**GRACE PENDON ET., AL.. VS. EXEQUIEL D. ROBLES ET., AL.**	HUMAN RIGHTS ***Summons received on July 01, 2015***	RIZAL TECHNOPARK	CHR QUEZON CITY	CHR NO. 2015-0217	**FILED COUNTER-AFFIDAVIT** **PENDING**
7	**VISTA VERDE COUNTRY HOMES VS. EXEQUIEL D. ROBLES, JOHNIELLE KEITH NIETO**	VIOLATION OF SEC. 3 (A) GRAVE MISCONDUCT OPPRESSION AND CONDUCT PREJUDICIAL TO THE BEST INTEREST PF THE SERVICE ***Summons received on July 30, 2015***	VISTA VERDE COUNTRY HOME	OFFICE OF THE OMBUDSMAN	OMB-L-C-15-0169	**DISMISSED** **WITH APPEAL AT SC** **FILED COMMENT**

8	**RENATO CABILZO VS. EXEQUIEL D. ROBLES VICENTE R. SANTOS MARIZA SANTOS-TAN EXALTACION R. JOSEPH FELIZARDO R. SANTOS ANTONIO D. ROBLES LIBERATO D. ROBLES**	OTHER DECEITS SYNDICATED ESTAFA LARGE SCALE ESTAFA ***Date Instituted: September 18, 2015***	ACROPOLIS MANDALUYONG B 5 L4, 5, 6	DOJ MANILA	XV-1-INV-151-02516	**DISMISSED WITH APPEAL AT DOJ**
9	**SPS. MARTIN ERICSON CRUEL AND CZARINA CRUEL VS. MARIZA SANTOS-TAN, SLRDI**	*Specific Performance* ***Date Instituted: December 23, 2015***	VALLEY VIEW EXEC. P 1C B 2 L 12	HLURB QUEZON CITY	REM-122315-15873	**PENDING**
10	**CLOVIS RANCHO, AMADO JOSE GARCIA ET., AL. VS. EXEQUIEL D. ROBLES, MARIZA SANTOS-TAN, VICENTE R. SANTOS ET.AL.**	*Violation of PD 957 And Art. 318 of RPC*	ROYALE CEBU ESTATE	PROSECUTORS OFFICE OF CEBU	I.S. NO. VII-INV-16G-0925	**FILED COUNTER AFFIDAVIT PENDING**
11	**TIMOTHY JASON PERALEJO VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS, MARIZA SANTOS-TAN, EXALTACION R. JOSEPH, LIBERATO D. ROBLES, FELIZARDO R. SANTOS, IGMIDIO D. ROBLES, LEODEGARIO R. SANTOS, AURORA D. ROBLES, ORESTES R. SANTOS, ROBERTO D. ROBLES, DOMINGA R. ROBLES, ANTONIO D. ROBLES, ANDREA R. ANDRES,**	PD 957 ***Date Instituted: November 27, 2017***	VISTA REAL CLASSICA P UPM B 9 L 10	PROSECUTORS OFFICE OF QUEZON CITY	NPS XV-03-INV-17K-11187	**DISMISSED (JUNE 2018) FILED PETITION FOR REVIEW AT DOJ**
12	**JERRY GALOPE VS. EXEQUIEL D. ROBLES, SLRDI, ET., AL.**	*Quieting of Title* ***Date Instituted: April 20, 2016***	MEADOWOOD CAVITE	REGIONAL TRIAL COURT BR. 19 BACOOR, CAVITE	BSC-2016-04	**FILED ANSWER JULY 06, 2018 WITH MOTION TO SET PRE-TRIAL PENDING**
13	**DEPT. OF AGRARIAN REFORM/PROVINCIAL TASK FORCE VS. EXEQUIEL D. ROBLES, IGMIDIO D. ROBLES, ET., AL.**	*Section 73, RA 6657 as Amended 25 of RA 9700* ***Date Instituted: June 20, 2018***	BLUEMOUNTAIN ANTIPOLO	PROSECUTORS OFFICE OF ANTIPOLO	XV-01-INV-18F-00688	**DISMISSED (OCT. 2018) FILED MR**
14	**RUSSEL MIRAFLOR VS. EXEQUIEL D. ROBLES, ET., AL.**	*Estafa* ***Date Instituted: June 13, 2018***	VISTA VERDE QUEZON P 2 B 41 L 35	PROSECUTORS OFFICE OF LUCENA	NPS-IV-16-INV-12E-00232	**FILED COUNTER AFFIDAVIT AUG. 2018**
15	**CECILIA CORDERO VS. EXEQUIEL D. ROBLES**	*Violation of Sections 4 & 5 in rel to Sec. 39 of PD 957* ***Complaint received on Oct. 13, 2014***	PONTE VERDE BATANGAS P5 B7 L12	PROSECUTORS OFFICE OF TANAUAN	NPSD NO. IV-02-INV-171-01384	**DISMISSED MARCH 2018 FILED PETITION FOR REVIEW AT DOJ**
16	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL.**	*Injunction with prayer for Issuance of preliminary Injunction and/or Temporary Restraining Order (TRO)*		REGIONAL TRIAL COURT BR. 215 QUEZON CITY	R-QZN-18-04305-CV	**FILED COMMENT/ OPPOSITION**
17	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS AND LIBERATO D. ROBLES, ET., AL.**	Syndicated Estafa		PROSECUTORS OFFICE OF QUEZON CITY	XV-03-INV-18F-05949	**DISMISSED (NOV. 2018) FILED PETITION FOR REVIEW AT DOJ**

18	**ROMEO LADANO** **VS.** **DENNIS BELMONTE** **EUFEMIA ABEDES** **EXEQUIEL ROBLES** **IGMIDIO ROBLES**	Malicious Mischief ***Complaint received on Jan. 23, 2018***	BLUEMOUNTAIN ANTIPOLO	PROSECUTORS OFFICE OF ANTIPOLO	XV-01-INV-17J-01001	**DISMISSED** **WITH MR**
19	**NELSON ZAPEDA** **VS.** **EXEQUIEL D. ROBLES**	Estafa	GREENWOODS TAYTAY	NATIONAL BUREAU OF INVESTIGATION Manila	NBI-CCN-C-18-06295	**ONGOING INVESTIGATION**

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, 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. As of 31 March 2022, the Corporation has a total of 2,600,000 treasury shares which arose from the settlement of intercompany advances between the Registrant and SLRDI.

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 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, president and chief executive officer of Philippine Racing Club Inc. and president of Cualoping Securities Corporation, namely Simeon S. Cua is also a director of the Registrant.

Independent Public Accountant

As previously disclosed to the SEC and to the PSE, on 25 June 2021, 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 2021-2022.

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."

The members of the Audit Committee are the following:

Danilo A. Antonio - Chairman
Vicente R. Santos
Renato C. Francisco
Orestes R. Santos

Representatives from SGV & Co. are expected to be present at the 2022 Annual Stockholders' Meeting, and have the opportunity to make a statement if they desire to do so. In the event the Corporation receives questions in accordance with the Guidelines for Participation via Remote Communication and Voting in Absentia, the Corporation shall coordinate with SGV & Co. for the response.

For the year 2022-2023, the recommended external auditor of the Registrant shall be SGV & Co., subject to the final recommendation of the Audit Committee.

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.

Projected Compensation
2022
(in Thousands)

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Compensation
I. Executive Officers		Estimated	Estimated	Estimated
Vicente R. Santos – Chairman	2022	XXX	XXX	XXX
Exequiel D. Robles – President/Director	2022	XXX	XXX	XXX
David M. Dela Cruz – Executive Vice President	2022	XXX	XXX	XXX
Mariza Santos-Tan – Treasurer/Director	2022	XXX	XXX	XXX
Aurora D. Robles – Assistant Treasurer/Director	2022	XXX	XXX	XXX
Total for Above		7,450	2,580	XXX
II. CEO and Four Most Highly Compensated Executive Officers		7,450	2,580	XXX
III. All Other Officers as a Group Unnamed		2,130	365	XXX

Actual Compensation
2021
(in Thousands)

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Compensation
IV. Executive Officers		Estimated	Estimated	Estimated
Vicente R. Santos – Chairman	2021	XXX	XXX	XXX
Exequiel D. Robles – President/Director	2021	XXX	XXX	XXX
David M. Dela Cruz – Executive Vice President	2021	XXX	XXX	XXX
Mariza Santos-Tan – Treasurer/Director	2021	XXX	XXX	XXX
Aurora D. Robles – Assistant Treasurer/Director	2021	XXX	XXX	XXX
Total for Above		7,450	2,580	XXX
V. CEO and Four Most Highly Compensated Executive Officers		7,450	2,580	XXX
VI. All Other Officers as a Group Unnamed		2,130	365	XXX

Actual Compensation
2020
(in Thousands)

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Compensation
VII. Executive Officers		Estimated	Estimated	Estimated
Vicente R. Santos – Chairman	2020	XXX	XXX	XXX
Exequiel D. Robles – President/Director	2020	XXX	XXX	XXX
David M. Dela Cruz – Executive Vice President	2020	XXX	XXX	XXX
Mariza Santos-Tan – Treasurer/Director	2020	XXX	XXX	XXX
Aurora D. Robles – Assistant Treasurer/Director	2020	XXX	XXX	XXX
Total for Above		7,450	2,580	XXX
VIII. CEO and Four Most Highly Compensated Executive Officers		7,450	2,580	XXX
IX. 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.

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 (PhP2,000,000,000.00) to Sixteen Billion Pesos (PhP16,000,000,000.00). 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 (PhP14,000,000,000.00), the Board approved the subscription by SLRDI, one of the principal shareholders of the Registrant, of up to the maximum of Ten Billion Pesos (PhP10,000,000,000.00), 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 (PhP16,000,000,000.00). The total number of issued and outstanding shares of the Registrant after the increase is Ten Billion Seven Hundred Ninety Six Million Four Hundred Fifty Thousand (10,796,450,000), as a result of the subscription of SLRDI, one of the principal shareholders of the Registrant, to Ten Billion Pesos (PhP10,000,000,000.00) out of the increase in the Registrant's authorized capital stock of Fourteen Billion Pesos (PhP14,000,000,000.00) (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 (PhP300,000,000.00); 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.

The Board of Directors also 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 (PhP6,000,000,000.00), 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.

In July 2014, to settle the intercompany advances, SLRDI and the Registrant entered into a Deed of Assignment on 08 July 2014 ("Deed of Assignment") rescinding the assignment of "Saddle and Clubs Leisure Park" and agreed to convey Three Billion (3,000,000,000) shares out of SLRDI's shareholdings in the Registrant 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 Registrant successfully completed Tranche 1 involving the assignment of Two Billion Two Hundred Fifty Million (2,250,000,000) shares from SLRDI to the Registrant.

On 22 December 2015, the Registrant sold Four Hundred Million (400,000,000) shares which increase the outstanding shares to Eight Billion Nine Hundred Forty Six Million Four Hundred Fifty Thousand (8,946,450,000) shares.

On 22 December 2015, the Group issued a total of Four Million Pesos (PhP4,000,000.00) Unsecured Fixed-rated Peso bonds, broken down into Two Million Pesos (PhP2,000,000.00) Series A Bonds due 2018 at a fixed rate equivalent to 6.7284% p.a. and a Two Million Pesos (PhP2,000,000.00) Series B Bonds due 2021 at a fixed rate equivalent to 6.7150% p.a. The Bonds have been rated by the Credit Rating and Investors Services Philippines Inc. on 16 October 2015. The bonds shall constitute the direct, unconditional, and unsecured obligations of the Issuer and shall at all times rank pari passu and ratably without preference among themselves and among any present and future unsecured obligations of the Issuer, except for any statutory preference or priority established under Philippine law.

The net use of proceeds of the bonds are intended to be used by the Group to fully refinance existing secured loans, for capital expenditure requirements, and/or general corporate purposes.

The Bonds shall be repaid at par (or 100% of face value), plus any outstanding interest, on the relevant maturity date of each series or on 22 December 2018 for the Series A Bonds, on 22 March 2021 for the Series B Bonds, unless the Registrant exercises its early redemption option for the Series A or Series B Bonds.

Interest on the Bonds shall be payable quarterly in arrears every 22 March, 22 June, 22 September and 22 December of each year, starting on 22 March 2016.

On 27 December 2018, pursuant to the Deed of Assignment, SLRDI and the Registrant executed the Second tranche in the Deed of Assignment. The Registrant acquired Seven Hundred Fifty Million (750,000,000) treasury shares at the price of P1.20 per share to cover the settlement of the advances in the amount of Nine Hundred Million Pesos (PhP900,000,000.00) made by the Registrant to SLRDI.

Among other debt covenants, the Group is required to maintain a maximum of debt-to-equity ratio of 1.50:1:00, a minimum current ratio of 1.00:1.00 and a minimum debt service coverage ratio of 1.25. The Group has complied with the debt covenant.

Debt services coverage ration means the ratio of: (i) EBIDTA to (ii) total debt service reduced by the amounts raised for refinancing, by reference to the immediately preceding 12 months of the period review.

<u>Acquisition or Disposition of Property</u>

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 (PhP14,000,000,000.00), 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 (PhP10,000,000,000.00) 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 (PhP300,000,000.00); 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 (PhP820,000,000.00), 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 (PhP100,000,000.00) 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 (PhP720,000,000.00), less the amount of creditable withholding tax, shall be paid and remitted by Alphaland to the Registrant on the date falling on the sixtieth (60^{th}) 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 via remote communication 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 Revised 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 via remote communication 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 counted by the Corporate Secretary. The Registrant's stock transfer agent, in conjunction with its external auditor, both independent parties, are also tasked to count votes on any matter properly brought to the vote of the shareholders, including the election of directors.

Stockholders as of record date of 13 May 2022 who have successfully registered their intention to participate in the annual meeting via remote communication and to vote *in absentia*, as duly verified and validated by the Registrant, shall be provided with log-in credentials for the online voting system. Registered stockholders may cast their votes for specific items in the agenda by accomplishing the ballot form provded to them. Upon accessing and downloading the ballot form, the stockholder can vote on each agenda item for on the ballot print-out. A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval. For the election of directors, the stockholder has the option to vote for all nominees, withhold their vote for any of the nominees, or vote for certain nominees only. Registered stockholders may submit their ballots by sending in the accomplished ballot for in JPG or PDF format via e-mail to the Corporation or by accomplishing the online form sent to their respective e-mails. Once all votes have been received, the Corporation shall tabulate the same and announce the results during the Meeting. The Guidelines for Participation via Remote Communication and Voting *in Absentia* shall be accessible on the Registrant's website.

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, via remote communication 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 25 June 2021, a copy of which is attached, 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 Annual Stockholders' Meeting held on 20 August 2020.

2. Elected the following as members of the Board of Directors of the Corporation for the year 2021-2022:

   VICENTE R. SANTOS
   EXEQUIEL D. ROBLES
   ANTONIO D. ROBLES
   AURORA D. ROBLES
   MARIZA SANTOS-TAN
   ORESTES R. SANTOS
   SIMEON S. CUA
   DANILO A. ANTONIO
   RENATO C. FRANCISCO.

3. Messrs. Danilo A. Antonio and Renato C. Francisco were elected as independent directors of the Corporation for the year 2021-2022, pursuant to Rule 38 of the Securities Regulation Code.

4. Appointed Sycip Gorres & Velayo [SGV & Co.] as the Corporation's external auditor for fiscal year 2021-2022.

5. Ratified all acts and resolutions of the Board of Directors and Management for the period from 20 August 2020 to 24 June 2021.

6. Approval of the Amendment of the Corporaiton's By-Laws to authorize stockholders to vote through remote communication or *in absentia*.

7. Re-ratification of the sale of up to Three Billion (3,000,000,000) shares of stock through a follow-on offering, as previously approved during the Annual Stockholders' Meeting held on 21 June 2013

B. The Resolutions of the Board of Directors and Executive Committee of the Corporation for the period from 25 June 2021 to 16 June 2022 will be submitted for the approval of the security holders. The list of the foregoing resolutions is attached.

C. Appointment of the Corporation's external auditor for fiscal year 2022-2023.

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 25 May 2022.

STA. LUCIA LAND, INC.
Registrant

By:

PATRICIA A. O. BUNYE
Corporate Secretary

STA. LUCIA LAND, INC.
Penthouse, Building III, Sta. Lucia Mall
Marcos Highway corner Imelda Avenue, Cainta, Rizal

ANNUAL STOCKHOLDERS' MEETING
25 June 2021, 8:00 a.m.
Held at the Penthouse, Sta. Lucia Mall
Marcos Highway corner Felix Avenue, Cainta, Rizal
Via Videoconference

I. ATTENDANCE

TOTAL NUMBER OF SHARES PRESENT IN PERSON	**1,427,999**
TOTAL NUMBER OF SHARES REPRESENTED BY PROXY	**6,701,005,767**
TOTAL NO. OF SHARES PRESENT/REPRESENTED	**6,702,433,766**
TOTAL NO. OF SHARES ISSUED & OUTSTANDING	**8,196,450,000**
PERCENTAGE OF SHARES PRESENT/REPRESENTED	**81.77%**

A copy of the List of Attendees as certified by the Corporation's Stock Transfer Agent is attached as Annex "A".

II. PRESIDING OFFICER; SECRETARY

The Chairman, **MR. VICENTE R. SANTOS**, presided over the meeting, while the Corporate Secretary, **MS. PATRICIA A. O. BUNYE,** recorded the minutes thereof.

III. PROOF OF NOTICE AND PROOF OF THE PRESENCE OF A QUORUM

At the request of the Chairman, the Corporate Secretary gave notice that the proceedings were being recorded in accordance with the Anti-Wiretapping Act, in relation to Securities and Exchange Commission ("SEC") Memorandum Circular No. 06, series of 2020 and certified that written notices of the Annual Stockholders' Meeting had been published in the business section of two (2) newspapers of general circulation, the Manila Bulletin and Business Mirror on 03 and 04 June 2021, in print and online format, in compliance with SEC Notice dated 16 March 2021.

The Corporate Secretary also stated that, on 15 June 2021, the Corporation amended the Notice, as approved by the SEC Markets and Securities Regulation Department in its Order No. 29, series of 2021. In compliance therewith, a copy of the Order was published in a newspaper of general circulation, the Manila Bulletin, on 17 June 2021. In addition, the amended Notice was published for two (2) consecutive days in the business section of two (2) newspapers of general circulation, the Manila Bulletin and Business Mirror, in print and online format.

The Corporate Secretary then certified that a quorum was present for the transaction of business by the stockholders.

IV. MATERIAL INFORMATION ON THE CURRENT STOCKHOLDERS AND THEIR VOTING RIGHTS

At the request of the Chairman, the Corporate Secretary discussed the material information on the current stockholders, their voting rights and voting procedure pursuant to Section 49 of the Revised Corporation Code.

The Corporate Secretary discussed that, based on the List of Stockholders as of 21 May 2021 prepared by the Corporation's Stock Transfer Agent, the Corporation has 263 stockholders.

The Corporate Secretary then discussed the voting rights of each stockholder and voting procedure. Every stockholder shall be entitled to 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, through remote communication or *in absentia,* for each share of stock held by him which has voting power upon the matter in question.

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

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 in accordance with the Guidelines for Participation via Remote Communication and Voting in *Absentia*, which is available on the Corporation's website.

A description of stockholders' voting rights was included in the Definitive Information Statement of the Corporation, copies of which are available on the Corporation's website and on PSE Edge.

V. READING AND APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 20 AUGUST 2020

The Chairman announced that the next item on the agenda was the review of the Minutes of the Annual Stockholders' Meeting held on 20 August 2020. Copies of the said Minutes were made available on the Corporation's website. Thereafter, the Corporate Secretary announced that the stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty Three Thousand Seven Hundred Sixty Six (6,702,433,766) shares, representing 81.77% of the outstanding capital stock of the Corporation, approved and adopted the following resolution:

> "**RESOLVED**, that the Minutes of the Annual Stockholders' Meeting held on 20 August 2020 is hereby approved and adopted."

VI. REPORT ON THE BOARD OF DIRECTORS

At the request of the Chairman, the Chief Compliance Officer, **MR. JEREMIAH T. PAMPOLINA**, discussed the Report on the Board of Directors. The Compliance Officer discussed the profiles and qualifications of the directors, the compensation received by the directors, and related party transactions involving the Board of Directors. The foregoing matters were included in the Definitive Information Statement of the Corporation, copies of which were distributed to the stockholders together with the Notices.

Thereafter, the Compliance Officer reported on the attendance of the Board of Directors in Meetings of the Stockholders and Board of Directors from 20 August 2020 to 24 June 2021.

The Compliance Officer then proceeded with the Compensation Report. He stated that the Directors do not receive any form of compensation except, in the case of Directors, for a per diem of Fifteen Thousand Pesos (PhP15,000.00) per meeting of the Board of Directors. Apart from the per diem in the amount of Fifteen Thousand Pesos (PhP15,000.00), there are no standard arrangements or other arrangements between the Corporation and the directors.

VII. REPORT OF THE PRESIDENT

The President, **MR. EXEQUIEL D. ROBLES**, delivered the President's Report, a copy of which is attached as Annex "B".

VIII. APPROVAL AND RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT FOR THE PERIOD FROM 20 AUGUST 2020 TO 24 JUNE 2021

The Chairman then announced that the next item on the agenda was the ratification of all acts of the Board of Directors and the Management of the Corporation for the period from 20 August 2020 to 24 June 2021, a list of which is attached as Annex "C". Thereafter, the Corporate Secretary announced that the stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty Three Thousand Seven Hundred Sixty Six (6,702,433,766) shares, representing 81.77% of the outstanding capital stock of the Corporation, approved the following resolution:

> "**RESOLVED,** that all acts of the Board of Directors and the Management of the Corporation for the period from 20 August 2020 to 24 June 2021 are hereby approved and ratified."

IX. ELECTION OF DIRECTORS

Pursuant to Securities and Exchange Commission ("SEC") Memorandum Circular No. 16, Series of 2002, the Nomination Committee has the obligation to promulgate guidelines or criteria governing the conduct of the nomination procedure for the Corporation's Independent Directors. This procedure must be properly disclosed to the SEC and be incorporated in the Corporation's By-Laws. In this connection, the Chairman stated that the names of the short-listed nominees for Independent Directors were disclosed to the SEC prior to the Annual Stockholders' Meeting through the submission of the Corporation's Information Statement on SEC Form 20-IS. Section 2.01(d) of Article II of the Amended By-Laws of the Corporation provides for the nomination procedure for the Corporation's Independent Directors.

Under said nomination procedure, Messrs. Vicente R. Santos and Exequiel D. Robles submitted their signed nominations to the Nomination Committee together with the resumes of their respective nominees. The Nomination Committee then pre-screened the nominations, and submitted the names of the nominees and their resumes to the SEC.

The Chairman announced that, pursuant to the provisions of the Revised Corporation Code and the By-Laws of the Corporation, the remaining seven (7) members of the Board of Directors of the Corporation should be elected for the ensuing year.

Upon the request of the Chairman, the Corporate Secretary announced the nominees for Independent Directors of the Corporation for the year 2021-2022:

1. Renato C. Francisco; and
2. Danilo A. Antonio.

This was followed by the announcement of the nomination of the following persons to serve as members of the Board of Directors of the Corporation for the year 2021-2022:

1. Vicente R. Santos;
2. Exequiel D. Robles;
3. Antonio D. Robles;
4. Aurora D. Robles;
5. Mariza Santos-Tan;
6. Orestes R. Santos; and
7. Simeon S. Cua.

The qualifications of the foregoing nominees were included in the Definitive Information Statement of the Corporation, copies of which are available on the Corporation's website and on PSE Edge.

Upon the request of the Chairman, the Corporate Secretary announced that based on the tally of votes of the stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty Three Thousand Seven Hundred Sixty Six (6,702,433,766) shares, representing 81.77% of the outstanding capital stock of the Corporation, as confirmed by the transfer agent, Professional Stock Transfer, Inc., the two (2) nominees for Independent Directors and seven (7) nominees for Directors of the Corporation were declared duly elected as Directors of the Corporation for the year 2021-2022.

X. APPROVAL OF THE AMENDMENT OF THE BY-LAWS OF THE CORPORATION TO AUTHORIZE THE STOCKHOLDERS TO VOTE THROUGH REMOTE COMMUNICATION OR *IN ABSENTIA*

It was proposed that the Corporation amend its By-Laws in accordance with Section 49 of the Revised Corporation Code which states that "[t]he right to vote of stockholders or members may be exercised in person, through a proxy, or when so authorized in the by-laws, through remote communication or in absentia." Thereafter, the Corporate Secretary announced that stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty Three Thousand Seven Hundred Sixty Six (6,702,433,766) shares, representing 81.77% of the outstanding capital stock of the Corporation unanimously approved the following resolution:

> "**RESOLVED**, That subject to the approval by the Securities and Exchange Commission, the Corporation be, as it is hereby, authorized and empowered to conduct stockholders' meetings via remote communication and to authorize stockholders to vote through remote communication or *in*

absentia, and for such purpose to amend Article I, Sections 1.01, 1.05 and 1.06 of its By-laws to read as follows:

'Article I
MEETING OF STOCKHOLDERS

SECTION 1.01. *Annual Meeting* – Unless otherwise determined by the Board of Directors, the annual meeting of stockholders shall be held in the principal office of the Corporation located at 3rd Floor, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal, Philippines, on the 3rd Friday of June of each year; *Provided, however,* that if the day designated for the annual meeting of stockholders falls on a holiday, then the meeting shall be held on the business day next following.

Stockholders who cannot physically attend at stockholders' meetings may participate in such meetings through remote communications or other alternative modes of communication, *Provided,* that he/she shall notify in advance the Presiding Officer and the Corporate Secretary of his/her intention. The Corporate Secretary shall note such fact in the Minutes of the meeting.

x x x

SECTION 1.05. *Quorum* – (a) A simple majority of the total issued and outstanding capital stock entitled to vote, attending in person, or duly represented by proxy, shall constitute a quorum to do business. **A stockholder who participates through remote communication or *in absentia*, shall be deemed present for purposes of quorum.** Except as otherwise provided by law, the affirmative vote of the majority of the quorum shall be sufficient for the adoption of a resolution, or otherwise to reach and make a corporate decision. x x x

SECTION 1.06. *Voting* – (a) At all meetings of stockholders (whether annual or special), every stockholder of record shall be entitled to one (1) vote for each share of stock recorded in his name in the books of the Corporation. **Stockholders may exercise their right to vote through remote communication or *in absentia.*** x x x'"

XI. RE-RATIFICATION OF THE SALE OF UP TO THREE BILLION (3,000,000,000) SHARES OF STOCK THROUGH A FOLLOW-ON OFFERING, AS PREVIOUSLY APPROVED DURING THE ANNUAL STOCKHOLDERS' MEETING HELD ON 21 JUNE 2013

It was proposed that the stockholders re-ratify the resolutions approving the sale of up to Three Billion (3,000,000,000) shares of stock through a follow-on offering, as previously approved during the Annual Stockholders' Meeting held on 21 June 2013. Thereafter, the Corporate Secretary announced that stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty One Thousand Seven Hundred Sixty Six (6,702,431,766) shares, representing 81.77% of the outstanding capital stock of the Corporation unanimously re-ratified the following resolutions:

"RESOLVED, That subject to the approval of the Corporation's shareholders, the Securities and Exchange Commission and the Philippine Stock Exchange, Inc. ('PSE'), the Corporation be, as it is hereby, authorized and empowered to sell up to Three Billion (3,000,000,000) shares of stock of the Corporation through a follow-on offering with the PSE, and to apply for the listing of the same in the PSE;

"RESOLVED, **FURTHER**, That the final terms of the foregoing transactions shall be fixed by the Corporation's Board of Directors at a meeting duly called for the purpose;

"RESOLVED, **FINALLY**, That the President of the Corporation, **MR. EXEQUIEL D. ROBLES**, and the Chairman of the Corporation, **MR. VICENTE R. SANTOS**, be, as they are hereby, authorized and empowered to jointly sign, execute, deliver, receive and receipt, any and all documents and instruments which may be required or necessary to carry out the foregoing transaction."

XII. APPOINTMENT OF THE EXTERNAL AUDITOR OF THE CORPORATION FOR THE FISCAL YEAR 2021-2022

It was proposed that Sycip Gorres Velayo and Company be appointed as the external auditor of the Corporation for the calendar year 2021-2022. Thereafter, the Corporate Secretary announced that stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty Three Thousand Seven Hundred Sixty Six (6,702,433,766) shares, representing 81.77% of the outstanding capital stock of the Corporation unanimously approved the following resolution:

"**RESOLVED,** that the appointment of Sycip Gorres Velayo and Company as the external auditor of the Corporation for the fiscal year 2021-2022 is hereby approved and adopted."

XIII. OTHER MATTERS

The Chairman took the opportunity to acknowledge the presence and valuable contributions of Mr. Osmundo De Guzman, Jr. and Mr. Jose Ferdinand R. Guiang who have both served as independent directors since 2004. Considering their terms as independent directors have expired, the Chairman, on behalf of the Board and management of the Corporation, extended his deepest gratitude for their service.

Pursuant to the Guidelines for Participation via Remote Communication and Voting in *Absentia*, stockholders were given the opportunity to send their comments and questions by 17 June 2021. There being no questions or comments, the Chairman proceeded to the next item in the Agenda.

XIV. ADJOURNMENT

There being no further business to transact, and upon motion made and duly seconded, the meeting was thereupon adjourned.

CERTIFIED CORRECT:

PATRICIA A. O. BUNYE
Corporate Secretary

ATTESTED BY:

VICENTE R. SANTOS
Chairman

Professional Stock Transfer, Inc.

CERTIFICATION

June 21, 2021

I, Jenny C. Serafica, of legal age, Filipino and with office address at Professional Stock Transfer, Inc., 10th Flr., Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City , hereby certify that:

1. I am the President of Professional Stock Transfer, Inc. (PSTI) a corporation duly organized and existing under and by virtue of the laws of the Philippines.

2. PSTI is the stock transfer agent of **STA. LUCIA LAND, INC. (SLI)** a corporation duly organized and existing under and by virtue of the laws of the Philippines with principal office at Penthouse, Building III, Sta. Lucia East Grandmall Felix Avenue corner Marcos Highway, Cainta, Rizal.

3. as stock transfer agent of SLI, PSTI maintains the shareholdings records of the shareholders of SLI.

4. that the total shares represented in proxies and in persons for the Annual Stockholders Meeting of Sta. Lucia Land, Inc. scheduled on June 25, 2021 is **6,702,433,766** shares equivalent to **81.7724%** of the total **8,196,450,000** outstanding shares of Sta. Lucia Land, Inc. as of May 21, 2021

This certification is for the Annual Stockholders' Meeting of Sta. Lucia Land, Inc. on June 25, 2021.

JENNY C. SERAFICA
President

10th Floor Telecom Plaza Building, 316 Sen. Gil Puyat Avenue, Makati City
Telephone No. (632) 8687-4053 * 8801-6123 Fax No. (632) 86877-2733 Web: www.professionalstocktransfer.com
Email add: info@professionalstocktransfer.com • profstocktransferinc@gmail.com

STA. LUCIA LSND, INC.
ANNUAL STOCKHOLDERS' MEETING
June 25, 2021
(Total Outstanding Shares: 8,196,450,000)

TOTAL NUMBER OF VOTES

	NO. OF SHARES	%
PROXIES:	6,701,005,767	81.7550%
IN PERSON:	1,427,999	0.0174%
Total Votes	6,702,433,766	81.7724%

Submitted by:

JENNY C. SERAFICA
President

STA. LUCIA LAND, INC.
ANNUAL STOCKHOLDERS' MEETING
June 25, 2021
LIST OF PROXY HOLDER

Total Outstanding Shares : 8,196,450,000

-	SHARES	%
Exaltacion R. Joseph		
Sta. Lucia Realty & Devt., Inc.	6,701,005,767	81.75%
GRAND TOTAL	6,701,005,767	81.75%

Submitted by:

JENNY C. SERAFICA
President

Annex "B"

STA.LUCIA LAND, INC.
ANNUAL STOCKHOLDERS' MEETING
June 25, 2021

LIST OF ATTENDEES:

PROXY HOLDER:

Exaltacion R. Joseph

Sta. Lucia Realty & Devt., Inc.

IN PERSON:

Vicente R. Santos
Exequiel D. Robles
Mariza Santos Tan
Aurora D. Robles
Antonio D. Robles
Orestes R. Santos
Jose Ferdinand R. Guiang
Osmundo C. De Guzman, Jr.
Simeon S. Cua
Julius Sanvictores

OTHER ATTENDEES

Atty. Patricia O. Bunye
Danilo Antonio
Renato C. Francisco
David M. Dela Cruz
Jeremiah T. Pampolina
Crystal I. Prado
Pancho G. Umali
Ace Franziz D. Cuntapay

Submitted by:

JENNY C. SERAFICA
President

STA. LUCIA LAND INC.

PRESIDENT'S REPORT

Annual Stockholders Meeting 25 June 2021

Good morning to our stockholders, Sta. Lucia Land Inc. board of directors & officers, and special VIP guests.

Year 2020 saw the deepest recession in the global economy. Philippine GDP contracted by 9.5%, its first contraction since the Asian financial crisis in 1998. It was a year of extreme challenges for all companies, including Sta. Lucia Land Inc.

The pandemic has realigned the economy's landscape. The reduction in mobility and the "Work and School" from home practice saw the rise in electronic commerce which resulted to an increase in internet capacities. This has partially resulted to a shift within the real estate sector as the new normal has prompted the economy to revisit residential and commercial areas outside the Central Business Districts.

According to a Colliers International Report, landbanking in areas outside Metro Manila could result to a repositioning from the urban core to the major rural areas. This will lead to a much needed decentralization in key cities and provinces.

Our 2020 financial performance has reflected this shift. Despite the GDP decline, we were able to generate gross revenues of P 6.778 Billion along with a net income ofP 1.622 Billion, a mere 12% and 2% decline respectively compared to that of 2019. We have managed our balance sheet well, as total assets increased by 13%, from P 40.352 Billion to P 45.786 Billion.

SLI has continued to capitalize on its key strengths of developing horizontal assets. In 2020, we continued to expand our presence in the following areas:

1. Batangas
2. Laguna
3. Rizal
4. Bataan
5. Pangasinan
6. Bulacan

7. Pampanga
8. Zambales
9. Palawan
10. Iloilo
11. Davao
12. Surigao Del Norte

Last February 2020, your Company was awarded a Silver Quality Service Award by Readers Digest for excellence in service and customer satisfaction. This is a testament to our continuous improvement and development inour aim to serve our customers with the highest standard of excellence.

It was an unprecedented time for the company and the country. With the worse seemingly behind us, we look forward to a recovery and an even stronger 2021 and forward.

We would like to thank our Board, our management team and partners, whohave been with us as we continue to provide quality real estate community developments to our clients.

Thank you.

MR. EXEQUIEL D. ROBLES
President

Annex "D"

STA. LUCIA LAND, INC.
Resolutions of the Board of Directors and Executive Committee
For the Period from 20 August 2020 to 24 June 2021

Organizational Meeting of the Board of Directors dated 20 August 2020	
1	Election of the Officers and Board Committee Members for the year 2020-2021
2	Resolution approving the Minutes of the Special Meeting of the Board of Directors held on 21 May 2020
3	Resolutions authorizing the Corporation to acquire parcels of land in Davao del Sur, Laguna, Batangas, and Rizal
4	Resolution authorizing the Corporation to enter into joint ventures involving the development of projects located in Zambales and Pampanga
5	Resolution authorizing the Corporation to issue up to PhP8 Billion worth of (i) senior fixed rate retail bonds in one or more tranches, subject to the approval by the Securities and Exchange Commission ("SEC") and the Philippine Dealing and Exchange Corporation ("PDEx") and/or (ii) senior corporate notes to primary institutional lenders/qualified buyers, with China Bank Capital Corporation as its lead underwriter, issue manager and bookrunner, under such terms and conditions as the Board may deem to be fair and reasonable and in the best interest of the Corporation, and for such purpose, to file its (i) Registration Statement with the SEC for the shelf registration of senior fixed rate retail bonds and (ii) application for registration and listing with PDEx
6	Resolution authorizing the Corporation to transact and deal with China Banking Corporation – Trust and Asset Management Group for the purpose of securing credit accommodations of up to PhP1 Billion
7	Resolution authorizing the Corporation to transact and deal with Rizal Commercial Banking Corporation – Trust and Investments Group for the purpose of securing credit accommodations of up to PhP300 Million
8	Resolution authorizing the Corporation to apply for an online banking facility to be used for online inquiry/accessing of its accounts with selected banks
Executive Committee Meeting held on 10 September 2020	
10	Resolution authorizing the Corporation to borrow funds from individual lenders in the total amount of up to a maximum of PhP1 Billion in tranches and authorizing RCBC Capital Corporation to act as broker for the promissory notes
Special Meeting of the Board of Directors dated 10 December 2020	
11	Resolution approving the Minutes of the Organizational Meeting of the Board of Directors held on 20 August 2020
12	Resolutions authorizing the Corporation to acquire parcels of land located in Bulacan, Batangas, San Pablo City, and Laguna
13	Resolutions authorizing the Corporation to acquire a parcel of land located in Rizal from Sta. Lucia Realty & Development, Inc., the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Corporation's Material Related Party Transactions Policy
14	Resolutions authorizing the Corporation to enter into joint ventures with Sta. Lucia Realty & Development, Inc., the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Corporation's Material Related Party Transactions Policy, involving the development of projects located in Rizal, Pampanga and Pangasinan
15	Resolutions amending the authority granted during the Organizational Meeting of the Board of Directors dated 20 August 2020, as disclosed in item (D) of the Current Report dated 20 August 2020, to approve the issuance of up to Eight Billion Pesos (PhP8,000,000,000.00) worth of unsecured fixed rate retail bonds in two or more tranches with the first tranche offering of up

	to One Billion Pesos (PhP1,000,000,000.00) with an Oversubscription Option of up to One Billion Pesos (PhP1,000,000,000.00), subject to the approval by the SEC and the PDEx, with China Bank Capital Corporation as its lead underwriter, issue manager and bookrunner
16	Resolutions approving the disclosure in the Registration Statement of the Corporation for the registration of up to Eight Billion Pesos (PhP8,000,000,000.00) worth of unsecured fixed rate retail bonds ('Bonds') which will be offered in two or more tranches, with the first tranche offering of up to One Billion Pesos (PhP1,000,000,000.00) worth of Bonds with an Oversubscription Option of up to One Billion Pesos (PhP1,000,000,000.00)
17	Resolutions approving the availment of up to Five Hundred Million Pesos (P500,000,000.00) worth of loans and credit facilities from Philippine Commercial Capital Inc. – Trust and Investment Group
18	Resolutions designating the official and alternate e-mail addresses and cellphone numbers of the Corporation in compliance with SEC Memorandum Circular No. 28, series of 2020
Executive Committee Meeting held on 11 January 2021	
19	Designation of authorized signatories for transactions with the Pag-IBIG Fund
Executive Committee Meeting held on 14 January 2021	
20	Designation of authorized signatories in the Condominium and/or Subdivision Plan, Building Permit Application and other documents to be submitted for approval by the Bureau of Lands, Local Government Unit and other government agencies for various projects
21	Designation of authorized signatories for the renewal application and transactions with the Business Bureau, City Assessor's Office, Office of the City Treasurer of Davao City in connection with the renewal of the business permit in Digos City
22	Authority to file applications before the office of Manila Water and/or any of its branches in relation to the installation of permanent and temporary facilities in all subdivision and condominium projects of the Corporation
23	Authority to file application with Manila Electric Company (MERALCO) in relation to the installation of permanent and temporary facilities in Sta. Lucia Residenzes condominium project located in Cainta, Rizal
24	Authority to file applications before the office of Manila Electric Company (MERALCO) and/or any of its branches in relation to the installation of permanent and temporary facilities in all subdivision and condominium projects of the Corporation
25	Authority to file applications before the office of Prime Water and/or any of its branches in relation to the installation of permanent and temporary facilities in all subdivision and condominium projects of the Corporation
26	Authority to submit the environmental compliance report with the Department of Environmental and Natural Resources
27	Designation of authorized signatories to process and sign the application for Development Permit of the Centro Verde Project located in Pangasinan
Executive Committee Meeting held on 02 March 2021	
28	Resolution approving the Reviewed Interim Financial Statements as of and for the period ended 30 September 2020
Special Meeting of the Board of Directors dated 12 March 2021	
29	Resolution approving the Minutes of the Special Meeting of the Board of Directors held on 10 December 2020
30	Resolutions authorizing the Corporation to acquire parcels of land located in Davao del Sur, Iloilo and Batangas
31	Resolution authorizing the Corporation to enter into joint ventures involving the development of projects located in Rizal, Davao del Sur, Lapu-Lapu City and Batangas
32	Resolutions authorizing the Corporation to enter into joint ventures with Sta. Lucia Realty & Development, Inc., the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Corporation's Material Related Party

	Transactions Policy, involving the development of projects located in Cavite, Rizal and Batangas
33	Resolutions authorizing the Corporation to issue up to Seven Billion Pesos (PhP7,000,000,000.00) worth of corporate notes to not more than nineteen (19) primary institutional lenders/qualified buyers, under such terms and conditions as the Corporation's management
34	Resolutions approving the amendment of the By-Laws of the Corporation to authorize the stockholders to vote through remote communication or in absentia;
35	Resolutions setting the date of the Annual Stockholders' Meeting of the Corporation for the year 2021 on Friday, 25 June 2021, 8:00 a.m., and authorizing the virtual conduct of the Annual Stockholders' Meeting
36	Resolutions authorizing the stockholders to participate and vote on matters in the 2021 Annual Stockholders' Meeting via remote communication or in absentia
37	Resolutions setting the record date on 21 May 2021 for purposes of determining the list of stockholders of the Corporation who are entitled to notice of, and to vote at, the Annual Stockholders' Meeting, and all other deadlines to ensure timely and full compliance with the reportorial/disclosure requirements of both the SEC and the PSE for the Annual Stockholders' Meeting
38	Resolution ratifying the designation of the Corporation's Compliance Officer for purposes of complying with the Anti-Money Laundering Act
Executive Committee Meeting held on 12 March 2021	
39	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in Marikina City for Acropolis Loyola
40	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies for Yanarra Residences
Executive Committee Meeting held on 12 April 2021	
41	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in Puerto Princesa City for Greenpeak Residences Phase 2
42	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in Puerto Princesa City for Marbella Phase 1-A Subdivision
43	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in Puerto Princesa City for Golden Meadow Residences
44	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in Puerto Princesa City for Sonoma Place
45	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in Puerto Princesa City for Valencia Homes
Executive Committee Meeting held on 26 April 2021	
46	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in the CALABARZON Region for Ponte Verde de Sto. Tomas Phase 3-A

47	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in the CALABARZON Region for Nasacosta Peak Towers
48	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in the CALABARZON Region for Greenpeak Heights Phase 3
49	Designation of an authorized signatory for the Condominium and/or Subdivision Plan, building permit application and other necessary documents for submission to the Bureau of Lands, local government unit and government agencies in the CALABARZON Region for Palo Alto Phase 3
50	Resolutions authorizing the filing of applications for permits and transacting with the City of Dasmariñas, Province of Cavite for the construction and/or operation of the elevated water tank and pumping station in Mesilo Nueva Vida subdivision project
51	Resolutions authorizing the filing of an application for the Environmental Compliance Certificate and Environmental Impact Statement Report before the Department of Environment and Natural Resources and other related government agencies for the Fairmont Lake Residences subdivision project
Executive Committee Meeting held on 17 May 2021	
52	Resolutions approving the Audited Financial Statements for the period ended 31 December 2020

STA. LUCIA LAND, INC.
Resolutions of the Board of Directors and Executive Committee
For the Period from 25 June 2021 to 16 June 2022

Organizational Meeting of the Board of Directors held on 25 June 2021	
1	Resolution approving the Minutes of the Special Meeting of the Board of Directors held on 12 March 2021
2	Election of the Officers and Board Committee Members for the year 2021-2022
3	Resolutions authorizing the Corporation to acquire parcels of land in Rizal, Batangas, and Cotabato
4	Resolutions authorizing the Corporation to enter into joint ventures involving the development of projects in Rizal, Bulacan, and Laguna
5	Resolutions confirming the authority of the Corporation to sell up to Three Billion (3,000,000,000) shares through a Follow-On Offering
6	Resolution approving the Fit and Proper Rule for the Selection of Directors and Officers and undertaking to comply with the Securities and Exchange Commission's ("SEC") rules on resolving conflicting issues in the selection of independent directors in connection with the Follow-On Offering
7	Resolutions authorizing the SEC to inspect the bank accounts of the Corporation in connection with the Follow-On Offering
8	Resolution amending the Corporation's dividend policy
9	Resolutions appointing Rizal Commercial Banking Corporation as the Corporation's facility agent
Special Meeting of the Executive Committee held on 25 June 2021	
10	Resolution authorizing a representative to secure a copy of a decision in a case pending before the Department of Agrarian Reform
11	Resolution authorizing the Corporation's President to transact with Manila Water Company, Inc. for a project in Angono, Rizal
Special Meeting of the Executive Committee held on 22 July 2021	
12	Resolutions authorizing a representative to enter into a Memorandum of Agreement with Smart Communications Inc. for a project in Davao
Special Meeting of the Executive Committee held on 29 July 2021	
13	Resolutions authorizing a representative to appear on behalf of the Corporation before the Homeowners Association of Greenwoods Executive Village Phase, Cainta, Rizal
14	Resolutions authorizing a representative to apply for a Fencing Permit for a project in Baguio City
15	Resolution authorizing the Corporation to donate a parcel of land in Rizal
Special Meeting of the Executive Committee held on 13 August 2021	
16	Resolutions approving the Corporation's Interim Financial Statements for the period ended 31 March 2021
Special Meeting of the Board of Directors held on 02 September 2021	
17	Resolution approving the Minutes of the Organizational Meeting of the Board of Directors held on 25 June 2021
18	Resolutions authorizing the Corporation to acquire parcels of land in Batangas and Rizal
19	Resolutions authorizing the Corporation to enter into joint ventures involving the development of projects in Rizal and Batangas
20	Resolution amending the authority of the Corporation to sell up to Three Billion (3,000,000,000) shares through a Follow-On Offering
21	Resolution authorizing the Corporation to engage the receiving agent, Professional Stock Transfer, Inc., and the receiving bank, China Banking Corporation, for the Follow-On Offering
22	Resolution authorizing the Corporation to open accounts with UnionBank of the Philippines

Special Meeting of the Executive Committee held on 23 September 2021	
23	Resolutions authorizing a representative to apply for a Building Permit for a project in Quezon City
24	Resolutions authorizing the Corporation's President to apply for Environmental Compliance Certificates for projects in Davao City and Digos City
Special Meeting of the Executive Committee held on 14 October 2021	
25	Resolutions authorizing representatives to transact with the Bureau of Internal Revenue, Register of Deeds and Treasurer's Office in Iloilo City and the Province of Iloilo
26	Resolutions authorizing the Corporation's President to apply for an Environmental Compliance Certificate for a project in Tagum City
27	Resolutions authorizing the Corporation to file an application for permits and transact with the City of Calamba for the construction and operation of an elevated water tank and pumping station
28	Resolutions authorizing the Corporation's President to sign the application for Occupancy and Fire Safety Certificate for a project in Iloilo City
29	Resolutions authorizing a representative to apply for and process the Preliminary Approval for Location Clearance and Final Approval for Development Permit for projects in Negros Occidental
Special Meeting of the Executive Committee held on 11 November 2021	
30	Resolutions authorizing a representative to file a Petition to Lift Notice of Coverage before the office of the Department of Agrarian Reform and any other government agency in relation to a parcel of land in Davao City
Special Meeting of the Executive Committee held on 18 November 2021	
31	Resolution authorizing representatives as additional signatories to the application and/or cancellation of Managers' Check with BDO Unibank, Inc.
Special Meeting of the Board of Directors held on 09 December 2021	
32	Resolution approving the Minutes of the Special Meeting of the Board of Directors held on 02 September 2021
33	Resolutions authorizing the Corporation to acquire parcels of land in Batangas, Laguna, Davao, Pangasinan, and Rizal
34	Resolutions authorizing the Corporation to enter into joint ventures involving the development of projects in Batangas, Cavite, and Rizal
35	Resolution authorizing the Corporation to obtain a credit line facility from Unicapital Inc. and Unicapital Finance and Investments Inc. covering the amount of up to Two Hundred Million Philippine Pesos (PhP200,000,000.00)
36	Resolution authorizing the Corporation to obtain a short-term loan from several creditors through Unicapital, Inc. and Unicapital Finance and Investments, Inc. covering the amount of up to Three Hundred Million Philippine Pesos (PhP300,000,000.00)
37	Resolution authorizing the Corporation to secure a loan and/or other credit accommodations and facilities from UnionBank of the Philippines covering the amount of up to Five Hundred Twenty Five Million Pesos (PhP525,000,000.00)
38	Resolution authorizing the Corporation to obtain a loan and/or other credit accommodations and facilities from several creditors through Amalgamated Investment Bancorporation covering the amount of up to Five Hundred Million Pesos (PhP500,000,000.00)
39	Resolutions authorizing the Corporation to distribute cash dividends
40	Resolution authorizing the Corporation to avail of the check printing facility of Rizal Commercial Banking Corporation
Special Meeting of the Executive Committee held on 09 December 2021	
41	Resolutions appointing a representative to secure the approval of the Bureau of Lands and/or any government agency for the correction of the technical descriptions of a parcel of land in Rizal
Special Meeting of the Executive Committee held on 04 January 2022	
42	Resolution authorizing a representative to apply for the installation of facilities for projects in

	Davao City
43	Resolutions authorizing the Corporation to enter into a Management Agreement with Sta. Lucia Realty and Development, Inc. and Sotogrande Hotel, Inc.
44	Resolution appointing a substitute in relation to the Joint Venture Agreement for a project in Batangas
45	Resolution authorizing the Corporation's President to sign the Condominium and/or Subdivision Plan, Building Permit Application and other necessary documents for projects in Dasmariñas, Cavite and Los Baños, Laguna
Special Meeting of the Board of Directors held on 11 February 2022	
46	Resolution approving the Minutes of the Special Meeting of the Board of Directors held on 09 December 2021
47	Resolutions setting the date of the Annual Stockholders' Meeting of the Corporation for the year 2022 on 17 June 2022 and all other deadlines thereto
48	Resolution setting the record date on 13 May 2022 to determine the list of stockholders entitled to notice of, and to vote at, the Annual Stockholders' Meeting
49	Resolutions authorizing the Corporation to acquire parcels of land in Batangas and Laguna
50	Resolutions authorizing the Corporation to enter into joint venture agreements involving the development of projects in Rizal, Batangas, and Cotabato
51	Resolutions authorizing the Corporation to avail of a credit line facility from China Banking Corporation covering the amount of up to Six Billion Philippine Pesos (PhP6,000,000,000.00)
52	Resolutions authorizing the Corporation to transact and deal with BPI Asset Management and Trust Corporation for the purpose of opening investment management account/s
53	Resolutions authorizing the Corporation to transact and deal with AB Capital and Investment Corporation for the purpose of opening investment management account/s
54	Resolutions authorizing the Corporation to transact with Sun Life Investment Management and Trust Corporation for the purpose of opening investment management account/s
Special Meeting of the Executive Committee held on 11 February 2022	
55	Resolutions authorizing representatives in the case entitled "***Jolly Vic de Castro vs. Metropolis Subdivision Homeowners Association, Phase 1, et al***"
Special Meeting of the Executive Committee held on 10 March 2022	
56	Resolutions authorizing a representative to apply for a Certificate of Registration and License to Sell with the Department of Human Settlements and Urban Development ("DHSUD") and the Local Government Units ("LGU") for various subdivision projects
57	Resolutions authorizing the donation of a parcel of land located in Iloilo City
58	Resolutions appointing the Data Protection Officer
59	Resolutions authorizing a representative to apply for a Certificate of Registration and License to Sell with the DHSUD and the LGU for subdivision projects in Negros Occidental
60	Resolutions authorizing representatives to apply for and sign the loan application and other documents before the Office of the PAG-IBIG Fund
61	Resolutions authorizing a representative to transact with Prudential Guarantee for its Bond Application
62	Resolutions authorizing a representative to apply for a Certificate of Registration and License to Sell with the DHSUD and the LGUs for a project in Negros Occidental
Special Meeting of the Executive Committee held on 24 March 2022	
63	Resolutions authorizing representatives in various cases before the Department of Human Settlements Adjudication Commission
Special Meeting of the Executive Committee held on 27 March 2022	
64	Resolution authorizing a representative to apply for a subdivision plan for parcels of land in Palawan

Special Meeting of the Executive Committee held on 07 April 2022	
65	Resolutions authorizing a representative to apply for the issuance of a mechanical permit in Palawan
66	Resolutions authorizing a representative to apply for permits for the zoning of a subdivision project in Rizal
67	Resolutions authorizing a representative to apply for permits for the zoning of a subdivision project in Laguna
68	Resolutions authorizing representatives to apply for permits for projects in Bataan
Regular Meeting of the Executive Committee held on 18 May 2022	
69	Resolutions authorizing the execution of a Supply Agreement with Holcim Philippines, Inc.

CERTIFICATION

I, **VICENTE R. SANTOS**, Filipino, of legal, and a resident of J9-310 Evangelista Street, Barangay Santolan, Pasig City, Metro Manila after having been duly sworn 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 2022 in MANDALUYONG CITY.

VICENTE R. SANTOS
Affiant

SUBSCRIBED AND SWORN to before me this __ day of May 2022 in ____________________, affiant presenting competent evidence of his identity, ____________________, bearing his photograph and signature, issued by ____________________ and valid until ____________________.

Doc. No. 346;
Page No. 71;
Book No. LXII;
Series of 2022.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

CERTIFICATION

I, **EXEQUIEL D. ROBLES**, Filipino, of legal, and a resident of 31F. Pasco Avenue, Dumandan St., Santolan, Pasig City, Metro Manila after having been duly sworn in accordance with law, do hereby declare that:

1. I am a Director and the President 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 2022 in MANDALUYONG CITY

EXEQUIEL D. ROBLES
Affiant

24 MAY 2022

SUBSCRIBED AND SWORN to before me this ___ day of May 2022 in ____________________, affiant presenting competent evidence of his identity, ____________________, bearing his photograph and signature, issued by ____________________ and valid until ____________________.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47013
IBP No. 179508/01.26.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

Doc. No. 351;
Page No. 72;
Book No. LXII;
Series of 2022.

CERTIFICATION

I, **MARIZA R. SANTOS-TAN**, Filipino, of legal, and with address at G/F State Center II, Ortigas Avenue, Mandaluyong City, after having been duly sworn 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 2022 in MANDALUYONG CITY.

MARIZA R. SANTOS-TAN
Affiant

25 MAY 2022

SUBSCRIBED AND SWORN to before me this __ day of May 2022 in ____________________, affiant presenting competent evidence of her identity, ____________________, bearing her photograph and signature, issued by ____________________ and valid until ____________________.

Doc. No. 413;
Page No. 86;
Book No. 641;
Series of 2022.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

CERTIFICATION

I, **AURORA D. ROBLES**, Filipino, of legal, and a resident of The Alexandra Condominiums, Meralco Avenue, Pasig City, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a Director and the Assistant 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 2022 in MANDALUYONG CITY.

AURORA D. ROBLES
Affiant

SUBSCRIBED AND SWORN to before me this 25 MAY 2022 day of May 2022 in ____________________, affiant presenting competent evidence of her identity, ____________________, bearing her photograph and signature, issued by ____________________ and valid until ____________________.

Doc. No. 412;
Page No. 84;
Book No. LXII;
Series of 2022.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

CERTIFICATION

I, **SIMEON S. CUA**, Filipino, of legal, and a resident of 1765 P.M. Guazon St., Paco, Manila 1007, after having been duly sworn 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 2022 in MANDALUYONG CITY

SIMEON S. CUA
Affiant

24 MAY 2022

SUBSCRIBED AND SWORN to before me this __ day of May 2022 in ____________________, affiant presenting competent evidence of his identity, ____________________, bearing his photograph and signature, issued by ____________________ and valid until ____________________.

Doc. No. 352;
Page No. 72;
Book No. 441;
Series of 2022.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47013
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/01.03.2022/Mandaluyong
MCLE Compliance No. VI-0025421/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

CERTIFICATION

I, **ANTONIO D. ROBLES**, Filipino, of legal, and a resident of Odyssey Street, Acropolis, Quezon City, after having been duly sworn 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 2022 in MANDALUYONG CITY

ANTONIO D. ROBLES
Affiant

SUBSCRIBED AND SWORN to before me this 24 MAY 2022 ~~__ day of May 2022~~ in ____________________, affiant presenting competent evidence of his identity, ____________________, bearing his photograph and signature, issued by ____________________ and valid until ____________________.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

Doc. No. 350;
Page No. 71;
Book No. VIII;
Series of 2022.

CERTIFICATION

I, **ORESTES R. SANTOS**, Filipino, of legal, and a resident of Odyssey Street, Acropolis, Quezon City, after having been duly sworn 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 2022 in MANDALUYONG CITY

ORESTES R. SANTOS
Affiant

24 MAY 2022

SUBSCRIBED AND SWORN to before me this __ day of May 2022 in ____________________, affiant presenting competent evidence of his identity, ____________________, bearing his photograph and signature, issued by ____________________ and valid until ____________________.

Doc. No. 319;
Page No. 71;
Book No. LXII;
Series of 2022.

JERRY B. DELA-CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **DANILO A. ANTONIO,** Filipino, of legal age, and a resident of 2731 Taft Avenue Extension, Brgy. San Rafael, Pasay City, after having been duly sworn to accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **STA. LUCIA LAND, INC.**

2. I am affiliated with the following companies or organizations:

Company / Organization	Position / Relationship	Period of Service
Landexcel Consulting Inc.	President and CEO	22

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 am related to the following director/officer/substantial shareholder of **STA. LUCIA LAND, INC.** other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.

Name Of Director/Officer/Substantial Shareholder	Company	Nature Of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not employed by nor work in the Philippine government.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

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

Done this 2 4 MAY 2022 May 2022 in MANDALUYONG CITY

Affiant

2 4 MAY 2022

SUBSCRIBED AND SWORN to before me this ___ day of May 2022 in _________________, affiant presenting competent evidence of his identity, __________________________, bearing his photograph and signature, issued by _______________________________ and valid until ______________________.

Doc. No. 312;
Page No. 70;
Book No. LCII;
Series of 2022.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **RENATO CRUZ FRANCISCO,** Filipino, of legal age, and a resident of No. 8 (50 old no.) Sparrow St. New Marikina Subd., San Roque, Marikina City, after having been duly sworn to accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **STA. LUCIA LAND, INC.**

2. I am affiliated with the following companies or organizations:

Company / Organization	Position / Relationship	Period of Service
Court of Appeals	Retired Justice	2018 to present

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 am related to the following director/officer/substantial shareholder of **STA. LUCIA LAND, INC.** other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.

Name Of Director/Officer/Substantial Shareholder	Company	Nature Of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not employed by nor work in the Philippine government.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

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

2 4 MAY 2022 MANDALUYONG CITY

Done this _____ May 2022 in _________________.

Affiant

2 4 MAY 2022

SUBSCRIBED AND SWORN to before me this ___ day of May 2022 in _________________, affiant presenting competent evidence of his identity, _________________________, bearing his photograph and signature, issued by ______________________________ and valid until _____________________.

Doc. No. 313;
Page No. 70;
Book No. 411;
Series of 2022.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

CERTIFICATION

I, **DAVID M. DELA CRUZ**, Filipino, of legal, and a resident of #31 La Naval Street, Remmanville Subdivision, Better Living, Parañaque City, after having been duly sworn in accordance with law, do hereby declare that:

1. I am the Executive Vice President, Chief Financial Officer, and Chief Risk Officer 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 2022 in MANDALUYONG CITY

DAVID M. DELA CRUZ
Affiant

24 MAY 2022

SUBSCRIBED AND SWORN to before me this __ day of May 2022 in ____________________, affiant presenting competent evidence of his identity, ____________________, bearing his photograph and signature, issued by ____________________ and valid until ____________________.

Doc. No. 347;
Page No. 71;
Book No. LXII;
Series of 2022.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

CERTIFICATION

I, **PATRICIA A. O. BUNYE**, Filipino, of legal, with office address at the 9th, 10th, 11th and 12th Floors, One Orion, 11th Avenue corner University Parkway, Bonifacio Global City, Taguig 1634, 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. Based on the corporate records of the Corporation and to the best of my knowledge, no director or officer or nominee for election as director or officer of the Corporation is connected with any government agency or instrumentality.

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

Done this 23 May 2022 in Taguig City, Metro Manila.

PATRICIA A. O. BUNYE
Affiant

MAY 23 2022 MAKATI CITY

SUBSCRIBED AND SWORN TO before me this __ May 2022, in Taguig City, Metro Manila, with affiant exhibiting to me her Unified Multi-Purpose ID with Common Reference No. (CRN) 0111-7602634-4 bearing her photograph and signature issued by the Social Security System.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Extended Until June 30, 2022
Per B.M. No. 3795
PTR No. 8852509 Jan. 3, 2022 Makati City
Appointment No. M-133 (2020-2021)
IBP No. 1062634- Jan. 3, 2018
MCLE NO. VI-0023417 Roll No 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Doc. No. 320;
Page No. 65;
Book No. 31;
Series of 2022.

CERTIFICATION

I, **CRYSTAL I. PRADO**, Filipino, of legal, and a resident of N409 Phase 4, El Pueblo One Condominium, King Christian Street, Kingspoint Subdivision, Novaliches, Quezon City, after having been duly sworn to 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 working 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 2022 in MANDALUYONG CITY.

CRYSTAL I. PRADO
Affiant

2 4 MAY 2022

SUBSCRIBED AND SWORN to before me this __ day of May 2022 in ____________________, affiant presenting competent evidence of her identity, ____________________, bearing her photograph and signature, issued by ____________________ and valid until ____________________.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179[illegible]/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

Doc. No. 374;
Page No. 70;
Book No. LXII;
Series of 2022.

CERTIFICATION

I, **ACE FRANZIZ D. CUNTAPAY**, Filipino, of legal, and a resident of 142A Rose St. Sonia Village, Brgy. Dela Paz, Pasig City, after having been duly sworn in accordance with law, do hereby declare that:

1. I am the Internal Auditor and Data Protection Officer 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 2022 in MANDALUYONG CITY.

ACE FRANZIZ D. CUNTAPAY
Affiant

SUBSCRIBED AND SWORN to before me this 24 MAY 2022 day of May 2022 in ____________________, affiant presenting competent evidence of his identity, ____________________, bearing his photograph and signature, issued by ____________________ and valid until ____________________.

Doc. No. 348;
Page No. 71;
Book No. XII;
Series of 2022.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

CERTIFICATION

I, **JEREMIAH T. PAMPOLINA**, Filipino, of legal, and a resident of 67C J.P. Rizal Street, Project 4, Quezon City, after having been duly sworn in accordance with law, do hereby declare that:

1. I am the Chief Compliance Officer and Vice President – Corporate Planning & Investor Relations 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 2022 in MANDALUYONG CITY

JEREMIAH T. PAMPOLINA
Affiant

24 MAY 2022

SUBSCRIBED AND SWORN to before me this __ day of May 2022 in ____________________, affiant presenting competent evidence of his identity, ____________________, bearing his photograph and signature, issued by ____________________ and valid until ____________________.

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

Doc. No. 745;
Page No. 70;
Book No. 411;
Series of 2022.

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 2021 which were submitted to the Securities and Exchange Commission ("SEC") (Annex "B" hereof).

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

On 25 June 2021, 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 2021-2022. Mr. Michael C. Sabado of SGV & Co. is in his fifth year of service as external auditor, in replacement of Ms. Cyril Jasmin B. Valencia. There are no disagreements with SGV & Co. on any matter of accounting and financial disclosure.

(a) Audit and Audit-Related Fees

P2,541,000* for 2021, P2,541,000* for 2020, P2,587,200* for 2019.
*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 2021 VS. YEAR END 2020

RESULTS OF OPERATIONS

Overview of Operations

The Group had been resilient with the effect of the Covid-19 pandemic by recording an astounding increase in its financial performance during the period. Having a project portfolio with projects mainly located in the fringes outside Metro Manila, the Group experienced a significant increase in revenue generation evidenced by the remarkable increase in real estate sales of 27% from the previous year.

The shift in the new work set-up arrangements increased the demand of properties outside the central business districts. As a result, this significantly increased the property values outside Metro Manila and directly benefited the Group's project portfolio. This eventually contributed to the remarkable increase in financial performance of the Group in the current period.

Revenue

Increase in property values outside Metro Manila as result of the increase in demand has boosted the real estate sales of the Group during the period. Real estate sales for the period increased by 27% or ₱1,444 million as compared the previous year. The easing of quarantine restrictions opened up an extensive operation to the Group's sales and marketing team, contributing to the increase in real estate sales. The increase in real estate sales have also directly affected the revenue recognized from commission income and interest income from in-house financing. Commission income during the period recorded a 55% or ₱50 million increase compared to the previous period. Interest income increased by 8% or ₱40 million as compared to the previous period. Other income, consisting of gains from repossession of inventory, penalties and surcharges and other miscellaneous income increased by 15% or ₱53 million during the period. Despite the increase of the major revenue stream of the Group, its commercial operations experienced a 13% or ₱69 million decrease in 2021. The decrease was primarily due to the rental concessions granted by the Group to its tenants to help them as well as to ease the negative impact brought about by the Covid-19 pandemic.

Cost and Expense

Total cost and expense recognized during 2021 totaled ₱5,530 million. This amount represents a 7% increase compared to the 2020 amount of ₱5,145 million. Total selling and administrative expenses increased by 39% or ₱416 million. The increase was primarily due to the increase in commission expense brought about by the increase in real estate sales recognized during the year. Commission expense increased by 28% or ₱175 million during 2021. Despite the risks brought about by the pandemic, the Group managed to raise more funds from the debt market resulting to a 6% or ₱58 million increase in interest expense. Overall, the easing of quarantine restrictions opened up most of the Group's operations contributing to the increase in cost and expense recognized during the period.

Net Income

Directly benefiting from the increase in property prices outside Metro Manila and the increase in demand of properties situated in the fringes, the Group's net income increased by a whopping 66% or ₱1,132 million during the period.

PROJECT AND CAPITAL EXPENDITURES

During the period, the Group apportioned ₱5,958 million for project and capital expenditures as the Group wants to capture the growing demand for real estate. Part of the allotted amount, ₱1,114 million, was incurred to acquire land for future developments and expansion of its existing horizontal and vertical projects. In line with its existing growth model, the Group will remain focused on its core strength of developing horizontal properties with residential and commercial components. Coping and meeting the increasing demand in properties in areas located outside the Metro, the Group will continue its massive expansion which will be financed primarily through internally generated funds and its increased access to the debt and capital markets.

FINANCIAL CONDITION

Assets

The Group's total assets in 2021 increased to ₱51,993 million from ₱45,786 in 2020. This represents a significant 14% or ₱6,207 increase from its current year's performance. This increase was primarily due to the recognized real estate sales contributing a 55% or ₱2,115 million increase in receivables arising from the sales. Also, during 2021, as evidenced by the 107% or ₱1,004 million increase in cash and 16% or ₱3,974 million increase in inventories, the Group has taken significant borrowings in the debt market to increase its liquidity and support the on-going project expansions throughout the country. With the availability of adequate amount of cash to support the Group's operations and massive project developments, the financial position of the Company took off and had experienced a significant increase in during the period.

Liabilities

To maintain the strong liquidity position and to continuously support the massive project developments and land banking activities of the Group, it maximized its access to the debt market by raising ₱7,000 million worth of Corporate Notes that was used to pay-out the more expensive long term and short term loans outstanding in 2021, giving way to a more relaxed cash position. Total liabilities of the Group during 2021 totaled ₱31,922 million. The amount represents a 32% or ₱3,834 million increase from the 2020 balance. Accounts and other payables increased by 26% or ₱1,345 million from 2020. Short term borrowings also increased by 39% or ₱2,376 million.

Equity

Total stockholders' equity increased by 13% or ₱2,374 million in 2021. This was due to the significant increase in net income experienced during the year. It was also during the year that the Group declared its first special cash dividends of ₱0.04 per share.

Key Performance Indicators

	31-Dec-21	31-Dec-20
Current Ratio	**2.03**	**2.01**
Debt to Equity	**0.96**	**0.97**
Interest Coverage Ratio	**333.99%**	**341.52%**
Return on Asset	**5.46%**	**3.73%**
Return on Equity	**14.15%**	**9.65%**

*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 2021.

Material Changes in the Balance Sheet (+/- 5%) as of 31 December 2021 versus the Balance Sheet as of 31 December 2020

	HORINZONTAL ANALYSIS				**VERTICAL ANALYSIS**		
in P millions	**December 31,**		**P**	**%**	**December 31,**		**%**
	2021	**2020**	**change**	**change**	**2021**	**2020**	**change**
ASSETS							
Current Assets							
Cash and cash equivalents	1,947.0	942.8	**1,004.1**	**106.5%**	3.7%	2.1%	**1.7%**
Receivables	3,023.7	3,494.6	**(470.9)**	**(13.5)%**	5.8%	7.6%	**(1.8)%**
Contract assets	1,464.9	1,880.4	**(415.5)**	**(22.1)%**	2.8%	4.1%	**(1.3)%**
Real estate inventories	28,905.4	24,931.1	**3,974.3**	**15.9%**	55.6%	54.5%	**1.1%**
Other current assets	4,782.9	5,401.0	**(618.1)**	**(11.4)%**	9.2%	11.8%	**(2.6)%**
Total Current Assets	**40,123.8**	**36,649.9**	**3,473.9**	**9.5%**	**77.2%**	**80.0%**	**(2.9)%**
Noncurrent Assets							
Installment contracts receivables - net of current portion	1,860.9	1,014.1	**846.8**	**83.5%**	3.6%	2.2%	**1.4%**
Contract assets - net of current portion	2,651.4	967.5	**1,683.9**	**174.1%**	5.1%	2.1%	**3.0%**
Investment properties	5,868.2	5,712.4	**155.8**	**2.7%**	11.3%	12.5%	**(1.2)%**
Property and equipment	49.7	54.9	**(5.2)**	**(9.4)%**	0.1%	0.1%	**(0.0)%**
Financial assets at fair value through other comprehensive income (FVOCI)	682.6	821.4	**(138.8)**	**(16.9)%**	1.3%	1.8%	**(0.5)%**
Pension asset	1.1	0.3	**0.7**	**227.8%**	0.0%	0.0%	**0.0%**
Other noncurrent assets	755.5	565.3	**190.2**	**33.7%**	1.5%	1.2%	**0.2%**
Total Noncurrent Assets	**11,869.5**	**9,135.9**	**2,733.6**	**29.9%**	**22.8%**	**20.0%**	**2.9%**

TOTAL ASSETS	**51,993.3**	**45,785.8**	**6,207.5**	**13.6%**	**100.0%**	**100.0%**	
LIABILITIES AND EQUITY							
Current Liabilities							
Short-term debt	8,525.3	6,149.0	**2,376.3**	**38.6%**	16.4%	13.4%	**3.0%**
Accounts and other payables	6,753.0	5,407.8	**1,345.2**	**24.9%**	13.0%	11.8%	**1.2%**
Income tax payable	98.6	87.3	**11.2**	**12.9%**	0.2%	0.2%	**(0.0)%**
Contract liabilities - current portion	2,577.5	3,569.8	**(992.3)**	**(27.8)%**	5.0%	7.8%	**(2.8)%**
Long-term debt - current portion	1,812.2	3,027.5	**(1,215.3)**	**(40.1)%**	3.5%	6.6%	**(3.1)%**
Total Current Liabilities	**19,766.5**	**18,241.4**	**1,525.1**	**8.4%**	**38.0%**	**39.8%**	**(1.8)%**
Noncurrent Liabilities							
Long-term debt - net of current portion	9,014.8	8,002.3	**1,012.5**	**12.7%**	17.3%	17.5%	**(0.1)%**
Contract liabilities - net of current portion	1,239.0	401.4	**837.6**	**208.7%**	2.4%	0.9%	**1.5%**
Deferred tax liabilities - net	1,901.4	1,442.9	**458.5**	**31.8%**	3.7%	3.2%	**0.5%**
Total Noncurrent Liabilities	**12,155.2**	**9,846.6**	**2,308.7**	**23.4%**	**23.4%**	**21.5%**	**1.9%**
Total Liabilities	**31,921.8**	**28,088.0**	**3,833.8**	**13.6%**	**61.4%**	**61.3%**	**0.0%**
Equity							
Capital stock	10,796.5	10,796.5	**-**	**-**	20.8%	23.6%	**(2.8)%**
Additional paid-in capital	330.0	330.0	**-**	**-**	0.6%	0.7%	**(0.1)%**
Retained earnings	10,358.5	7,846.5	**2,512.0**	**32.0%**	19.9%	17.1%	**2.8%**
Treasury shares	(1,640.0)	(1,640.0)	**-**	**-**	(3.2)%	(3.6)%	**0.4%**
Net unrealized gain on fair value of financial assets at FVOCI	225.9	364.7	**(138.8)**	**(38.1)%**	0.4%	0.8%	**(0.4)%**
Remeasurement gains on pension - net of tax	0.7	0.2	**0.6**	**346.1%**	0.0%	0.0%	**0.0%**
Total Equity	**20,071.5**	**17,697.8**	**2,373.7**	**13.4%**	**38.6%**	**38.7%**	**(0.0)%**
TOTAL LIABILITIES AND EQUITY	**51,993.3**	**45,785.8**	**6,207.5**	**13.6%**	**100.0%**	**100.0%**	

107% increase in cash and cash equivalents
The increase in cash and cash equivalents was primarily due to the Group's action in the debt market to maintain a strong liquidity position. Also, the Group has put up more payment channels to increase its collections for its existing receivables from real estate sales.

13% decrease in receivables
The decrease in receivables was due to the increase in collections that the Group experienced as it had set up more payment channels for its buyers. This includes the collections through bill payments and other options made available during the pandemic.

22% decrease in current portion of contract assets
The decrease in the current portion of contract assets was due to the increase in collections that the Group experienced from completed projects during the period.

16% increase in real estate inventories
With the availability of cash to support the Group's operations, a significant amount of capital expenditures was deployed for project developments and land banking activities, increasing the amount real estate inventories during the period.

11% decrease in other current assets

The decrease was primarily due to the transfer of advances to land owners arising from land acquisitions which was initially recognized as other receivables as the contracts are yet to be executed. Once executed, the receivables shall be transferred as part of the Group's real estate inventories.

84% increase in noncurrent portion of installment contract receivables
Increase in the noncurrent portion of installment receivables was primarily due to the increase in real estate sales especially from projects that are still under development.

174% increase in noncurrent portion of contract assets
Increase in the noncurrent portion of contract assets was primarily due to the increase in real estate sales especially from the completed projects of the Group.

9% decrease in property and equipment
Decrease in the carrying value of property and equipment was the result of continuous lapsing recorded in the books. Less capital expenditures were allocated in the acquisition of property and equipment for the Group's operations.

17% decrease in financial assets at fair value through other comprehensive income
Still with the effect of pandemic, the fair value of most investments declined during 2021. Fair market value of financial assets held by the Group decreased in 2021.

228% increase in pension assets
With the continuous increase in the number of employees of the Group, pension asset contribution was directly affected. The increase in the amount of pension asset was due to the increase in contribution paid during the period.

34% increase in other noncurrent assets
As the Group increased its deployment of available cash for capital expenditures, increase in advances to contractors were recognized during the period, increasing the balance reported for other non-current assets.

26% increase in accounts and other payables
The mobilization of major project development activities and expansions on existing properties of the Group contributed to the increase in accounts and other payables. The volume of billings received from contractors and suppliers increased during the period.

39% increase in short term debt
Striving to maintain a strong liquidity position and to benefit from the low interest rates during the period, the Group maximized its access to debt markets for additional source of funding, increasing its short-term borrowings in 2021.

34% decrease in contract liabilities - current
Advance collections which were initially recorded as liabilities from buyers whose properties are yet to be developed were already recognized as income since there is already an increase in project development accomplishments during the period.

40% decrease in long term debts - current portion
During 2021, the Group managed to raise ₱7,000 million worth of corporate notes. The proceeds were used to pay the ₱2,000 million bonds which matured during the period and to pre-terminate more expensive loans, part of which were the 7-year ₱5,000 million corporate notes as portions of its principal amounts were already falling due.

13% increase in income tax payable
Increase in net income during the period increased the amount of tax liabilities. Netted with the payments made during 2021, attributable tax liabilities increased during the period.

13% increase in long term debts - noncurrent portion
The increase in non-current portion of long term debts was primarily due to the ₱7,000 million corporate notes raised during 2021.

32% increase in deferred tax liabilities-net
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

276% increase in contract liabilities – noncurrent
The increase was primarily attributable to the increase in real estate sales recognized during the period especially from new project launches. Percentage of collected amounts exceeds the actual accomplishments from these projects thus, resulting to recognition of contract liabilities.

32% increase in retained earnings
Increase was mainly attributable to the remarkable revenue generation of the Group despite the declared dividends during the period. Net income during the period significantly increased compared to the same period last year.

38% decrease in unrealized gain on fair value of available-for-sale financial assets
Decrease was due to the decline in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.

346% increase in unrealized gain on pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary.

Material Changes in the Income Statement (+/- 5%) for the year ended 31 December 2021 versus the Income Statement for the year ended 31 December 2020

	HORINZONTAL ANALYSIS				**VERTICAL ANALYSIS**		
in P millions except per share figure	**December 31,**		**P**	**%**	**December 31,**		**%**
	2021	**2020**	**change**	**change**	**2021**	**2020**	**change**
REVENUE							
Real estate sales	6,827.2	5,383.1	**1,444.1**	**26.8%**	81.6%	79.6%	**2.0%**
Rental income	465.9	447.5	**18.3**	**4.1%**	5.6%	6.6%	**(1.0)%**
Interest income	519.8	479.8	**40.0**	**8.3%**	6.2%	7.1%	**(0.9)%**
Commission income	141.6	91.5	**50.1**	**54.8%**	1.7%	1.4%	**0.3%**
Dividend income	8.7	9.2	**(0.5)**	**(5.2)%**	0.1%	0.1%	**(0.0)%**
Others	407.6	354.8	**52.7**	**14.9%**	4.9%	5.2%	**(0.4)%**
	8,370.7	**6,766.0**	**1,604.7**	**23.7%**	**100.0%**	**100.0%**	
COSTS OF SALES AND SERVICES							
Cost of real estate sales	1,953.7	2,025.3	**(71.6)**	**(3.5)%**	23.3%	29.9%	**(6.6)%**
Cost of rental income	371.4	281.2	**90.2**	**32.1%**	4.4%	4.2%	**0.3%**
	2,325.1	**2,306.5**	**18.6**	**0.8%**	**27.8%**	**34.1%**	**(6.3)%**

SELLING AND ADMINISTRATIVE EXPENSES							
Commissions	797.5	622.0	**175.4**	**28.2%**	9.5%	9.2%	**0.3%**
Taxes, licenses and fees	183.1	99.4	**83.7**	**84.2%**	2.2%	1.5%	**0.7%**
Salaries and wages and other benefits	99.5	85.0	**14.4**	**17.0%**	1.2%	1.3%	**(0.1)%**
Repairs and maintenance	85.8	41.1	**44.7**	**108.9%**	1.0%	0.6%	**0.4%**
Representation	73.7	49.0	**24.7**	**50.3%**	0.9%	0.7%	**0.2%**
Advertising	62.9	68.7	**(5.8)**	**(8.5)%**	0.8%	1.0%	**(0.3)%**
Professional fees	28.9	16.4	**12.5**	**76.1%**	0.3%	0.2%	**0.1%**
Surcharges and penalties	23.6	3.6	**19.9**	**545.7%**	0.3%	0.1%	**0.2%**
Depreciation and amortization	17.4	21.7	**(4.2)**	**(19.5)%**	0.2%	0.3%	**(0.1)%**
Legal expense	9.9	11.1	**(1.2)**	**(10.8)%**	0.1%	0.2%	**(0.0)%**
Utilities	9.3	6.9	**2.4**	**34.8%**	0.1%	0.1%	**0.0%**
Software maintenance	9.3	4.5	**4.9**	**109.0%**	0.1%	0.1%	**0.0%**
Expected credit loss	8.1	1.4	**6.8**	**503.3%**	0.1%	0.0%	**0.1%**
Insurance expense	6.1	6.1	**(0.0)**	**(0.2)%**	0.1%	0.1%	**(0.0)%**
Transportation, travel, office supplies and miscellaneous	68.7	30.3	**38.3**	**126.4%**	0.8%	0.4%	**0.4%**
	1,483.7	**1,067.2**	**416.4**	**39.0%**	**17.7%**	**15.8%**	**2.0%**
INTEREST EXPENSE	1,051.2	993.3	**57.9**	**5.8%**	12.6%	14.7%	**(2.1)%**
INCOME BEFORE INCOME TAX	**3,510.8**	**2,399.0**	**1,111.8**	**46.3%**	**41.9%**	**35.5%**	**6.5%**
PROVISION FOR INCOME TAX	671.0	691.1	**(20.1)**	**(2.9)%**	8.0%	10.2%	**(2.2)%**
NET INCOME	**2,839.8**	**1,707.9**	**1,131.9**	**66.3%**	**33.9%**	**25.2%**	**8.7%**
OTHER COMPREHENSIVE INCOME							
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods							
Unrealized losses on fair value of financial assets at FVOCI	(138.8)	(126.7)	**(12.1)**	**9.6%**	(1.7)%	(1.9)%	**0.2%**
Remeasurement gains on pension - net of tax	0.6	2.6	**(2.0)**	**(78.4)%**	0.0%	0.0%	**(0.0)%**
	(138.3)	(124.1)	**(14.1)**	**11.4%**	(1.7)%	(1.8)%	**0.2%**
TOTAL COMPREHENSIVE INCOME	**2,701.6**	**1,583.8**	**1,117.8**	**70.6%**	**32.3%**	**23.4%**	**8.9%**
Basic/Diluted Earnings Per Share	**0.35**	**0.21**					

27% increase in real estate sales

Increase in the demand of properties outside Metro Manila increased property values, boosting the recognized real estate sales of the Group during the period.

13% decrease in rental income

Decrease in rental income was primarily due to the rental concessions granted by the Group to the retail operators in its commercial properties. The rental concessions were granted to ease the negative impact brought about by the Covid-19 pandemic.

8% increase in interest income

Paralleled with the trend of real estate sales during the year, increase in interest income during the year was recognized.

55% increase in commission income
The increase in commission income was directly attributable to the increase in recognized real estate sales during 2021.

5% decrease in dividend income
Directly attributed to the dividends declared from the Group's investment in Philippine Racing Inc. and Manila Jockey Club Inc., there was a lower dividend pay-out during the period.

15% increase in other income
Increase is a result of booking of surcharges and penalties from customer's default on payment, income from hotel operations and gains from repossession.

28% increase in commission
Paralleled with the increase in real estate sales recognized during the period, commission expense increased during the period.

84% increase in taxes, licenses and fees
The increase was primarily attributable to the increase in real property taxes paid during the period arising from project developments and acquisition of raw lands for land banking activities.

17% increase in salaries, wages and other benefits
The increase was primarily due to the extended hiring activities of the Group to address its manpower needs because of the increasing business operations. Also, the increase can be attributed to the salary adjustments made during the period.

9% decrease in advertising
Considering that the increase in property demands outside Metro Manila was purely a direct effect of the shift in work arrangement set-up of some companies, promotional and other advertising activities remained as usual. Thus, a decrease in expense was noted during period.

76% increase in professional fees
External parties were sought into during 2021 to support the implemented fund-raising activities, which resulted to increasing the recognized professional fees.

35% increase in utilities
The shift to more relaxed quarantine restrictions opened up more business operating activities, increasing expenses for utilities.

19% decrease in depreciation and amortization
With less acquisition of properties and equipment for business operation support, less depreciation was recognized during the period.

50% increase in representation
The increase was attributable to the increase of project development activities and acquisition of raw land for land banking activities.

109% increase in repairs and maintenance
The increase in the number of projects already completed but not yet turned over to homeowners' associations and Condominium Corporations significantly increased the incurrence of expenses related to repairs and maintenance for its upkeep.

503% increase in expected credit losses
With the deferment of some of the collections due to the implemented extension of payment terms, the Group recognized additional risk of non-collection, thus increasing its recognized expected credit losses for 2021.

6% increase in interest expense
With the maximization of the access to the debt market to maintain a good liquidity position, increase in availment of long-term and short-term loans contributed to the increase in the recognized interest expense during the period.

COMPARISON: YEAR END 2020 VS. YEAR END 2019

RESULTS OF OPERATIONS

Overview of Operations

The Group started the year continuing the growth momentum in 2019 reporting higher revenues and net income. However, with the pandemic, it slowed down sales and halted the commercial operations resulting contraction in the numbers initially projected and anticipated. With its yield management efforts to cope with the contraction, the Group had managed to sustain a net income margin of 25% for 2020.

Revenue

The pandemic significantly affected the real estate market sector. The gross revenue of the Group decreased by 12% or ₱837 million during the year. Government imposed restrictions in response to the pandemic resulted in slowing down of operations thus decreasing the reservation sales and resulting in a 8% decline in real estate sales revenue amounting to ₱488 million in 2020. Interest income also posted a decline of ₱167 million in 2020. Retail operations were also severely hit as majority of establishments were closed. Rental payments were also waived during the Enhanced Community Quarantine. Reduced foot traffic resulted in a decrease in rental revenue of almost 41% or ₱364 million in 2020. Other income, which is mostly consist of gains from repossession of inventory as well as from penalties and surcharges increased by 21% or ₱61 million in 2020.

Cost and Expense

The temporary halt of the majority of the Group's operations from the community quarantine restrictions resulted in a decrease in total recognized expenses in 2020 amounting to ₱929 million or a 15% decrease from the total year expense of ₱6,074 million in 2019. Commission expense was down by 10% parallel with the lower real estate sales during the period. Selling and administrative expenses declined to ₱1,067 million or 15% lower than last year. Attributable cost for the commercial operations was also down by 33% a result of the given limited retail operations.

Net Income

Considering the yield management efforts of the Group in anticipation of the impact of pandemic on its performance, margins were sustained and the cost of operations was effectively managed despite the slowdown of the sales and decline in other sources of income. Net income was maintained at ₱1,708 million after tax in 2020.

PROJECT AND CAPITAL EXPENDITURES

The Group apportioned P5,211 million for project and capital expenditures as the Group wants to capture the growing demand for real estate. A bold move from the Group to become the country's leading real estate company not in sheer size but in ways more meaningful quality projects, quality business plans, growth, returns and innovation. The amount takes into account the continuous development of the Registrant's existing residential and commercial projects and finance newly developed projects. As part of its growth strategy, the Group acquired raw lands for new residential and condominium project developments amounting to P1,377 million for the year 2020.

FINANCIAL CONDITION

Assets

The Group's total assets stood strong at ₱45,786 million during the year. This represents a 13% increase from the 2019 balance of ₱40,352 million. Outstanding receivables increased by almost 48% as a result of the deferment of some collections due to the implemented extension of payment terms and the passing of the Bayanihan Act. Given the decline in real estate sales, the Group continued its project development activities that resulted in an increase in real estate inventory balance of 14% from the previous year amounting to ₱3,061 million. Real estate inventory balance amounted to ₱24,931 million in 2020.

Liabilities

As the Group strove to maintain a strong liquidity position amidst lower cash inflows from operations, it maximized its access to the debt markets for additional source of funding. Total liabilities for 2020 amounted to ₱28,088 million. This amount represents a 16% increase from the previous year's reported total liabilities of ₱24,238 million. Majority of the borrowings were availed through short term loans. As a result, short term debts grew by almost 75%, from ₱3,521 million in 2019 to ₱6,149 million in 2020. Accounts and other payables amounted to ₱5,408 million, increased by 13% from ₱4,874 million in 2019. Total contract liabilities arising from real estate sales grew by ₱514 million or 15% from 2019 reported amount. Deferred tax liabilities also increased by ₱488 million or 51%.

Equity

Total stockholders' equity increased by ₱1,584 million in 2020 generated from the net income during the year amounting to ₱1,708 million. Financial assets measured at fair through other comprehensive income decrease by ₱124 million.

Key Performance Indicators

	31-Dec-20	31-Dec-19
Current Ratio	**2.01**	**2.67**
Debt to Equity	**0.97**	**0.93**
Interest Coverage Ratio	**341.52%**	**274.35%**
Return on Asset	**3.73%**	**4.30%**
Return on Equity	**9.65%**	**10.77%**

*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 2020.

Material Changes in the Balance Sheet (+/- 5%) as of 31 December 2020 versus the Balance Sheet as of 31 December 2019

48% increase in receivables
Increase in receivables is primarily attributable to the deferment of some collection due to the implemented extension of payment terms and the passing of Bayanihan Act.

16% increase in current portion of contract assets
Majority of the real estate sales for 2020 are from buyers preferring installment term as mode of payments for their purchase. This has resulted in an increase in contract assets reported in during the year.

14% increase in real estate inventories
Despite the temporary halt of majority of the operations of the Group, it continued its project development activities resulting in an increase in the real estate inventories for 2020.

14% increase in other current assets
This consists of increased advances made to contractors and marketing arms contracted by the Group to boost its project developments and sale of its property.

85% increase in noncurrent portion of installment contract receivables
Increase in this receivable is primarily attributable to the deferment of some collection due to the implemented extension of payment terms and the passing of Bayanihan Act.

22% decrease in noncurrent portion of contract assets

Majority of the reported noncurrent portion of contract assets arising from real estate sales are reclassified to current contract assets as these items fall due within 12 months.

7% decrease in property and equipment
As the Group has experienced a temporary halt and slow down of operations during 2020, there are fewer assets acquired in 2020 as compared to the previous year to support its operations.

13% decrease in financial assets at fair value through other comprehensive income
With the effect of pandemic, fair value of most investments decline in 2020. Fair market value of financial assets held by the Group decreased in 2020.

27% increase in other noncurrent assets
As project development activities were continued despite the halt and slow down of other operating activities of Group, increase in the amount of advances made to contractors was posted during the year.

75% increase in short term debts
As the Group strived to maintain a strong liquidity position amidst lower cash inflows from operations, it maximized its access to the debt markets for additional source of funding, increasing its short term borrowings by 75% in 2020.

13% increase in accounts and other payables
Primarily due to the procurement of raw land to be used in project developments under installment payment schemes and billings from contractors that is not due for payment.

76% increase in income tax payable
Directly related to the recognized revenue for year 2020.

18% increase in contract liabilities - current
Attributable to increase in reservation fees and collection of down payments from sale of real estate lots during 2020.

548% increase in long term debts - current portion
The increase was primarily attributable to the P2billion bonds payables falling due in March 2021, as well as some portion of the principal of the outstanding corporate notes of the Group.

27% decrease in long term debts - noncurrent portion
The decrease was primarily attributable to the P2billion bonds payables falling due in March 2021, as well as some portion of the principal of the outstanding corporate notes of the Group.

9% increase in contract liabilities – noncurrent
Attributable to increase in reservation fees and collection of down payments from sale of real estate lots during 2020.

100% decrease in pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary. The Group had made excess contribution that arises the recognition of pension asset.

51% increase in deferred tax liabilities-net

Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

28% increase in retained earnings
Increase was mainly attributable to the recognized net income during the period.

26% decrease in unrealized gain on fair value of available-for-sale financial assets
Decrease was due to the decline in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.

107% increase in unrealized gain on pension liabilities.
Result of changes in estimates for retirement liability as valued by the independent actuary.

Material Changes in the Income Statement (+/- 5%) for the year ended 31 December 2020 versus the Income Statement for the year ended 31 December 2019

8% decrease in real estate sales
With the effect of pandemic, the Group had experienced temporary halt and slowing down of majority of its operations, thus real estate sales decreased during the period. In general, the pandemic had impacted the real estate sector, decreasing demands in real estate properties in 2020.

40% decrease in rental income
Retail operations were severely hit as majority of establishments were closed. Rental payments were also waived during the Enhanced Community Quarantine. Reduced foot traffic resulted in a decrease in rental revenue.

26% decrease in interest income
Paralleled with the decrease in real estate sales during the year, interest income posted the same trend as it is directly attributed to.

62% increase in dividend income
Increase is directly attributed to the dividends declared from the Group's investment in Philippine Racing Inc. and Manila Jockey Club Inc.

15% increase in other income
Increase is a result of booking of surcharges / penalties from customer's default on payment, income from hotel operations and gains from repossession.

24% decrease in cost of real estate sales
Decrease in real estate sales directly affects the recognized cost of sales.

33% decrease in cost of rental income
Temporary halt of the commercial operations were experienced during the ECQ, thus attributable cost to operate also decreased. Further, only those tenants whose offering essentials products and services were allowed to operate. Depending on the quarantine protocols only limited number of tenants continued its operations during the period.

10% decrease in commission
Paralleled with the decrease in real estate sales during the year, commission expense posted the same trend as it is directly attributed to.

36% decrease in advertising
The temporary halt and slow down of majority of the Group's operations has resulted in lower selling and administrative expenses incurred during the period.

31% decrease in representation
The temporary halt and slow down of majority of the Group's operations has resulted in lower selling and administrative expenses incurred during the period.

35% decrease in repairs and maintenance.
The temporary halt and slow down of majority of the Group's operations has resulted in lower selling and administrative expenses incurred during the period.

6% decrease in depreciation
The temporary halt and slow down of majority of the Group's operations has resulted in lower selling and administrative expenses incurred during the period.

62% decrease in professional fees
The temporary halt and slow down of majority of the Group's operations has resulted in lower selling and administrative expenses incurred during the period.

54% decrease in utilities
The temporary halt and slow down of majority of the Group's operations has resulted in lower selling and administrative expenses incurred during the period.

19% decrease in miscellaneous expense
The temporary halt and slow down of majority of the Group's operations has resulted in lower selling and administrative expenses incurred during the period.

27% increase in expected credit losses
With the deferment of some of the collections due to the implemented extension of payment terms, the Group recognized additional risk of non-collection, thus increasing its recognized expected credit losses for 2020.

12% increase in interest expense
With the maximization of tapping the debt market to maintain good liquidity position, increase in availment of short term loans also increased the interest expense during the period.

COMPARISON: YEAR END 2019 VS. YEAR END 2018

RESULTS OF OPERATIONS

Overview of Operations

With the growing demand for real estate and the Group's dedication to provide quality and excellence in its endeavor, the Group achieved another milestone as a result of 94% surge in revenue for year 2019. Net income after tax increased to ₱1,736 million in 2019 from ₱1,065 million last year. Driven by aggressive development in its pipeline projects where the Group utilized ₱9,704 million for capital expenditure coupled with effective implementation of its extensive marketing efforts, real estate sales grew from ₱2,428 million in 2018 to ₱5,871 million in 2019. Rental revenue slightly increased to ₱898 million in 2019 from ₱859 million in 2018.

Revenue

Driven by strong demand for real estate, the Group was able to generate gross revenue of ₱5,871 million in 2019 from its real estate sales. Income from its leasing portfolio slightly increased by ₱40 million from ₱859 million recognized in 2018 due to minimal escalation rates in lease contracts. The Group expects to launch an office building in year 2020 which will add to its leasing portfolio. Extensive marketing strategies employed, more properties are sold and majority of the buyers opted for longer payment schemes resulting to increase in recognized interest income totaling to ₱647 million in 2019 as compared to ₱301 million in 2018. Other income also increased to ₱294 million in 2019 from ₱256 million in 2018.

Cost and Expense

Total expenses for the year amounted to ₱6,074 million, 105% higher than ₱2,967 million in 2018. Total expenses comprised of cost of sales amounting to ₱3,231 million, selling and administrative expenses amounting to ₱1,263 million, interest expense amounting to ₱886 million and income tax expense amounting to ₱695 million as compared to ₱1,513 million, ₱670 million, ₱707 million and ₱77 million, respectively.

Net Income

As the company seizes the growing demand of real estate, robust increase in net income after tax amounted to ₱671 million which translates to 63% increase from ₱1,065 million in 2018. Net income after tax amounts to ₱1,736 million.

PROJECT AND CAPITAL EXPENDITURES

The Group apportioned P9,704 million for project and capital expenditures as the Group wants to captures the growing demand for real estate. A bold move from the Group to become the country's leading real estate company not in sheer size but in ways more meaningful quality projects, quality business plans, grow, returns and innovation,. The amount takes into account the continuous development of the Registrant's existing residential and commercial projects and finance newly developed projects. As part of its growth strategy, the Group acquired raw lands for new residential and condominium project developments amounting to P3,282 million for the year 2019.

FINANCIAL CONDITION

Assets

The Group's total assets increased to ₱40,352 million in 2019 from ₱34,716 million in 2017. The 16% increase is due to increase in receivables by ₱2,033 million which arose from buyers opting the installment payment scheme. Significant capital expenditure also caused the increase in total assets.

Investment property and other noncurrent assets increased by 9% and 67% or ₱443 million and ₱145 million, respectively due to construction of the new office building which is expected to be launched in 2020.

Liabilities

Total liabilities reported to be ₱24,238 million in 2019 compared to ₱20,262 million in 2018. The 20% increase is mainly attributable to the increase in contract liabilities, accounts payable, long term debt and deferred tax liabilities amounting to ₱1,395 million, ₱793 million, ₱999 million and ₱379 million, respectively. The increase in contract liabilities, previously recognized as customers' deposit, is due to more reservation fees and downpayment collected from sales of real estate.

Income tax payable also increased by 149% or ₱30 million in relation to revenue surge of 94%.

Equity

Total stockholders' equity increased by ₱1,660 million in 2019 due to increase in net income generated during the year amounting to ₱1,736 million. There was slight decrease in unrealized gain from investment in financial assets measured at fair through other comprehensive income amounting to ₱77 million.

Key Performance Indicators

	31-Dec-19	**31-Dec-18**
Current Ratio	**2.67**	**2.82**
Debt to Equity	**0.93**	**0.94**
Interest Coverage Ratio	**274.35%**	**161.61%**
Return on Asset	**4.30%**	**3.06%**
Return on Equity	**10.77%**	**7.37%**

*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 2019.

Material Changes in the Balance Sheet (+/- 5%) as of 31 December 2019 versus the Balance Sheet as of 31 December 2018

15% decrease in cash
Decline in the balance of cash is directly attributable to aggressive development and expansion of pipeline projects and acquisition of raw lands to seize the growing demand for real estate

54% increase in receivables
The increase in receivables is directly attributed to the 142% surge in real estate sales due to strong demand and extensive marketing efforts.

20% increase in real estate inventories
Seizing the strong demand for real estate for 2019, the Group apportioned most of its capital in project developments and acquisition of raw lands, thus increasing the real estate inventory.

7% decrease in other current assets
This consists of increased advances made to contractors and marketing arms contracted by the Group to boost its project developments and sale of its property.

53% increase in noncurrent receivables
The increase in receivables is directly attributed to the 142% surge in real estate sales due to strong demand and extensive marketing efforts.

8% increase in investment property
The increase is a result of expansion of the Group's leasing portfolio thru the construction of a new office building expected to be launched in 2020.

32% increase in property and equipment
The increase is due to acquisition of new office equipment and vehicles for the Group's operation.

67% increase in other noncurrent assets
Mainly due to security deposits made by mall tenants and advances made to contractors for the construction of the new office building.

20% increase in accounts and other payables
Primarily due to the procurement of raw land to be used in project developments under installment payment schemes and billings from contractors that is not due for payment. Unearned processing fee for customers also added to the increase.

149% increase in income tax payable
Directly related to the increase in revenue for year 2019.

51% increase in contract liabilities - current
Attributable to increase in reservation fees and collection of down payments from sale of real estate lots.

10% increase in long term debts
The Group obtains some of its finances to fund and support its activities through availment of long-term loans.

821% increase in contract liabilities – noncurrent
Attributable to increase in reservation fees and collection of down payments from sale of real estate lots.

9% increase in pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary.

66% increase in deferred tax liabilities-net
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

14% decrease in unrealized gain on fair value of available-for-sale financial assets
Decrease was due to the decline in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.

26% decrease in unrealized gain on pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary.

Material Changes in the Income Statement (+/- 5%) for the year ended 31 December 2019 versus the Income Statement for the year ended 31 December 2018

142% increase in real estate sales
With the growing demand for real estate, the group achieved another milestone as a result of 142% surge in revenue for year 2019. The Group seized the strong demand by aggressive project development and launching of new projects to offer to the market.

5% increase in rental income
Slight increase was due to the minimal escalation rate in lease contract.

115% increase in interest income
Increase in sales significantly increased the recognized interest income during the year as more buyers opted to choose installment payment scheme.

48% decrease in commission income
The Group's marketing subsidiary focused on selling parent company's properties due to bulk increase from expansions and launching of new projects.

21% decrease in dividend income
Decrease is due to lower dividend declared from the Group's investment in Philippine Racing Inc. and Manila Jockey Club Inc.

15% increase in other income
Increase is a result of booking of surcharges / penalties from customer's default on payment, income from hotel operations and gains from repossession.

180% increase in cost of real estate sales
Attributed to the revenue surge from real estate sales.

112% increase in commissions
Commission of 12% of the contract price is paid to marketing arms for every sale made, thus, commission also increase relative to revenue surge.

41% increase in taxes, licenses and fees
Attributed to increase in real property taxes due to additions of new projects to the Group's real estate portfolio and increase in documentary stamp tax from execution of loan agreements. Procurement of permits and licenses also contributed to the increase.

81% increase in advertising

In the effort of the Group to increase real estate sales and seize the growing demand, the Group spends a considerable amount to market its existing products and introduce new projects.

27% increase in salaries, wages and other benefits
Due to growing and expanding operation, the Group hires additional employees to cater increased volume of transactions.

295% decrease in representation
Attributed to increase in transaction costs incurred in the growing operations of the Group.

87% increase in repairs and maintenance
Mainly attributable to increase in costs incurred for maintenance and further upkeep of condominiums, completed projects not yet turned over to home owners association and mall buildings.

103% increase in professional fees
The increase was mainly due to fees paid for property valuation, legal fees for the planned follow-on-offering and fees for actuarial valuation.

36% increase in depreciation and amortization
Increase was due to additions in property plant and equipment during the year.

100% increase in utilities
Increase is due to whole year recognition of utility expenses mainly for mall operation and comprised mostly of security, light, water and communication expenses

23% decrease in provision for expected credit losses
Reduction in management's estimate for expected credit losses is due to improved collectivity of receivables as observed from payment behavior of customers.

32% increase in miscellaneous expense
Increase is attributable to surcharges and penalties incurred in permits and license procurement, insurance, legal, office supplies, software maintenance and transportation expenses.

25% increase in interest expense
To maximize its operating capacity, the Group availed short and long terms loans during the year which consequently increased interest expense.

803% increase in provision for income tax
The increase is relative to revenue surge for year 2019 and increase in deferred tax liabilities.

COMPARISON: YEAR END 2018 VS. YEAR END 2017

RESULTS OF OPERATIONS

Overview of Operations

By the Group's commitment to maintain its soaring position in providing quality and excellence in real estate development in the market niche, the group was able to hit a revenue growth of 30% in 2018. Net income after tax increased to P1,065 million in 2018 from P818 million last year. The significant growth was mainly attributable to the robust increase in the recognized income from the real estate sales. Boosted by the effective implementation of its extensive marketing efforts and across the board developments all over the country, real estate sales grew from P2,108 million in 2017 to P2,428 million in 2018 and rental revenue decreased from P1,026 million in 2017 to P859 million in 2018.

Also, the Group was able to efficiently carry out its strategies for its cost management, maintaining cost level of 38% of its gross revenue in 2018 as compared to 39% in 2017, thus increasing its returns.

Revenue

Boosted by the effective implementation of extensive marketing efforts and across the board developments all over the country, the Group was able to generate gross revenue of P2,428 million in 2018 from its real estate sales. However, rental income decreased by P167 million from P1,026 million recognized in 2017 due to reevaluation of lease rates to be competitive with neighboring malls. During the year, more buyers opted for longer payment schemes from real estate sales resulting to increase in recognized interest income totaling to P301 million in 2018 as compared to P160 million in 2017. Revenue from other sources totaled P444 million in 2018.

Cost and Expense

Total expenses for the year amounted to P2,890 million, 13% higher than P2,559 million in 2017. Cost of sales is P1,513 million and P1,446 million, selling and administrative expenses is P670 million and P625 million, interest expense is P707 million and P488 million in 2018 and 2017 respectively.

Net Income

Net income after tax increased by 30% or P248 million from P818 million in 2017 to P1,065 million in 2018. The increase was primarily attributable to the increase in real estate sales.

PROJECT AND CAPITAL EXPENDITURES

As the Group envisions to become the country's leading Real Estate Company not in sheer size but in ways more meaningful quality projects, quality business plans, grow, returns and innovation, the Group spent P6,506 million for project and capital expenditures. The amount takes into account the continuous development of the Registrant's existing residential and commercial projects and finance newly developed projects. Of the said amount, P319 million was used in procuring raw lands for new residential and condominium project developments.

The Group's total assets increased to P34,778 million in 2018 from P29,807 million in 2017. The 17% increase is due to the significant amount of project and capital expenditures spent in 2018, thus increasing the real estate inventory by P2,276 million. Also, the increase in other current assets amounting to P2,426 million have significantly affected the increase in total assets.

Liabilities

Total liabilities reported is P20,262 million in 2018 compared to P15,497 million in 2017. This is attributable to the availment of long term loans and the issuance of corporate bonds during 2018. The increase in contract liabilities, previously recognized as customers' deposit, is due to the increase in projects developed and offered for sale during the year. This contributed an increase in the amount of P840 million in total liabilities.

Equity

Total stockholders' equity increased by P214 million in 2018 due to the net income generated during the year amounting to P1,065 million. Also contributing to the increase is the change in fair value of available for sale financial assets amounting to P107 million.

Key Performance Indicators

	31-Dec-18	**31-Dec-18**
Current Ratio	**2.81**	**2.27**
Debt to Equity	**1.40**	**1.08**
Interest Coverage Ratio	**161.61%**	**231.94%**
Return on Asset	**3.06%**	**2.74%**
Return on Equity	**7.37%**	**5.71%**

*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 2018.

Material Changes in the Balance Sheet (+/- 5%) as of 31 December 2018 versus the Balance Sheet as of 31 December 2017

70% increase in cash
Increase in cash was due to the increase in collections from sales. Also, the availment of short and long-term loans counterweighed the substantial amount spent in capital expenditures, thus increasing the amount of cash in 2018.

30% decrease in receivables
The boosted effort exerted in collections had significantly reduced the receivable balances, thus realizing more cash during the year.

14% increase in real estate inventories
The increase was primarily due to significant capital expenditures in 2018. As the group envisions expanding its business in the market niche, significant funds was allocated in project developments and acquisition of raw lands, thus increasing the real estate inventory.

89% increase in other current assets
The significant growth was due to the across the board project developments and aggressive marketing activities, thus increasing prepayments to the contractors and marketing arms.

67% decrease in noncurrent receivables
The significant decrease was brought about by the extended efforts exerted in collections from customers.

20% decrease in property and equipment
The decrease is due to deprecation of assets.

12% increase in available for sale financial assets
Increase in the fair market value of the financial assets.

518% increase in other noncurrent assets
Primarily due to significant security deposits made in 2018.

33% increase in accounts payable
The increase is mainly attributable to the increasing procurement of resources to be used in project developments acquired under installment payment schemes.

34% decrease in short-term debt
As the Group maximized its fund sourcing through long-term loan availment and issuance of corporate bonds, short-term lines were settled during the year.

57% decrease in income tax payable
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

98% increase in long term debts
The Group maximized its fund sourcing activities through availment of long-term loans and issuance of corporate bonds.

20% decrease in deferred tax liabilities-net
Decrease was due to the reversal of the deferred tax liability attributed to the uncollected rent to SLECC.

155% increase in pension liabilities
Due to the changes in estimates for retirement liability as valued by the independent actuary.

122% increase in treasury shares
Increase in treasury share was brought about by the purchase of 750,000,000 shares in the amount of P900,000,000.

23% increase in unrealized gain on fair value of available-for-sale financial assets

Increase was due to the increase in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.

1,434% increase in unrealized gain on pension liabilities
Due to the changes in estimates for retirement liability as valued by the independent actuary.

Material Changes in the Income Statement (+/- 5%) for the year ended 31 December 2018 versus the Income Statement for the year ended 31 December 2017

15% increase in real estate sales
As driven by the Group's vision of expanding its position in the market niche, boosted marketing efforts during the year was employed increasing the real estate sales recognized during the year.

16% decrease in rental income
Due to reevaluation of lease rates to be competitive with neighboring malls.

88% increase in interest income
Boosted sales significantly increased the recognized interest income during the year as more buyers opted to choose installment payment scheme.

66% increase in commission income
Increase was due to significant marketing strategies employed by our marketing company subsidiary.

13% increase in cost and expenses
Relatively due to increase in operations of the company.

33% increase in commissions
Brought about by the increase in real estate sales recognized during the year.

28% decrease in taxes, licenses and fees
Due to the decrease in short-term line financing, minimal documentary stamp taxes was incurred during the year.

16% increase in advertising
Increase was mainly attributed to the boosted marketing strategies implemented during the year to increase sales.

7% decrease in salaries, wages and other benefits
Due to the decrease in employee turnover, previously hired personnel remained in the Company. This resulted in decreasing outflow of resources attributed in hiring new employees.

33% decrease in professional fees
The decrease was due to the termination of contract from various consultant and professionals for the continuous project developments.

62% decrease in representation
Primarily due to the decrease in representation related expenses paid by the Group.

14% decrease in depreciation and amortization
Decrease was due to lower depreciation recognized as result of minimal property and equipment acquisition during 2018.

18% decrease in utilities
The dropdown in amount was due to the effective implementation of cost management strategies relating to consumption of light, water and communication expenses.

97% increase in repairs and maintenance
Increase in number projects already completed not yet turned over to home owners associations (HOA) and Condominium Corporation significantly increased the incurrence of expenses related to repairs and maintenance for its upkeep.

45% decrease in provision for doubtful accounts
Extensive collection strategies were implemented thus, reducing the management's estimate for doubtful accounts.

45% increase in interest expense
The Group's shift in maximizing fund raising activities to availment of long-term loans and issuance of corporate bonds increased the recognized interest expense in 2018.

75% decrease in provision for income tax
Decrease was mainly attributed to the reversal of deferred tax liability.

COMPARISON: YEAR END 2017 VS. YEAR END 2016

RESULTS OF OPERATIONS

Overview of Operations

A growth in net income after tax by 12% compared to previous year represents continuing growth and excellence in the Group's commitment to provide quality real estate developments. Net income after tax increased to P818 million in 2017 from P730 million in 2016. Gross revenue amounting to P3,689 million or a 12% increase as compared to P3,293 million from 2016 is mainly attributable to two main revenue streams of the Group; real estate sales and rental revenues. The Group sustained its growth on real estate sales, P219 million increase from P1,890 million in 2016, due to extensive strategies in marketing, developments and project completion. The increase in number of mall tenants and minimal escalation rate to existing tenants resulted to an increase in rental income to P1,026 million in 2017 from P852 million in 2016.

The Group has become cost efficient by reducing avoidable costs which resulted to higher returns. Due to this, costs of deriving revenues decreased to P1,446 million in 2017 from P1,544 million in 2016.

Revenue

Due to extensive strategies in marketing, developments and project completion, real estate revenues generated P2,108 million in 2017, 12% higher than the previous year. Increase in rental income by 20% is mainly attributable to increase in number of mall tenants and minimal escalation rate to existing tenants. Interest income amounting to P160 million during the year was generated from installment receivables since more buyers are opting for longer payment schemes. Construction income decreased to P1,612 million in 2017 compared to P25,591 million in 2016 due to higher volume of construction activity in the previous year.

Cost and Expense

With the efficiency in cost management which resulted to higher returns, the cost of deriving revenue from real estate sales and rental revenue decreased to P1,445 million in 2017 from P1,528 million in 2016 or 5% lower than last year. Cost of construction also decreased to P1 million in 2017 from P16 million due to higher volume of construction activity in the previous year.

Net Income

The net income after tax increased to P818 million in 2017 from P730 million in 2016 resulting to 12% growth. The increase was primarily due to the increase in real estate sales.

PROJECT AND CAPITAL EXPENDITURES

As the Group envisions to become the country's leading Real Estate Company not in sheer size but in way more meaningful quality projects, quality business plans, growth, returns and innovation, the Group spent P6,006 million for project and capital expenditures. The amount takes into account the continuous development of the Registrant's existing residential and commercial projects and finance newly developed projects. P2,877 million of the said amount was used in procuring raw lands for new residential and condominium project developments and 1,018 represents advances made to contractors.

FINANCIAL CONDITION

Assets

The Group's total assets increased to P29,807 million in 2017 from P24,125 in 2016. The 24% increase is due to the significant amount project and capital expenditures spent in 2017 which is P2,068 million higher than the previous year. Other factors are increase in trade receivables due to increase in real estate sales, and increase in fair market value of investment in form of stocks.

Liabilities

Total liabilities reported to be P15,497 million in 2017 compared to P10,659 million in 2016. This is attributable to short term and long term loans drawn during 2017 and still unpaid as of December of the same year. Increase in customer's deposit due to more projects developed that are offered for sale during the year also contributed to the 45% increase in total liabilities.

Equity

Total stockholders' equity increased by P844 million in 2017 due to the net income generated during the year amounting to P818 million. Also contributing to the increase is the change in fair value of investments in form of stocks amounting to P26 million.

Key Performance Indicators

	31-Dec-17	31-Dec-16
Current Ratio	**2.28**	**2.77**
Debt to Equity	**.73**	**0.47**
Interest Coverage Ratio	**231.94%**	**286.43%**
Return on Asset	**3.03%**	**3.03%**
Return on Equity	**5.71%**	**5.42%**

*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 2017.

Material Changes in the Balance Sheet (+/- 5%) as of 31 December 2017 versus the Balance Sheet as of 31 December 2016

346% increase in cash
Despite substantial amount spent in capital expenditures that are used in continuous development of existing projects and acquisition of various raw lands for future expansions, cash increased due to higher sales and increase in short term and long term debt availed during the year.

7% increase in receivables
Due to remarkable sales growth and more projects that have been developed and offered for sale in the market.

34% increase in real estate inventories
The increase was primarily due to significant capital expenditures for continuous development of the Registrant's existing residential and commercial projects and to finance newly developed projects and raw land acquisitions.

14% increase in other current assets
To sustain the growth in development of projects and aggressive marketing activities, the Group made advances to contractors and marketing arms, respectively, which caused the increase in prepayments.

61% increase in noncurrent receivables
Due to a number of buyers choosing to settle under a longer payment schemes.

12% decrease in property and equipment
The decrease is due to deprecation of assets.

43% increase in other noncurrent assets
Primarily due to significant security deposits made for 2017.

7% increase in accounts payable
Mainly attributable to unceasing development of designed projects and procurement of various to be used for future projects under installment scheme.

129% increase in short-term debt
Due to additional loans obtained by the Group to finance aggressive development operations and activities.

35% increase in customer's deposits
Due to new projects developed and extensive marketing strategies, there is increase in reservation fees and collections of downpayments.

41% decrease in income tax payable
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

28% increase in long term debts
To finance the Group's continuous development of the existing residential and commercial projects, newly developed projects and raw land acquisitions.

34% increase in deferred tax liabilities-net
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

41% decrease in pension liabilities
Due to the changes in estimates for retirement liability as valued by the independent actuary.

31% increase in retained earnings
Attributed to the net income reported in the 2017.

6% decrease in unrealized gain on fair value of available-for-sale financial assets
Due to the movement of market prices of investment securities in Phil Racing Inc. and Manila Jockey Club Inc.

Material Changes in the Income Statement (+/- 5%) for the year ended 31 December 2017 versus the Income Statement for the year ended 31 December 2016

12% increase in real estate sales
Driven by the extensive marketing strategies and project development, real estate sales are notably increasing. Since more projects are developed as result of more land acquisitions and joint venture being dealt with, more lots and units are offered for sale during the year.

20% increase in rental income
Mainly due to increase in number of mall tenants and minimal escalation rate to existing tenants resulted to higher rental income.

15% increase in interest income
Due to the interests earned from installment receivables since more buyers are opting for longer payment schemes.

94% decrease in construction income
Due to lower volume construction activities during the year.

6% increase in cost and expenses
Due to efficiency in cost management of the Group.

13% decrease in commissions
Due to some varying rates of commission fees paid to marketing arms.

15% increase is salaries, wages and other benefits
Due to increase in labor force of the Group.

68% increase in interest expense
Due to the increase in short term and long term debt during the year.

11% increase in advertising
Mainly attributable to increase volume of advertising and promotions made by the Group in 2017 as compared to 2016 as part of marketing strategy to promote sales.

51% increase in professional fees
Due to significant professional services paid for the actuarial valuation of retirement liability and valuation of Group's assets.

60% increase in utilities
Mainly due to whole year recognition of utility expenses comprised mostly of security, light, water and communication expenses.

44% decrease in repairs and maintenance
Due to minimal repairs and maintenance during the year for the completed projects not yet turned over to home owners association.

74% increase in representation
Primarily due to increase in volume of transactions made by the Group.

12% decrease in provision for doubtful accounts
Collection over the past few years are noticeably improving thus causing reducing the management's estimate for doubtful accounts.

18% increase in miscellaneous expense
Due to surcharges and penalties, insurance, legal, office supplies, software maintenance and transportation expenses incurred by the Group.

209% increase in provision for income tax
Due to higher income earned during the year.

INTERIM PERIOD

Result of Operations
(Three-month period ended 31 March 2022 compared to the three-month period ended 31 March 2021)

Revenue

Sta. Lucia Land, Inc. and Subsidiaries' (the "Group") net income grew by 22% or ₱203 million for the three-month period ending 31 March 2022. The Group was able to increase the real estate sales by 42% compared to the same period last year. As opposed to its commercial operations, the lessening of foothold traffic as an effect of the quarantine protocols caused rental income to decrease by 21% amounting to ₱30 million as compared to the same period last year. Despite the experienced effect of the pandemic, the Group was able to implement measures to cope and minimize its expenses. Other sources of income grew by 37% or ₱36 million as compared to the same period last year. Interest income and commission income decreased by 9% or ₱10 million and 90% or ₱29 million respectively.

Cost and Expense

With the continuous effect of the pandemic, the Group has implemented yield management efforts to cope and to maximize cost savings. For the three-month period ending 31 March 2022, the Group's total operating expenses increased only by 10% or ₱137 million as compared to the same period last year.

Comprehensive Income

Total comprehensive income of the Group increased by 30% or ₱251 million for the three-month period ending 31 March 2022 as compared to same period last year. The increase was primarily due to the reported increase in net income as well as the increase in the unrealized gains recognized during the period.

Financial Condition
(Three months ended 31 March 2022 compared to year ended 31 December 2021)

Total Assets

Total assets reported by the Group amounted to ₱54,264 million as of the 1st quarter of 2022 from ₱51,993 million in 31 December 2021. This showed an increase of ₱2,271 million which is mainly due to the increase in the deployment of capital expeditures to its contractors, primarily to mobilize and facilitate massive project developments and the launching of new projects all over the country.

Total Liabilities

The Group posted total liabilities amounting to ₱33,115 million as of the 1st quarter of 2022 which is 4% higher as compared to P31,922 million from 31 December 2021. Accounts payable increased by ₱2,609 million. Long term debt increased by 5% as a result of the acquisition of a term loan from China Banking Corporation amounting to ₱3,500 million. The availment and maximization of the Group's access to the debt market was made to maintain a its liquidity position.

Key Performance Indicators

	March 31, 2022	December 31, 2021
Current Ratio	**2.17**	**2.05**
Debt to Equity	**0.96**	**0.96**
Interest Coverage Ratio	**510.71%**	**333.99%**
Return on Asset	**2.08%**	**5.45%**
Return on Equity	**5.33%**	**14.15%**

*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 debtover shareholder's equity.
3. Interest Coverage Ratio = Earnings before Income Tax amd Interest Expense 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 2022 versus the Balance Sheet as of 31 December 2021

	HORINZONTAL ANALYSIS				**VERTICAL ANALYSIS**		
in P millions	**Mar 31 2022**	**Dec 31 2021**	**P change**	**% change**	**Mar 31 2022**	**Dec 31 2021**	**% change**
ASSETS							
Current Assets							
Cash and cash equivalents	1,839.7	1,947.0	**(107.2)**	**(5.5)%**	3.4%	3.7%	**(0.4)%**
Receivables	2,632.7	3,023.7	**(390.9)**	**(12.9)%**	4.9%	5.8%	**(1.0)%**
Contract assets	2,173.5	1,464.9	**708.6**	**48.4%**	4.0%	2.8%	**1.2%**
Real estate inventories	29,168.1	28,905.4	**262.7**	**0.9%**	53.8%	55.6%	**(1.8)%**
Other current assets	7,179.7	4,782.9	**2,396.9**	**50.1%**	13.2%	9.2%	**4.0%**
Total Current Assets	**42,993.9**	**36,649.9**	**6,343.9**	**17.3%**	**79.2%**	**70.5%**	**8.7%**
Noncurrent Assets							
Installment contracts receivables - net of current portion	1,951.2	1,860.9	**90.4**	**4.9%**	3.6%	3.6%	**0.0%**
Contract assets - net of current portion	2,689.0	2,651.4	**37.5**	**1.4%**	5.0%	5.1%	**(0.1)%**
Investment properties	5,837.6	5,868.2	**(30.6)**	**(0.5)%**	10.8%	11.3%	**(0.5)%**
Property and equipment	45.6	49.7	**(4.0)**	**(8.1)%**	0.1%	0.1%	**(0.0)%**
Financial assets at fair value through other comprehensive income (FVOCI)	633.4	682.6	**(49.3)**	**(7.2)%**	1.2%	1.3%	**(0.1)%**
Pension asset	1.1	1.1	**-**	**-**	0.0%	0.0%	**(0.0)%**
Other noncurrent assets	112.6	755.5	**(642.9)**	**(85.1)%**	0.2%	1.5%	**(1.2)%**
Total Noncurrent Assets	**11,270.5**	**11,869.5**	**(598.9)**	**(5.0)%**	**20.8%**	**22.8%**	**(2.1)%**
TOTAL ASSETS	**54,264.4**	**51,993.3**	**2,271.1**	**4.4%**	**100.0%**	**100.0%**	
LIABILITIES AND EQUITY							
Current Liabilities							
Short-term debt	7,243.6	8,525.3	**(1,281.7)**	**(15.0)%**	13.3%	16.4%	**(3.0)%**

Accounts and other payables	7,382.6	6,753.0	**629.6**	**9.3%**	13.6%	13.0%	**0.6%**
Income tax payable	117.7	98.6	**19.1**	**19.4%**	0.2%	0.2%	**0.0%**
Contract liabilities - current portion	1,894.0	2,577.5	**(683.5)**	**(26.5)%**	3.5%	5.0%	**(1.5)%**
Long-term debt - current portion	3,215.9	1,812.2	**1,403.7**	**77.5%**	5.9%	3.5%	**2.4%**
Total Current Liabilities	**19,853.7**	**19,766.5**	**87.2**	**0.4%**	**36.6%**	**38.0%**	**(1.4)%**
Noncurrent Liabilities							
Long-term debt - net of current portion	9,861.8	9,014.8	**847.0**	**9.4%**	18.2%	17.3%	**0.8%**
Contract liabilities - net of current portion	1,150.7	1,239.0	**(88.2)**	**(7.1)%**	2.1%	2.4%	**(0.3)%**
Deferred tax liabilities - net	2,249.2	1,901.4	**347.8**	**18.3%**	4.1%	3.7%	**0.5%**
Total Noncurrent Liabilities	**13,261.7**	**12,155.2**	**1,106.5**	**9.1%**	**24.4%**	**23.4%**	**1.1%**
Total Liabilities	**33,115.4**	**31,921.8**	**1,193.7**	**3.7%**	**61.0%**	**61.4%**	**(0.4)%**
Equity							
Capital stock	10,796.5	10,796.5	**-**	**-**	19.9%	20.8%	**(0.9)%**
Additional paid-in capital	330.0	330.0	**-**	**-**	0.6%	0.6%	**(0.0)%**
Retained earnings	11,485.1	10,358.5	**1,126.7**	**10.9%**	21.2%	19.9%	**1.2%**
Treasury shares	(1,640.0)	(1,640.0)	**-**	**-**	(3.0)%	(3.2)%	**0.1%**
Net unrealized gain on fair value of financial assets at FVOCI	177.2	225.9	**(48.7)**	**(21.6)%**	0.3%	0.4%	**(0.1)%**
Remeasurement gains on pension - net of tax	0.2	0.7	**(0.6)**	**(77.6)%**	0.0%	0.0%	**(0.0)%**
Total Equity	**21,148.9**	**20,071.5**	**1,077.4**	**5.4%**	**39.0%**	**38.6%**	**0.4%**
TOTAL LIABILITIES AND EQUITY	**54,264.4**	**51,993.3**	**2,271.1**	**4.4%**	**100.0%**	**100.0%**	

6% decrease in cash
Attributable to the payment of more expensive loans from the net availment of new loans to maintain high liquidity position and to manage the risk in increasing interest rates.

13% decrease in receivables
The decrease in receivables was due to the increase in collections that the Group experienced as it had set up more available payment channels to its buyers. This includes the collections through bill payments and other option made available during the pandemic.

48% increase in current contract assets
Majority of the real estate sales for the first quarter of 2022 were from buyers preferring installment term as mode of payments for their purchase as evidenced by the increase in contract assets.

50% increase in other current assets
This consists of increased advances made to contractors by the Group to boost its project developments and project development mobilization for its expansion throughout the country.

5% increase in non current installment contract receivables
Increase in the noncurrent portion of installment receivables was primarily due to the increase in real estate sales especially from the project that are still under development.

30% increase in non current contract assets

Majority of the real estate sales for first quarter of 2021 are from buyers preferring installment term as mode of payments for their purchase as evidenced by the increase in contract assets.

8% decrease in property and equipment
Decrease in the carrying value of property and equipment was the result of continuous lapsing recorded in the books. Less capital expenditures were allocated in acquisition of property and equipment for the Group's operations.

7% decrease in financial assets at fair value through other comprehensive income
Still with the effect of pandemic, fair value of most of the investments declined during 2021. The fair market value of financial assets held by the Group decreased in 2021.

85% decrease in other noncurrent assets
Decrease was due to payment advances made to contractors to develop raw lands purchased in the previous year and falling due within 12 months of the current reporting period.

9% increase in accounts and other payables
The mobilization of major project development activities and expansions on existing properties of the Group had contributed to the increase in accounts and other payables. The volume of billings received from contractors and suppliers increased during the period.

15% decrease in short term debts
As the Group strived to maintain strong liquidity and at the same time protection from fluctuating interest rates, it maximized its access to the debt markets for additional source of funding especially with long term borrowings and subsequently terminating some its short term loans.

27% decrease in current contract liabilities
Advance collections which were initially recorded as liabilities from buyers whose properties have yet to be developed were already recognized as income since there was already an increase in project development accomplishments during the period.

19% increase in income tax payable
The increase in net income during the period increased the amount of tax liabilities. Netted against the payments made during first quarter of 2022, attributable tax liabilities increased during the period.

77% increase in current portion long-term debt
The increase in the current portion of long term debts was primarily due to the ₱7,000 million corporate notes raised during 2021, part of the principal balances falling due within the next 12 months.

24% increase in long-term debt
The settlement of the Php2 Billion bonds payable was made through a new Credit Notes Facility. The facility amounts to a total of Php7 Billion of which Php2 Billion was already drawn in the first drawdown. The second drawdown is expected to be made in the second quarter of 2021.

9% increase in long term debts - noncurrent portion

The increase in non-current portion of long term debts was primarily due to the availment of a ₱3,500 million term loan with China Banking Corporation on 16 March 2022.

7% decrease in noncurrent contract liabilities
The decrease was primarily attributable to the recognition of real estate sales from projects that are nearing its completion.

18% increase in deferred tax liabilities-net
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

11% increase in retained earnings
Increase in retained earnings was primarily attributable to the net income recognized during the period.

22% decrease in unrealized fair market value of AFS
Decrease was due to the decrease in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.

178% decrease in unrealized loss on pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary.

Material Changes in the Income Statement (+/-5%) for the Three-Month Period Ended 31 March 2022 versus the Income Statement for the Three-Month Period Ended 31 March 2021

	HORINZONTAL ANALYSIS				VERTICAL ANALYSIS		
in P millions except per share figure	March 31,		P	%	March 31,		%
	2022	2021	change	change	2022	2021	change
REVENUE							
Real estate sales	2,710.5	1,906.2	**804.3**	**42.2%**	88.6%	83.3%	**5.3%**
Rental income	111.8	141.7	**(29.9)**	**(21.1)%**	3.7%	6.2%	**(2.5)%**
Interest income	102.0	112.4	**(10.5)**	**(9.3)%**	3.3%	4.9%	**(1.6)%**
Commission income	3.3	32.5	**(29.3)**	**(89.9)%**	0.1%	1.4%	**(1.3)%**
Dividend income	-	-	-	-	-	-	-
Others	132.6	96.7	**36.0**	**37.2%**	4.3%	4.2%	**0.1%**
	3,060.2	**2,289.5**	**770.7**	**33.7%**	**100.0%**	**100.0%**	
COSTS OF SALES AND SERVICES							
Cost of real estate sales	620.3	752.8	**(132.5)**	**(17.6)%**	20.3%	32.9%	**(12.6)%**
Cost of rental income	100.3	66.7	**33.7**	**50.5%**	3.3%	2.9%	**0.4%**
	720.6	**819.5**	**(98.9)**	**(12.1)%**	**23.5%**	**35.8%**	**(12.2)%**
SELLING AND ADMINISTRATIVE EXPENSES							
Commissions	323.5	194.3	**129.1**	**66.5%**	10.6%	8.5%	**2.1%**
Taxes, licenses and fees	95.6	58.4	**37.2**	**63.7%**	3.1%	2.6%	**0.6%**
Salaries and wages and other benefits	18.5	17.6	**0.9**	**5.0%**	0.6%	0.8%	**(0.2)%**
Repairs and maintenance	3.3	12.9	**(9.6)**	**(74.8)%**	0.1%	0.6%	**(0.5)%**
Representation	64.6	8.9	**55.7**	**622.3%**	2.1%	0.4%	**1.7%**
Advertising	8.6	10.5	**(2.0)**	**(18.6)%**	0.3%	0.5%	**(0.2)%**

Professional fees	9.0	1.8	**7.2**	**402.7%**	0.3%	0.1%	**0.2%**
Surcharges and penalties	0.8	0.0	**0.8**	**2,637.8%**	0.0%	0.0%	**0.0%**
Depreciation and amortization	3.0	4.9	**(1.9)**	**(38.6)%**	0.1%	0.2%	**(0.1)%**
Legal expense	2.4	3.6	**(1.1)**	**(32.0)%**	0.1%	0.2%	**(0.1)%**
Utilities	2.7	2.6	**0.2**	**6.0%**	0.1%	0.1%	**(0.0)%**
Software maintenance	0.0	6.5	**(6.5)**	**(99.7)%**	0.0%	0.3%	**(0.3)%**
Expected credit loss	-	5.3	**(5.3)**	**(100.0)%**	-	0.2%	**(0.2)%**
Insurance expense	1.5	1.5	**(0.0)**	**(0.4)%**	0.0%	0.1%	**(0.0)%**
Transportation, travel, office supplies and miscellaneous	9.3	14.7	**(5.4)**	**(36.5)%**	0.3%	0.6%	**(0.3)%**
	542.9	**343.5**	**199.3**	**58.0%**	**17.7%**	**15.0%**	**2.7%**
INTEREST EXPENSE	294.2	257.3	**36.9**	**14.3%**	9.6%	11.2%	**(1.6)%**
INCOME BEFORE INCOME TAX	**1,502.5**	**869.2**	**633.3**	**72.9%**	**49.1%**	**38.0%**	**11.1%**
PROVISION FOR INCOME TAX	375.8	(54.7)	**430.5**	**(787.4)%**	12.3%	(2.4)%	**14.7%**
NET INCOME	**1,126.7**	**923.9**	**202.8**	**22.0%**	**36.8%**	**40.4%**	**(3.5)%**
OTHER COMPREHENSIVE INCOME							
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods							
Unrealized losses on fair value of financial assets at FVOCI	(49.3)	(97.7)	**48.5**	**(49.6)%**	(1.6)%	(4.3)%	**2.7%**
Remeasurement gains on pension - net of tax	-	0.1	**(0.1)**	**-**	-	0.0%	**(0.0)%**
	(49.3)	(97.7)	**48.4**	**(49.6)%**	(1.6)%	(4.3)%	**2.7%**
TOTAL COMPREHENSIVE INCOME	**1,077.4**	**826.2**	**251.2**	**30.4%**	**35.2%**	**36.1%**	**(0.9)%**
Basic/Diluted Earnings Per Share	**0.13**	**0.11**					

42% increase in real estate sales

Coping with the effect of the pandemic, the Group was able to increase its real estate sales through the efforts of its marketing arms as well as the deployment of its sales force with the curtailment of the quarantine protocols implemented by the Government.

21% decrease in rental income

Decrease in rental income was primarily due to the rental concessions granted by the Group to the retail operators on its commercial properties. The rental concessions were granted to ease the negative impact brought about by the Covid-19 pandemic.

9% decrease in interest income

Less amount of interest was recognized during the period due to the decrease in the volume of transactions related to in-house financed real estate sales.

90% decrease in commission income

The Group's marketing subsidiary focused on selling parent company's properties due to bulk increase from expansions and launching of new projects.

37% increase in other income

Increase is a result of booking of surcharges / penalties from customer's default on payment, income from hotel operations and gains from repossession.

18% decrease in cost of real estate sales
Increase in horizontal sales take up with greater gross profits during the quarter ended caused the decline of recorded cost of sales despite the increase noted in real estate sales.

51% increase in cost of rental income
With the shifting to a more relaxed quarantine restrictions, there have been longer time of operation of the Group's commercial properties, thus increasing its cost generation to operate relate.

66% increase in commissions
Paralleled with the increase in real estate sales recognized during the period, commission expense increased during the period.

622% increase in representation
The increase was attributable to the increase in project development activities and acquisition of raw land for land banking activities.

64% increase in taxes and licenses
The increase was primarily attributable to the increase in real property taxes paid during the period arising from project developments and acquisition of raw lands for land banking activities.

5% increase in salaries, wages and other benefits
The increase was primarily due to the extended hiring activities of the Group to address the manpower needs in the increasing business operations. The increase can also be attributed to the salary adjustments made during the last quarter of the previous year.

19% decrease in advertising
Considering that the increase in property demands outside Metro Manila was purely a direct effect of the shift in work arrangement set up by some companies, promotional and other advertising activities remained as usual thus, a decrease in expense was noted during period.

75% decrease in repairs and maintenance
Decreased the incurrence of expenses related to repairs and maintenance for the upkeep of completed projects.

6% increase in utilities
The shift to more relaxed quarantine restrictions has opened up more business operating activities which, in turn, increased expenses for utilities.

403% increase in professional fees
External parties were hired during 2022 to support the implemented fund-raising activities which resulted to an increase in the recognized professional fees.

39% decrease in depreciation expense
The decrease in depreciation was brought about by the deccline in acquisitions of real properties being used in the normal business operatons.

2,638% increase in surcharges and penalties
Increase was due to the incurrences of Govenrment imposed penalties due to some delays in the processing of documents related to business operations.

32% decrease in legal expenses
Less amount of fees for legal matters incurred during the period comparing to the same period last year.

100% decrease in software maintenance
Less amount of expenses related to website development and other MIS related expenses were incurred during the period.

37% decrease in miscellaneous expenses
Decrease was due to a lower incidental expenses incurred during the period.

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 06 December 1966 under the name Zipporah Mining and Industrial Corporation to engage in mining. On 14 August 1996, the Registrant's Articles of Incorporation was amended (a) changing the corporate name to Zipporah Realty Holdings, Inc. (ZRHI); and (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 81.75% owned by SLRDI as of 31 March 2022.

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 Beziers 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 Beziers 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 31 December 2021, the Registrant has the following number of employees/officers including:

DEPARTMENT	COUNT
Office of the Chairman/Administrator	1
Office of the EVP/CFO	1
Accounting	19
Administration	8
Advertising & Promotions	4
Asset Management	73
Commercial Business	2
Const. Permit & Post Const. (VRS)	1
Corporate Planning & Investor Relations	2
Credit & Finance	5
Hotels	1
Human Resources	3
Internal Audit & Controllership	14
Management Information System	9
Project Development	27
Purchasing	5
Sales and Marketing	18
Special Projects	2
Treasury	6
Sta Lucia Homes	2
TOTAL	**203**

The Registrant foresees an increase in its manpower complement by thirty (30) in the ensuing twelve (12) months.

The Registrant's employees are not unionized or party to collective bargaining agreements with the Registrant.

There has been no strike or threat of strike of the Registrant's employees over that last five (5) years.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures. In addition, the Registrant contracted Health Maintenance, Inc., a health maintenance organization, to provide health support services to its officers, employees and their dependents, if any. The contract has a term of one year, from 10 July 2021 to 30 June 2022, which is deemed automatically renewed for another year unless a written notice was served by either party at least thirty (30) days prior to the expiry date.

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 Registrant 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 SLI's results of operations may it be in the result of economic uncertainty and political instability.

One of the major risk events that occurred that generally impacted the Philippines as well as the Group's business operations was the Covid-19 pandemic. The global effect of the pandemic still continuously spreads up to this day. Even prior to the onset of the Covid-19, the Group already recognizes pandemic as a social uncertainty. With the assessment of its impact to global and local business operations, the Group has elevated the Covid-19 pandemic as a top risk priority.

Through its program initiatives, the Group was able to at least minimize the business effect brought about by the pandemic. Several plans and strategies were implemented to ensure business continuity.

While the sector has remained resilient in 2021, the Group assures its commitment with its response to the pandemic as possibility of prolong social and market uncertainty stands.

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.

As for the real estate industry in the Philippines, the country still experienced a stable market demand for 2021. 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.

Other than those mentioned above, the Registrant may also be exposed to the changes in Peso, interest rates and costs in construction. However, the Registrant adopted appropriate risk management procedures to reduce 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.

7. Description of Market/Clients

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.

The Registrant has now expanded its target market to include clients with different professions and living statuses, coming from all segments of society.

The Registrant's main target markets are the OFWs and middle class. A major percentage of the Registrant's number of units sold come from OFWs and their families which constitutes 70% of sold units, 15% come from SME business owners, and 15% come from middle class employees.

8. Real Property Development

The Registrant considers itself one of the country's largest real estate companies in terms of land developed. The Registrant has situated its developments in prime locations which are highly accessible to employment, educational, commercial and recreational facilities. Its real estate development activities include acquisition of several undeveloped lands and entering into joint venture agreements with the purpose of developing these lands primarily into residential subdivisions and or other type of developments. The ultimate objective of the group is the development residential, commercial and leisure components into one integrated community.

Once the Registrant has acquired an interest in land for development, it will begin the project development process. In addition to obtaining the required government regulatory approvals, this process involves the planning of the potential project, including master planning and design. Site development and construction work for the Registrant's projects is contracted out to qualified and accredited independent contractors. Terms with contractors usually include a 10-40% downpayment, provision of construction materials by accredited suppliers, and payment scheme which includes a 10% retention.

Development timetables vary from project to project, as each project differs in scale and design. Typically, the Registrant undergoes the following project development process for the Registrant's horizontal projects:

Step 1: Earthworks (Excavation, Road Tracing, Fill or Backfill, Grading, Base Preparation)

Step 2: Underground Works (Drainage, Waterline, Sewer System)
Step 3: Concrete Works (Pavement, Curbs & Gutter, Sidewalk, Perimeter Fencing)
Step 4: Electrical Works (Electrical Facility Distribution Lines, Street Lights)
Step 5: Amenities (Entry Signage, Guardhouse, Community Clubhouse and Recreational Facilities)

After these properties have been developed, these residential lots become ready for house construction. The project development processes for vertical and housing construction projects are basically the same in terms of land selection and acquisition, procuring government regulatory approvals, project planning, and appointment of contractors for the site development and construction works.

The following are completed projects:

<u>Aldea at Monterosa</u>

Aldea Residences is a joint venture between Sta. Lucia Land, Inc. and Amigo Resorts and Residences, Inc strategically located in Oton, Iloilo. This property is master-planned to provide convenience and accessibility to its future residents.

<u>Altea Ciudades Davao</u>

Altea is a proud fusion of the traditional and the modern with accents of elegance and luxury located in Mandug, Davao City. The greatest pleasures of life are a privilege in this 8-hectare residential haven with affordable 100 sqm lots ensuring value of money yet owning a promising property. Altea offers an improved quality of life in an exciting variety with the development of adjoining complementary features. Ciudades introduces El Centro, a 12-hectare luxuriant natural splendor complemented by areas for education, sports, wellness and retail.

<u>Antipolo Greenland</u>

Antipolo Greenland is a residential community located in Antipolo City, Rizal. The project covers an area of 3.3 h.a. and is approximately eight kilometers from Metro Manila. The total project development cost was approximately ₱22 million.

<u>Aqua Mira at Saddle Cluster A, B and C</u>

Aqua Mira Resort & Residences (at Saddle & Clubs Leisure Park) is a site to behold in scale and grandeur located in Tanza, Cavite. Inside the 600-hectare saddle & club leisure park is the resort life. Aqua Mira at Saddle Cluster A, B and C has a saleable area of 845 sqm, 845 sqm and 854 sqm., respectively, with 24 lots each.

<u>Arterra Residences at Discovery Bay</u>

Arterra Residences is a 20-storey residential and commercial condotel located in Lapu-Lapu City, Cebu. The project focuses on harmony with nature and is centered on elements of air and water. It covers an area of 7,000 sqm and has 339 units available for sale.

Blue Mountains Commercial & Residential Estates

Blue Mountains come in an excellent integration of residential and commercial development features located in Antipolo City.

Blue Ridge At Monterosa

Blue Ridge at Monterosa is a master-planned community that offers unprecedented serenity of being around lush greens and breathable air while having topnotch security. Being at the boundary of Mandurriao and the first-class municipality of Oton, Blue Ridge is situated along the Circumferential Road, conveniently located for accessibility to modern establishments.

Cainta Greenland

A prime residential community nestled at the bustling area of eastern Metro Manila. Cainta Greenland Executive Village is complete with the facilities of a modern community that caters to basic and recreational needs.

Catalina Lake Palawan

Lake Catalina is a 35-minute drive from Puerto Princesa International Airport. It has a clubhouse, basketball court, resort-style swimming pool and picture-perfect lighthouse. Commercial lots are also available for those who wish to set-up shops for new business ventures.

Colinas Verdes Bulacan

Colinas Verde is a master-planned community located in San Jose Del Monte, Bulacan with first-class amenities such as the Colinas Verdes Country Club, which is the first country club in the area. The community is designed with a clubhouse, basketball court and swimming pool.

Costa Del Sol

Costa del Sol Iloilo is a residential property and commercial property located in Arevalo, Iloilo City.

Crown Residence at Harbor Springs

Crown Residence at Harbor Spring is a luxury property development that is conceptualized and master planned located at Puerto Princesa, Palawan. It is conveniently located at the center of Sta. Lourdes hot springs and gateway to Honda Bay.

East Bel-Air Residences

East Bel-Air Residences offers just the opposite – convenient urban living in a suburban, elegant contemporary setting. It comprises six buildings all of which are only six floors high, ensuring more spacious and less confining living space for the harried modern homeowner of today. It is a housing development that suits the lifestyle and wants of the young, modern professional.

El Pueblo Verde

El Pueblo Verde is located in the sugar central of Luzon, Gerona Tarlac with urban and agro-industrial zones. In the urban area, portions have been set aside as an agro-industrial zone and another as a light industrial zone. The town has schools, churches, clinics, parks and commercial centers. El Pueblo Verde is situated near the Gerona Municipal Hall and town center.

Glenrose Taytay

Conveniently situated in Taytay, Rizal, Glenrose redefines suburban living by providing an exclusive refuge away from the hustle and bustle of the crowded metropolis yet perfectly close to the heart of the city.

Grand Villas Bauan

Grand Villas Bauan is a sprawling master planned development that integrates urban living with estate lifestyle. Bauan Grand Villa gives you a choice of residential lots and estate lots that offer the pleasure of seaside attractions combined with the modern convenience afforded by a thriving township. Surrounding it all is a verdant countryside with rice and corn fields, coconut plantations and mango orchards.

Green Meadows Dasmarinas

Located in the progressive city of Dasmariñas in Cavite, Green Meadows brings the best of natures as well as modern comforts within the reach. As a first class city, Dasmariñas is both a center for commence and an industrial hub. Green Meadows Residential Estates is nestled within the rolling terrain of the Orchard Golf and Country Club.

Green Meadows Iloilo

Green Meadows is Iloilo's first lake community. Located within the outskirt towns of Pavia and Jaro, Green Meadows is designed around Lake Victoria, a 5-hectare man-made lake whose tranquil setting is the inspiration for gatherings, celebrations, and good old family fun. Come down to the lake for a ride on a boat or in a kayak. Skim over the water in a jet ski. Or go for a whole afternoon of fishing.

Green Meadows Tarlac

With its premiere location and elegantly-designed homes, Green Meadows is definitely an investment worth taking. Be a few steps away from the crossroad of landmark destinations and key business, leisure and entertainment establishments with the lush greenery that surrounds this one-of-a-kind master-planned community at the center of Paniqui, Tarlac.

Green Peak Heights

Nestled in the town of Baras in Rizal, the 29-hectare Green Peak Heights is your very own piece of convenience just 30 minutes away from the Greater Manila Area.

Greenland Newtown

Greenland Newton is a master-planned residential property located in San Mateo, Rizal. Only 10 minutes away from Quezon City's work, let the soft afternoon breeze welcome you to the calming embrace of this exclusive community.

Greenridge Executive

Set at the flourishing municipality of Binangonan, Rizal, Greenridge is a charming residential development that lets you escape into your own verdant retreat. Located near main highways, the journey into this serene neighborhood is a short lovely drive from essential destinations.

Greenwoods Executive

Greenwoods Executive Village provides you with the modern convenience of a modern community with facilities to make your life easier. Only 15 minutes away from Ortigas Center, Greenwoods Executive Village gives its residents easy access to major malls like SM Mega Mall, Shangri-la Plaza, and other urban conveniences like banks, hospitals, and workplace.

Greenwoods North

An affordable and quality residential subdivision lot located at Bayanihan, Gapan City, Nueva Ecija. Greenwoods North is a prime subdivision neighbor to Gapan City's modern City Hall right along the commercial district of Gapan City, the "Trading Center" of the south western and south eastern towns of Nueva Ecija and the northern town of Bulacan. With its landscaped entrance gate opening right along the bustling Maharlika Highway, the principal arterial network connecting Nueva Ecija to Pampanga, Zambales and the Cagayan Valley, Greenwoods North is accessible from many economic points of Central Luzon. Moreover, the construction of the Olongapo San Fernando-Gapan Road links Gapan and Greenwoods North to the Clark Special Economic Zone and the Subic Bay Freeport Zone.

Hamptons Residences Angono

The Hamptons Place location for both work and play and a laid back sanctuary for relaxation. The project is strategically situated near notable landmarks such Robinsons Place Antipolo, Shopwise Supermarket, Thunderbird Hotel & Resorts, Eastridge Golf Club, Assumption Antipolo, Antipolo Doctors Hospital and Our Lady of Peace & Good Voyage Church.

La Breza Tower

With a central location in vibrant Quezon City, La Breza Hotel has always been a popular choice for families and business travelers seeking quality midrange accommodation. La Breza Tower is a 22-storey residential condotel located in Mother Ignacia Street, Quezon City. It caters to middle class employees and business owners. The total project development cost is estimated at ₱557 million.

La Mirada Tower 1

La Mirada Tower is a 15-storey Spanish Mediterranean-inspired residential condominium with a beachfront view located in Lapu-Lapu City, Cebu. It occupies 8,719 sqm and is comprised of 170 units. The total project development cost amounted to approximately ₱359 million.

Luxurre Residences Cavite

Luxurre Residences is a residential and commercial community located in Alfonso, Cavite. The community is designed with a clubhouse, basketball court, and swimming pool. Total project land area is 10.2 hectares. The total project development cost was approximately ₱61 million. The project was launched in 2010.

Marbella Residences Palawan

Marbella residences is a private and exclusive community that promises first class living in what is considered by international travelers as the Best Island in the World. Beautiful set up in the majestic island of Palawan, you can enjoy green landscapes, white-sanded shores, crystal clear waters, and exotic wildlife. Marbella is only four hours away from El Nido and Coron, two of the most enchanting places in Palawan known for its towering limestone cliffs, beautiful islands, riveting lagoons, and captivating beaches.

Mesilo Residences: Nueva Vida

Mesilo Residences is a 150-hectared residential subdivision development situated in Dasmarinas Cavite. A first class development, Mesilo lies at a secluded island-like plateau and is surrounded by a naturally formed creek.

Metropolis East – Binangonan

With exclusive amenities to choose from, Metropolis boasts of parks with playground and swimming pool for the recreation of future residents, as well as a multi-purpose clubhouse with open basketball and tennis court.

Neopolitan Condominiums Tower 1

The Neopolitan Condominium is a 9-storey residential condominium located in Fairview, Quezon City. It is designed as a residential project at the center of buzzing city.

Nottingham Villas Iloilo

Nottingham Villas at Metropolis Iloilo is a collection of townhouse units designed and fitted with features, fixtures and amenities for start-up families and go-getter urban professionals who dream of getting the best of country living with a modern twist.

Nottingham Villas Palawan

Nottingham Villas Palawan is a collection of townhouse units designed and fitted with features, fixtures, and amenities for start-up families and go-getter urban professionals who dream of getting the best nature-inspired living with a modern twist. It is located in the exceptionally beautiful Puerto Princesa, Palawan, home to the famed world wonder, Subterranean River National Park (Underground River).

Nottingham Villas Townhouse

Nottingham Villas Townhouse is a residential townhouse located in Taytay, Rizal. It has 80 townhouse for sale with saleable area of 15,610 sqm. The project was launched in 2013 and completed in 2016.

Orchard Towers

Orchard Towers features four residential buildings surrounded by lush greenery that call to mind the wonders of nature. The first tower, Orchard Tower 1 which will provide you with your private escape from the harsh concrete jungle was launched in 2015 and completed in 2018.

Palo Alto Executive Village

Cocooned at the boundary of Antipolo, Tanay and Baras and practically a quick drive away from Greater Manila Area. Palo Alto Executive Village showcases a 78-hectare Forest Reserves; 53-ha. Open Space that features a Sta Lucia Country Club complete with leissure amenities such as 6-lane tenpin bowling alley, gymnasium, swimming pools, basketball & tennis courts; and 17-ha., 73 ha. and 62 ha. Residential, Commercial and Farm Estates.

Ponte Verde Davao

Located in Davao city, one of the biggest and fastest growing cities in the world. Ponte Verde is where the convenience of urban living blends with the exhilarating comforts of an exclusive community. Discover the benefits of being at the forefront of a thriving, well-developed community. Ponte Verde is practically a stone's throw away from the Davao International Airport, Thus strategically accessible to all forms of public transportation and a variety of commercial and recreational establishments. Revel in the beauty and tasteful functionality of the Ponte Verde clubhouse, where you can enjoy the exclusive amenities. Built multi-purpose function rooms, swimming pool, and basketball court, the clubhouse is the ultimate one-stop leisure hub of your family.

Pueblo Del Sol

Sitting within the famous tourist spot in the county, Pueblo del Sol offers solace to buyers with its relaxing atmosphere that only Tagaytay City can offer. Only a stone's throw away from Taal Lake, people who would come home to Pueblo del Sol are assured not only of premium residence but also bonus of being near one of the famous tourist spots in the Philippines.

Rizal Technopark

Enhancing your quality of life named after our National Hero, who was himself a product of a fine family, here is Sta. Lucia Realty's Tribute to a Man Ahead of His Time. A commercial and industrial site that will grow steadily along with your family, the Rizal Technopark 2000 is an idea ahead of its time. Lot sizes are vast to accommodate mass production facilities, and roads, electricity, water and security systems are all in place – key ingredients to an area's progress.

Rockville Cavite

Rockville Residences in Brgy. Kaytitinga III Alfonso Metro Tagaytay is the first 'easy-terms-easy-own' subdivision of professional and experienced property and land developer Sta. Lucia Land Inc. and 1 Premiere Land Marketing Co. Rockville Residences is in the vicinity of Mt. Batulao's fresh air and cool breeze which at the end of a long day means going home to an environment that refreshes and recharges.

Sierra Vista

Sierra Vista offers more than a dwelling place to its resident but a host of public and commercial establishments that will cater to your family's needs are just within your reach. It has 11 residential lots for sale under SLI, which has a saleable area of 3,654 sqm area. The project was launched in 2014 and completed in 2017.

Soto Grande Hotel Davao

Sotogrande Hotel offers both the wealth of natural wonders within a thriving metropolis and the priceless convenience of luxurious living. The name Sotogrande is derived from two Spanish words: "Soto" means riverside grove or thicket and "Grande" means luxurious and majestic. With the refreshing sight of the Davao river nearby and a sprawling mountain view of greeneries everywhere. Sotogrande is true to its name in combining the beauty of nature and the luxury of modern convenience. Sotogrande is conveniently 5 minutes away from Davao international airport, while recreational facilities, malls, health facilities and other commercial establishments are nearby.

Soto Grande Iloilo

Sotogrande Iloilo is a condotel property located at the crossroads between Pavia and Jaro in Iloilo. It is ideally located for easy accessibility to business and leisure facilities. It offers a quiet retreat within the natural setting of a man-made lake and its lush green surroundings.

Soto Grande Neopolitan

Sotogrande is a 6-storey condotel poised to rise within the Neopolitan Business Park, a master-planned complex by Sta. Lucia Land in Quezon City. Located along Mindanao Avenue and Regalado Highway in Fairview, the Neopolitan Business Park is conveniently at the center of promising developments in this side of the country's capital.

Soto Grande

Sotogrande is a Spanish-Mediterranean inspired community designed both as a vacation getaway and a permanent residence in Tagaytay. The community features a clubhouse, basketball court, and swimming pool.

South Groove Davao

South Grove is a residential community located in Davao which is three kilometers from the city proper. The community is designed with a clubhouse, basketball court, and swimming pool.

South Spring Laguna

South Springs Residential Estates is a first-class residential subdivision along Biñan's National Highway. The 50-hectare residential estate is a welcome respite from your busy lives. You can sit back and relax amidst the calming backdrop of nature.

Splendido Taal Tower

Splendido Taal Towers is a 4-tower project located within a 1,500 sqm area in Laurel, Batangas. The first tower is an 18-storey high-rise condominium project. The project was designed to complement the Splendido Residential and Golf Course Estate.

Sta. Barbara Royale

Sta. Barbara Royale is designed to give you the privilege of lifestyle in a master planned community. Santa Barbara Royale is located in a quiet and secure neighborhood, yet minutes from schools, commercial centers, and other establishments.

Sta. Lucia Residenze

Sta. Lucia Residenze is a residential complex that has easy access to four phases of Sta. Lucia Mall, one of the country's prominent shopping and entertainment destinations. Apart from finally having a subtle abode with everything within reach, the delight is even furthered with its profit-generating feature.

Stradella (East Bel-Air Residences Tower 2)

Stradella is a 6-storey residential and commercial condotel located in Cainta, Rizal. The project offers convenient urban living in a suburban and elegant contemporary setting. Located within the 1 h.a. residential and commercial complex called East Bel-Air.

Sugarland Estates

Sugarland Estates is a residential community located in Trece Martires, Cavite surrounded by lush and verdant greenery. The total project development cost was approximately ₱75 million.

Summer Hills Executive

Summer Hills is a residential community located in Antipolo, Rizal. The community features a clubhouse, basketball court, and swimming pool.

Summit Point Golf & Res Estate

An exclusive community in the heart of Lipa, Summit Point Golf and Residential Estate has an elevation of 1,100 feet, the place is known for its mild climate, breath taking scenery, lush gardens, and a fresh, clean environment with modern facilities to give you unique advantages in your lifestyle. Residential lots vary from 173 to 752 square meters designed to give you prime choices.

Villa Chiara Tagaytay

Villa Chiara, which covers an area of 2.03 h.a., is a residential estate located in Tagaytay City, Cavite. The project was launched in 2008.

Woodside Garden Village

The Woodside Garden Ville is located at Urdaneta, Pangasinan. The Woodside Garden Village is designed to be a blend of nature's color and texture. The landscape and tree-lined roads complement its American-Californian theme, natural and picturesque in character. Form and function is combined to achieve appealing pocket parks for the family to enjoy. The Woodside Garden Village takes pride in having the finest clubhouse development in Pangasinan. It boasts of a fully-airconditioned multi-purpose hall, a junior Olympic-sized pool, a kiddie pool, tennis and basketball courts, kiosks and trellises, parks and playgrounds.

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

PROJECT	LOCATION	SALEABLE AREA	ASSIGNED TO SLI
Alta Vista de Subic	Zambales	95,109	22,021
Alta Vista Residential Estate	Cebu	141,937	25,450
Caliraya Spring Golf Marina	Laguna	296,375	84,980
Costa Verde Cavite	Cavite	81,967	16,521
Davao Riverfront	Davao	166,664	84,059
Eagle Ridge Golf and Residential Estate	Cavite	1,867,988	69,042
Glenrose Park Cebu	Cebu	48,565	14,341
Greenwoods Pasig	Pasig City	816,010	6,665
Greenwoods South	Batangas	531,029	76,732
Lakewood City	Nueva Ecija	299,617	107,084
Manville Royale Subdivision	Negros Occidental	208,790	75,497
Metropoli Residenzia	Quezon City	24,057	18,057
Metropolis Greens	Cavite	301,984	19,362
Monte Verde Executive	Rizal	374,354	50,819
Neopolitan Estate	Quezon City	362,384	69,823
Palm Coast Marina	Manila City	15,880	2,571
Palo Alto	Rizal	830,317	679,121
Pinewoods	Benguet	384,389	39,336
Pueblo Del Sol Ph1	Cavite	151,245	12,246
Rizal Technopark	Rizal	208,696	36,570
South Pacific Golf & Leisure Estate	Davao	257,718	149,819
Southfield Executive Village	Cavite	81,493	28,199
Tagaytay Royale	Cavite	602,714	10,946
Vista Mar Residential Estate	Cebu	209,615	52,385

These lots were assigned by SLRDI in favor of the Registrant in December 2007 in connection with its asset for share swap transaction in 2008 when SLRDI increased its stake in the Registrant from 20.92% to 97.22%. SLRDI subscribed to 10,000,000,000 common shares of the Registrant in exchange for the assignment of all its rights, title and interest to certain investment properties consisting of (i) the Sta. Lucia East Grand Mall amounting to ₱4,710.00 million and (ii) several parcels of land amounting to ₱6,018.50 million with assumption of mortgage in the amount of ₱723.60 million in favor of the Registrant. This additional ₱10 billion subscription was consummated on 20 May 2008, the day SEC approved the Registrant's application to increase its authorized capital stock from ₱2 billion divided into 2,000,000,000 common shares to ₱16 billion divided into 16,000,000,000 common shares.

Ongoing Projects

The following are selected ongoing development projects:

Acropolis Loyola

Nestled at the rolling hills of Quezon City and bordering the panoramic view of Marikina Valley, Acropolis Loyola offer unprecedented Metro Manila living. Average size of lots is 300 sqm, selling at an average price of ₱65,000 per sqm.

Almeria Verde

Named after the resort town of Almeria in Spain, Almeria Verde exemplifies the idyllic suburban lifestyle of a river side community. With spacious lots and elegant home designs to choose from, it offers high-end living in a secure, conveniently-located, self-contained neighborhood in the heart of Pangasinan. Almeria Verde is cut for growing families who wish to own an elegant home within a spacious lot. It is perfect for families who love the great outdoors as this community is well-equipped with a basketball court, clubhouse, swimming pool, playground, and landscaped open spaces. It paints a picture of serenity framed by the Agno River and beaches along the Lingayen Gulf.

Catalina Lake Residences Bauan

Catalina Lake Residences is a bold collection of contemporary and Spanish Mediterranean residences and archetypal lake houses. Situated at the heart of Bauan Batangas, Catalina Lake Residences is a series of relaxing lakeside homes designed to take the mind off the city hustles. Each residence is fashioned from modishly intricate interiors and tailor fitted style topped with breathtaking views.

Colinas Verdes Alteration

Colinas Verde is a master-planned community located in San Jose Del Monte, Bulacan with first-class amenities such as the Colinas Verdes Country Club, which is the first country club in the area. The community is designed with a clubhouse, basketball court and swimming pool. It covers an area of 14.9 h.a., with 137 lots developed selling at an average price of ₱8,000 per sqm. The total project development cost was around ₱311 million.

Golden Meadows Biñan

Golden Meadow Biñan is one of Sta. Lucia quality projects with a community that exudes the warmth, joy and love of family located at Sta. Rosa, Laguna. Golden Meadow Biñan is crested with recreational facilities, tall pine trees, and lush vegetation.

Greenmeadows at the Orchard Ph2A

Located in the progressive city of Dasmariñas, Cavite, Green Meadows brings the best of natures as well as modern comforts within the reach. As a first class city, Dasmariñas is both a center for commerce and an industrial hub. Residents of Green Meadows can find all the essentials and conveniences, of city living just a few minutes' drive from home. Green Meadows Residential Estates is nestled within the rolling terrain of the Orchard Golf and Country Club. This scenic and serene haven has been designated as a bird and wildlife sanctuary, with its teeming foliage and various species of birds.

Greenmeadows Iloilo

Green Meadows is Iloilo's first lake community. Located within the outskirt towns of Pavia and Jaro, Green Meadows is designed around Lake Victoria, a 5-hectare man-made lake that provides a tranquil setting is the inspiration for gatherings, celebrations, and good old family fun.

Green Peak Heights

Be at home with nature at Green Peak Heights. Nestled in the town of Baras in Rizal, the 29-hectare Green Peak Heights is 30 minutes away from the Greater Manila Area.

Hacienda Verde Iloilo

Hacienda Verde is a premiere township development set on 125 h.a. of land that is lush and lively, progressive, while remaining rich in history. It captures beautifully the past and present to create a picture of a future that can only be found within our township.

La Alegria Residential Estates

La Alegria is at the heart of Silay City, Negros Occidental. In the humble city of Silay, Negros Occidental, La Alegria prides itself as the only lake residential community.

Las Colinas Davao

Las Colinas is located just off the Bayabas-Eden Road in Toril, Davao City. With the property's scenic mountain views, cooler climate and fresh air, future residents are guaranteed to enjoy a rejuvenating and calming ambience, that will allow them to enjoy with ease some quality time with their loved ones.

Los Rayos Lake Residences

Los Rayos Lake Residences is an exquisite residential retreat, with a lush mangrove forest, Philippine hardwood trees, plus a four kilometer stretch of white sand beach all within reach in Los Rayos. Los Rayos Lake Residences located in Tagum City, Davao Del Norte. The 37-hectare residential development is accessible to numerous key establishments such as shopping malls, schools, restaurants, plantations and eco parks. It is built around a central lake surrounded by the lush greenery of Davao. The 4-hectare lake area is the centerpiece of Los Rayos.

Nasa Costa Cove

A beachside resort-residential development located in Brgy. Natipuan, Nasugbu, Batangas along a strip of carved beachfront adjacent to high-end developments. Approximately 102 kilometers south of Metro Manila. All lots at Phase 1 are within walking distance to the beach.

Spring Oaks Residence

Lakewood resort residential estates Los Baños is a 42-hectare master-planned community located in Los Baños, Laguna, a town known for its mountain views and hot springs. Designed as a resort cum residential subdivision, Lakewood provides a breathtaking view of Mt. Makiling on one side and an enchanted lake view on the other side. Beyond its walls are an abundant array of resorts, restaurants, fresh fruit stands, garden landscaping and other specialty shops.

Soller Residences Davao

Down South in Davao, the idyllic Soller Residences is the place to be. Davao City, being among the safest cities in the country, is also home to the finest eco-adventure facilities and a hearty environment. It serves as the perfect backdrop for startup families who are starting small but betting on big dreams. The Soller Residences is located within Ciudades, Davao's first mixed-use and self-sufficient community. Soller Residences offer top-notch amenities such as a community clubhouse, multipurpose function hall, children's playground, swimming pool, bike trails and basketball court.

South Coast

South Coast is an integrated recreational, sports, residential community with ecological nature at its best. It is located at Lian, Batangas.

Woodridge Iloilo and The Groove

Woodridge Iloilo is located at Metropolis Drive, Bitoon, Jaro, Iloilo. It is accessible in coastal road and National Road.

Yanarra Residences

Situated in the heart of Nasugbu, Batangas, you can experience the soothing songs of the beach and the warm embrace of green landscapes all around you. And as a testament of our souls enriching first class vision, let our European art inspired architecture make you even more proud to call Yanarra, “Home”.

9. 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 16 June 2016. 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.

The Registrant has been able to establish a track record in horizontal residential developments, where the Registrant has historically derived a substantial portion of its revenues. The Registrant has continued to expand its horizontal developments which continue to be its core business and begun to diversify into vertical developments, housing construction, and marketing services. In line with its strategy of increasing recurring income, the Registrant has also begun to expand its mall operations through the opening of its expansion mall in 2014 and conversion of some of its portfolio of commercial lots for sale into commercial lots for lease.

The Registrant conducts its business via the following main operating segments, further broken down as follows:

1. Residential Projects

a. Horizontal Developments

i. Residential Lots

Horizontal developments consist of residential lots for sale in gated subdivisions, complete with facilities and amenities. Typical features of these gated subdivisions include an entrance gate, guard house, landscaped entry statement, community clubhouse, basketball court, swimming pool, wide concrete road network, paved sidewalks with concrete curbs and gutters, centralized interrelated water system, underground drainage system, and electric system. These projects involve minimal construction works.

Since 2007, the Registrant has completed 108 residential subdivision projects and is currently developing 110 residential subdivision projects involving a total of 39,986 units with average selling prices per unit ranging from ₱400,000 to ₱12,000,000. Required downpayments are usually 15% to 20%, payable in 6 months to 1 year.

b. Vertical Developments

i. Townhouses

Townhouse projects are comprised of residential housing units with independent and identical houses that are built adjacent to each other, with a row sharing one- or two-house walls. These projects have higher development costs, are built on smaller land areas (i.e., six to seven hectares), and are developed in phases. The Registrant starts with the next phase only once the previous phase is sold out.

The Registrant has completed four townhouse projects, three of which are known as Nottingham Villas located in (i) Jaro, Iloilo City, (ii) Taytay, Rizal and (iii) Puerto Princesa, Palawan, with 10, 11 and 15 phases, respectively. The Registrant also completed the Aquamira at Saddle in Tanza, Cavite with 3 phases. These projects have an average price of ₱2,980,000 per unit.

The Registrant has two other townhouse projects which are currently being developed in (i) General Trias, Cavite and (ii) Monterosa, Iloilo. Down payments of 15% to 20% are usually required, payable in 6 months up to two years. Balance of 80% is paid through in-house or bank financing.

ii. Condominiums

The condominium projects of the Registrant are located in strategic locations near existing horizontal developments. The Registrant has completed the following seven residential condominium projects:

Condominium Project	Location
East Bel Air Tower 1	Cainta, Rizal
East Bel Air Tower 3	Cainta, Rizal
La Mirada Tower	Lapu-lapu City, Cebu
Neopolitan Condominium 1	Fairview, Quezon City
Splendido Taal Tower 1	Laurel, Batangas
Sta. Lucia Residenze – Monte Carlo (Tower 1)	Cainta, Rizal
The Orchard Pasig Tower	Pasig City

and currently has three ongoing projects, two in Cainta, Rizal [East Bel-Air 4 and Sta. Lucia Residenze – Madrid (Tower 3)] and one in Jaro, Iloilo (Green Meadows Condominium). The downpayment ranges from 15% to 20%, payable in two to three years. Balance of 80% is paid through in-house or bank financing.

iii. Condotels

Condotel projects are condominium units being sold to individual buyers but are managed and operated as a hotel. For condotel projects, unit buyers are given the option to purchase a condominium unit or a condotel unit. A condotel unit is placed under a rental program initially for 15 years where it is rented out like a typical hotel room. An experienced management company, with common shareholders and directors as SLI, handles all operations, maintenance, and management of the units under the rental program. Rental income from the units is shared between the Registrant and the unit owners, where the management company usually receives at least 30% of net rental income. The condotel owner is not given any guarantee or assurance that the unit will be leased or if leased out, of any guaranteed return on the rental of his/her unit. Condotel unit owners are given 30 complimentary room nights per year which are transferrable across all the Registrant's condotels in the Philippines.

The Registrant has completed the following ten (10) condotel projects:

Condotel Project	Location
Arterra Residences at Discovery Bay	Lapu-lapu City, Cebu
Stradella (formerly East Bel Air Tower 2)	Cainta, Rizal
La Breza Tower	Mother Ignacia Street, Quezon City
Sotogrande Iloilo Tower 1	Jaro, Iloilo
Splendido Taal Tower 2	Laurel, Batangas
Sta. Lucia Residenze – Santorini (Tower 2)	Cainta, Rizal
Crown Residence at Harbor Springs Resort	Puerto Princessa, Palawan
Sotogrande Katipunan	Katipunan, Quezon City
Sotogrande Hotel Davao	Davao City
Sotogrande Neopolitan	Fairview, Quezon City

and currently has seven ongoing projects in (i) Quezon City (The Tribute), (ii) Puerto Princesa (Sotogrande Palawan), (iii) Cebu (Nivel Hills) (iv) two in Baguio City (Sotogrande Baguio Tower 1 and 2), and (v) two in Batangas (Sotogrande Bauan and Nasacosta Peaks).

Average selling prices per unit range from ₱85,000 to ₱160,000 per sqm with required downpayments of 20%, payable in two to three years while the balance of 80% is paid through in-house or bank financing.

The SEC had opined in previous opinions that the sale, management, pooling and sharing of revenues from the operation of condotels thru a contract offered to condotel buyers may be viewed as an investment contract. Investment contracts are likened to contracts for the sale of a security, which requires prior registration with the SEC before the same are sold or offered for sale or distribution in the Philippines. In the decisions and opinions promulgated, the SEC concluded that condotel projects are arrangements that have all the elements of an investment contract, namely: (i) an investment of money; (ii) in a common enterprise; (iii) with expectation of profits; and (iv) primarily from efforts of others. As such, the SEC has issued orders directing several real estate companies offering condotel projects to immediately cease and desist from further offering, soliciting, or otherwise offering or selling condotel units to the public without the required SEC registration.

One such order by the SEC was challenged by a real estate developer in a case before the Court of Appeals ("CA"). The case questioned the validity of the SEC's ruling that the sale of the condotel units qualified as a sale of securities. The CA, in its Decision dated 01 June 2013, held that the transaction did not constitute an investment contract as the element of "investment of money" was lacking in such project. The CA ruled that unit buyers pay their monies for the purpose of acquiring ownership of the property, not for the purpose of engaging in the business of renting out of units. Thus, the CA annulled the SEC's order against the real estate company to cease from further selling or offering its condotel units. This was later affirmed by CA in its 28 November 2013 Resolution.

On 18 November 2016, however, the Supreme Court ("SC") reversed and set aside the CA's Decision and Resolution. However, the SC did not make a definitive determination as to whether the sale of the condotels under the "leaseback" or "moneyback" schemes is indeed an investment contract or a sale of securities. Instead, the SC based its decision on a legal principle requiring all parties to such a case to "exhaust all administrative remedies" prior to resorting to an appeal. Since the petitioner failed to exhaust the administrative remedies available to it, an appeal was the incorrect remedy. The petitioner has filed a motion for reconsideration in the SC case. The Registrant will continue to monitor the progress of the case while studying its options relative to the SC's decision. Rest assured that the Registrant will respect the final outcome of the SC case and the regulators. As of now, the Registrant is not aware of any further announcement or communication from the SEC on the matter.

2. Commercial Properties

a. Mall

Sta. Lucia East Grand Mall ("SLEGM")

The SLEGM is a comprehensive commercial, entertainment, and leisure facility with a full range department store, supermarket, movie theater, fast food chains, bookstore, specialty boutiques for clothing, accessories, telecommunication, and hobby stores. The SLEGM is comprised of three four-storey buildings with a gross floor area ("GFA") of 180,000 sq.m and is located at Marcos Highway cor. Felix Ave., Cainta, Rizal. The current mall has a 89,940 sqm. gross leasable space. This business serves to complement the needs of the residential communities that the Registrant has built in the cities of Pasig, Marikina, and in the various towns of the Rizal province.

The expansion mall of the Registrant called Il Centro opened in 2014 and is comprised of a three-storey building with a GFA of 50,000 sqm. and a gross leasable area of 9,136.62 sqm. The mall has a 20,000 sqm. parking to cater to residential and mall clients.

Currently, the mall has 99,076 sqm gross leasable space of which 78.83% is leased.

Ponte Verde Mall

As of 31 December 2021, the construction of the Ponte Verde Mall, the second mall of the Registrant located along the Philippine Japan Friendship Highway (formerly Diversion road) in Panacan, Davao City, is already at its 46% completion. Strategically located right in front of the Davao International Airport, the mall is accessible to all forms of public transportation and a variety of commercial and recreational establishments.

Expected to operate as early as 2023, the four-storey commercial building will contribute an additional 40,918 sqm GFA and 24,142 sqm gross leasable area to the mall portfolio of the Registrant.

b. Business Center

Sta. Lucia Business Center

The Registrant aims to expand its recurring income base by developing offices, malls and hotels as well as potentially entering into strategic partnerships for commercial asset management or development. In October 2020, the Registrant completed its six-storey Sta. Lucia Business Center in Cainta, Rizal, which offers 26,011 square meters of gross leasable office space. As of 31 December 2021, this building is already accepting reservations for interested tenants.

c. Commercial Lots

The commercial properties of the Registrant are complementary to existing residential projects and are being offered to existing established retail partners. There are a total of 1,489 commercial lots covering 156.89 hectares adjacent to the Registrant's projects nationwide. There is an allocation for an average commercial space ranging from 300 to 2,000 sqm in majority of the Registrant's projects. The Registrant intends to expand its retail portfolio by offering these commercial properties via 3 main options: (i) outright sale of the commercial lots, (ii) lease of the commercial lot to retailers, and (iii) building of the Registrant's own malls in these commercial properties and leasing it to retailers.

3. Services

a. Housing / Construction

The Registrant also ventured into housing construction services through its wholly-owned subsidiary, SLHI, which provides access to and assistance in connection with general construction services to its lot buyers. SLHI began operating in 2014 in order to service the needs of lot buyers who would like to have their own house constructed on their previously bought lots but are not familiar with the process (i.e. securing permits, construction, accessing financing, etc.). SLHI provides these services to its lot owners with the assurance of reliability from an established brand name. The price of house construction service ranges from ₱26,000 per sqm to ₱30,000 per sqm. Payment terms require a 20% downpayment that is payable up to 6 months, with the balance payable up to 10 years through in house or bank financing. While this remains a good opportunity for the Registrant to reach more lot buyers, the Registrant, for the next few years, will focus on project development through strategic land banking and joint ventures with land owners in key provinces.

b. Marketing

The Registrant is currently conducting marketing services through its subsidiary SVI. SVI was incorporated with the primary purpose of marketing, operating, managing residential structures for lot buyers of the Registrant. The sales and marketing functions were shifted to SVI in order that the Registrant may focus on the development of its projects.

c. Sale on installment

The Registrant also earns revenues through its sale on installment program to cater to their customers who do not have the accumulated savings to pay for the projects of the Registrant but have sufficient recurring income to support monthly amortization payments.

Approximately 90-95% of the Registrant's sales are through its in-house installment program. The customers of the Registrant who avail of the program are charged higher than the prevailing interest rates of banks, ranging from 14% to 16% per annum and a 20% downpayment with tenors up to a maximum of 10 years. For 2021, around 95% of customers of the Registrant availed the sale on installment facility with terms of 5 years or less.

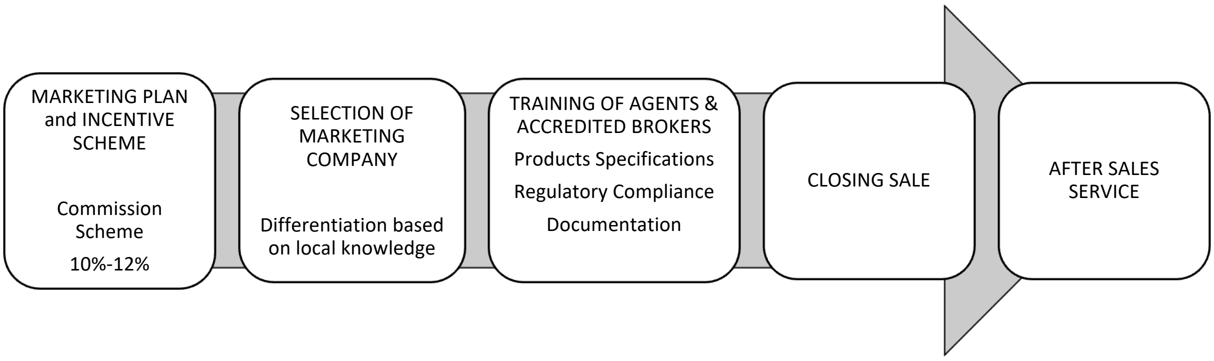
C. Distribution Methods of the Products

1. Sales Process

The Registrant's main selling strategy is the utilization of a wide network of marketing companies, which are selected based on the following criteria:

A. core competencies;
B. familiarity with target markets; and
C. location.

The following diagram illustrates the Registrant's sales process:



2. Marketing and Distribution

The Registrant has at its disposal the expertise of eight different marketing arms, four of which work exclusively with the Registrant, namely: Royale Homes Marketing Corp., Orchard Property Marketing Corp., Mega East Properties, Inc., Fil-Estate, Asian Pacific, Sta. Lucia Global Inc., 1Premiere Land Marketing Co., and Santalucia Ventures, Inc., which is a wholly-owned subsidiary of the Registrant. These marketing firms have a combined local and international sales force of over 120,000 brokers agents ensuring wide geographic coverage and presence and extensive knowledge of the demographics. These marketing companies are tasked to promote the Registrant and its projects through various media such as print advertisements and online marketing (e.g., Facebook, Instagram, Youtube, and Twitter). To further enhance the public's awareness of the brand, the Registrant has, since 2008 began engaging celebrity endorsers, and brokers to promote the brand and the projects.

The following enumerates the marketing companies, of which only SVI is a subsidiary of the Registrant:

- *Royale Homes Marketing Corporation*
  Website: http://www.royalehomes.ph/

  Envisioned to become the leading real estate marketing organization in the country, Royale Homes Marketing Corporation was founded in 8 September 1994 by three lady entrepreneurs: Matilde P. Robles, President of the company, Carmina A. Sotto, Executive Vice-President of Sales and Marketing, and Ma. Melinda A. Bernardino, Executive Vice-President for Finance and Administration.

Royale Homes having shown its strength in real estate marketing was tapped by SLRDI to exclusively market a number of its premier residential and resort projects nationwide. It has also marketed the real estate properties of the JV partners of the Registrant.

- *Orchard Property Marketing Corporation*
  Website: http://www.opmc.ph/

  Orchard Property Marketing Corporation is a subsidiary of SLRDI. A solid, professional network backed by a good name in the real estate industry. The company was organized in 1995 to exclusively market the Registrant's projects. With offices in Metro Manila, Metro Cebu, Metro Davao, Lucena City and Bulacan, OPMC is taking larger steps towards servicing its growing clientele for its diverse products all over the Philippines.

  OPMC takes pride in its highly trained service-oriented workforce and continues to develop the best manpower to attain maximum customer satisfaction.

- *Mega East Properties, Inc.*
  Website: http://www.megaeast.com.ph/

  Mega East Properties, Inc. is the youngest and most dynamic marketing arm of the Registrant. Entrusted with a limited but strategic set of inventories by the Registrant, MPI carries dream-lots located in the residential, business and tourism corridors of Quezon City, Marikina, Caloocan, Provinces of Rizal, Tagaytay and Paniqui, Tarlac.

- *Fil-Estate Group of Marketing Companies*
  Website: http://fegc.brinkster.net/FEChistory.htm

  Fil-Estate Realty Corporation was founded in 15 January 1981 by Messrs Robert John Sobrepeña, Atty. Ferdinand T. Santos and Noel Cariño. These men combined their marketing and management skills and expertise to build and develop an organization that would bring about the realization of their common dream; to put up the best marketing company in the real estate industry, a model company that the real estate industry can follow.

  From its initial years, a close relationship has been developed between SLRDI as the developer and Fil-Estate as the exclusive marketing arm for select projects. This relationship has continued to prosper over the succeeding years resulting in many successful launches and sales of a host of first-class subdivision and golf course developments.

- *Asian Pacific Group of Companies*
  Website: http://www.apgc.com.ph

With 29 years of experience and leadership in the Philippines real estate industry, Asian Pacific Group of Companies is a global network of companies that specializes in real estate marketing and property development. Composed of five member companies, APGC has presently a total of seven branches nationwide, namely Lipa City, Batangas City, Nueva Ecija, Tarlac, Cebu, Bacolod and Iloilo, and boasts of over 50,000 sales forces worldwide. Its nationwide inventory of real estate properties amounts to a total of ₱5.4 Billion.

- *Santalucia Ventures*
  Website: http://stalucialand-intl.com/index.

  Santalucia Ventures was incorporated in 2013 to handle the marketing and distribution of the Registrant's products. Santalucia Ventures requires all real estate brokers directly involved in selling activities to have the necessary licenses.

- Other marketing companies of SLI includes Sta. Lucia Global Inc. and 1Premier Land Marketing Company.

D. Competition

The residential market is still a highly under-served market with the housing backlog projected to reach 5.6 million by 2030 (myproperty.ph). In this segment, the Registrant considers Vista Land and Filinvest Land, Inc. as its competitors. The Registrant believes that the strengths of these competitors lie in their larger landbank holdings and historically, their ability to access funding through the capital markets.

In order to effectively compete, the Registrant has long adopted the strategy of focusing on the provincial areas that are largely ignored and under-served by its bigger competitors whose projects have, until recently, been concentrated in Metro Manila which is already congested and near saturation. SLI is present in eleven (11) regions across the country. The Registrant believes that sustained growth will come from the provinces and major cities outside of Metro Manila and have therefore prioritized establishing its presence there. The Registrant believes that its expertise and knowledge in these areas will prove significant as it continues to expand its property footprint in these largely under-served areas. The Registrant will continue using its sales force, to target a specific customer segment in specific geographic locations. Once identified, potential clients are reached through aggressive advertising and personalized sales services, including after sales support. Such services include assistance in documentation and facilitating access to credit. Its capability to reach out to different locations is made possible through its vast marketing channels, which, by sheer number of sales agents, are able to capture a good portion of the market. Its international offices also make it possible to move closer to markets it serves offshore. Open houses, discounts and promotion are some of the marketing tools the Registrant employs as part of its sales and marketing strategy.

With respect to the mall business, SM Prime and Robinsons Retail are considered as the main competitors of the Registrant. Although SLEGM was one of the first malls in the Cainta area, competition has emerged in recent years as new malls were developed by its peers. Despite this however, the Registrant continued to generate healthy cash flows, retain tenants and even engage newer ones. Its prime location, being located in a major intersection along a major thoroughfare, along with the variety of its affiliated and independent retailers which afford its customers more varied choices and the continuous improvements in both facilities and services have enabled SLEGM to hold its own in this highly competitive retail market.

E. Suppliers

The Registrant appoints contractors based on a number of qualifications such as experience in the project area, past project performance, and contract price, among others. The Registrant also accredits and establishes relationships with qualified suppliers to provide cost and budgetary estimates, and ensure supply of materials to be used for developing the land.

Site development and construction work for the Registrant's projects is contracted out to the qualified and accredited independent contractors. Terms with contractors usually include a 10-40% downpayment, provision of construction materials by accredited suppliers, and payment scheme which includes a 10% retention.

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.

The Registrant has now expanded its target market to include clients with different professions and living statuses, coming from all segments of society.

The Registrant's main target markets are the OFWs and middle class. A major percentage of the Registrant's number of units sold come from OFWs and their families which constitutes around 70% of sold units, 15% come from SME business owners, and 15% come from middle class employees.

G. Government Approvals/Regulations

The Registrant has obtained and will obtain all such necessary and desirable government permits, consents, and authorizations that may be required for the conduct and continuance of its business.

These permits and approvals include, but are not limited to, the Environmental Compliance Certificates or certificates of non-coverage, development permits, Department of Agrarian Reform conversions, and licenses to sell. In addition, the Registrant and its subsidiaries intend to continue to comply, in all material respects, with applicable regulations and law which govern its various businesses.

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

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 expressly disclosed, these accounts are noninterest-bearing and are generally unsecured. 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 are as follows:

a. The Parent Company, in the normal course of business, has transactions with the Ultimate Parent Company consisting of non-interest bearing advances for working capital requirements with no fixed repayment terms.

b. Other transactions with the Ultimate Parent Company include noninterest-bearing cash advances for various charges for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies, rentals for project exhibits and advertising/marketing costs. This pertains to the monthly amortization payment from the buyers of the Parent Company collected by the Ultimate Parent Company due to be remitted to the Parent Company.

c. In 2014, SLLI and SLRDI entered into several memorandums of agreements wherein SLLI 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 SLLI, 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.

Total share from the proceeds of SLRDI from the joint operations amounted to ₱144.48 million, ₱152.58 million and ₱180.71 million in 2021, 2020 and 2019, respectively. The share amounting ₱28.61 million, ₱38.14 million and ₱45.18 million are still to be remitted or offset against the receivable from SLRDI as of 31 December 2021, 2020 and 2019, respectively.

d. Effective 01 October 2014, SLLI directly entered into lease agreements with mall tenants. SLECC and SLLI, on the other hand entered into a management services agreement effective 01 October 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, SLLI shall pay SLECC a management fee equivalent to 5% of the gross rental revenue for managing mall operations including, repairs and maintenance and collection of space rental from storeowners or tenants.

   In addition, the Registrant has receivables from affiliate mall tenants. This pertains to accrued rental income amounting to ₱42.11 million and ₱36.50 million in 2021 and 2020, respectively.

e. The Parent Company made cash advances for pre-operating costs for various expenses like registration fees, taxes and licenses fees to its marketing arm.

   The advances amounted to ₱0.20 million in 2021 and 2020, respectively.

f. The Parent Company made noninterest-bearing cash advances to officers and directors which is subject to liquidation.

   These advances amounted to ₱12.01 million and ₱8.61 million in 2021 and 2020, respectively.

   As of 31 December 2021 and 2020, the Group has not made any provision for ECL relating to amounts owed by 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. This assessment of the Group is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

J. Intellectual Property

The "Sta. Lucia Land, Inc." trademark was registered with the Intellectual Property Office ("IPO"). Sta. Lucia Land is the brand SLI uses and by which it is known to the public.

Design mark/ logo	Registration No.	Trademark	Status	Expiration Date
STA.LUCIA LAND INC.	4/2020/ 00502228	Sta. Lucia Land, Inc.	Registered 21 February 2021	21 February 2031

The above trademark is important because name recognition and exclusivity of use are contributing factors to the success of the Registrant's development. In the Philippines, certificates of registration of a trademark issued by the Intellectual Property Office are generally effective for a period of 10 years, unless terminated earlier.

The Registrant is also the owner of one domain name: www.stalucialand.com.ph.

K. Present Employees

The Registrant has 203 officers, employees and contractuals. 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:

As of 31 December 2021, the Registrant completed the development of the following projects:

PROJECT	LOCATION	PROJECT TYPE	YEAR COMPLETED
Aldea at Monterosa	Iloilo	Horizontal	2021
Altea Ciudades Davao	Davao	Horizontal	2021
Antipolo Greenland	Rizal	Horizontal	2013
Aqua Mira at Saddle Cluster A	Cavite	Vertical	2017
Aqua Mira at Saddle Cluster B	Cavite	Vertical	2017
Aqua Mira at Saddle Cluster C	Cavite	Vertical	2017
Arterra Residences at Discovery Bay	Cebu	Vertical	2017
Blue Mountains Comml & Res Est	Rizal	Horizontal	2020
Blue Ridge At Monterosa	Iloilo	Horizontal	2021
Cainta Greenland Ph. 3B	Rizal	Horizontal	2020
Cainta Greenland Ph. 3B1	Rizal	Horizontal	2020

PROJECT	LOCATION	PROJECT TYPE	YEAR COMPLETED
Cainta Greenland Ph. 4C1	Rizal	Horizontal	2020
Cainta Greenland Ph. 4C2	Rizal	Horizontal	2020
Cainta Greenland Ph. 4J1	Rizal	Horizontal	2020
Cainta Greenland Ph. 9C	Rizal	Horizontal	2020
Catalina Lake Palawan	Palawan	Horizontal	2020
Colinas Verdes Bulacan Ph. 3	Bulacan	Horizontal	2020
Colinas Verdes Bulacan Ph. 3A	Bulacan	Horizontal	2020
Colinas Verdes Bulacan Ph. 3B	Bulacan	Horizontal	2020
Costa Del Sol Ph. 1	Iloilo	Horizontal	2016
Crown Residence at Harbor Springs	Palawan	Vertical	2019
East Bel-Air Residences Ph. 4	Rizal	Vertical	2021
East Bel-Air Residences Tower 1	Rizal	Vertical	2012
East Bel-Air Residences Tower 3	Rizal	Vertical	2020
El Pueblo Verde	Tarlac	Horizontal	2019
Glenrose Taytay	Rizal	Horizontal	2014
Grand Villas Bauan	Batangas	Horizontal	2013
Green Meadows Dasmarinas Ph. 2	Cavite	Horizontal	2020
Green Meadows Iloilo Ph. 1	Iloilo	Horizontal	2017
Green Meadows Tarlac	Tarlac	Horizontal	2013
Green Peak Heights Ph. 1	Rizal	Horizontal	2020
Greenland Newtown Ph. 2B	Rizal	Horizontal	2019
Greenland Newtown Ph. 2C	Rizal	Horizontal	2019
Greenridge Executive 4A	Rizal	Horizontal	2020
Greenwoods Executive Ph. 2K1	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 540	Pasig/Rizal	Horizontal	2020
Greenwoods Executive Ph. 6S9	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8A1	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8A2	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8A3	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8A4	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8F3	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8F4	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8F5	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8G1	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 9B1	Pasig/Rizal	Horizontal	2019
Greenwoods Executive Ph. 9E	Pasig/Rizal	Horizontal	2019
Greenwoods Executive Ph. 9F	Pasig/Rizal	Horizontal	2020
Greenwoods North Ph. 2	Gapan	Horizontal	2020
Greenwoods North Ph. 3	Gapan	Horizontal	2020
Hamptons Residences Angono	Rizal	Horizontal	2021
La Breza Tower	Quezon City	Vertical	2011
La Mirada Tower 1	Cebu	Vertical	2010
Luxurre Residences Cavite	Cavite	Horizontal	2013
Marbella Residences Palawan	Palawan	Horizontal	2020
Mesilo Residences: Nueva Vida	Cavite	Horizontal	2015
Metropolis East - Binangonan Ph. 1D	Rizal	Horizontal	2021

PROJECT	LOCATION	PROJECT TYPE	YEAR COMPLETED
Metropolis East - Binangonan Ph. 2A	Rizal	Horizontal	2021
Metropolis East - Binangonan Ph. 1B	Rizal	Horizontal	2019
Metropolis East - Binangonan Ph. 2	Rizal	Horizontal	2019
Neopolitan Condominiums Tower 1	Quezon City	Vertical	2015
Nottingham Villas Iloilo	Iloilo	Vertical	2019
Nottingham Villas Palawan	Palawan	Vertical	2019
Nottingham Villas Townhouse	Rizal	Vertical	2017
Orchard Tower 1 (The Olive)	Pasig City	Vertical	2019
Palo Alto Executive Village Ph. 2	Rizal	Horizontal	2020
Ponte Verde Davao Ph. 1	Davao	Horizontal	2020
Pueblo Del Sol Ph2	Cavite	Horizontal	2016
Rizal Technopark Ph. 2D1	Rizal	Horizontal	2019
Rizal Technopark Ph. 2F	Rizal	Horizontal	2019
Rizal Technopark Ph. 2G	Rizal	Horizontal	2019
Rizal Technopark Ph. 2S1	Rizal	Horizontal	2019
Rockville Cavite	Rizal	Horizontal	2019
Sierra Vista Ph2A	Manila	Horizontal	2012
Soto Grande Hotel Davao	Davao	Vertical	2019
Soto Grande Iloilo	Iloilo	Vertical	2018
Soto Grande Neopolitan	Quezon City	Vertical	2015
Soto Grande Ph2	Cavite	Horizontal	2015
Soto Grande Ph3	Cavite	Horizontal	2015
South Groove Davao	Davao	Horizontal	2015
South Spring Laguna Ph 1C	Laguna	Horizontal	2019
South Spring Laguna Ph 1C1	Laguna	Horizontal	2019
South Spring Laguna Ph 1C2	Laguna	Horizontal	2019
South Spring Laguna Ph 1D	Laguna	Horizontal	2018
South Spring Laguna Ph 1E	Laguna	Horizontal	2018
South Spring Laguna Ph 1F	Laguna	Horizontal	2019
Splendido Taal Tower 1	Cavite	Vertical	2010
Splendido Taal Tower 2	Cavite	Vertical	2015
Sta. Barbara Royale Ph.1A	Quezon City	Horizontal	2014
Sta. Lucia Residenze – Monte Carlo	Rizal	Vertical	2013
Sta. Lucia Residenze – Santorini	Rizal	Vertical	2018
Stradella (East Bel-Air Residences Tower 2)	Rizal	Vertical	2014
Sugarland Estates	Cavite	Horizontal	2013
Summer Hills Executive Ph 4	Rizal	Horizontal	2020
Summer Hills Executive Ph 4A	Rizal	Horizontal	2020
Summer Hills Executive Ph 4B	Rizal	Horizontal	2020
Summit Point Golf & Res Estate Ph. 3	Batangas	Horizontal	2021
Summit Point Golf & Res Estate Ph. 3A	Batangas	Horizontal	2021
Summit Point Golf & Res Estate Ph. 3B	Batangas	Horizontal	2021

PROJECT	LOCATION	PROJECT TYPE	YEAR COMPLETED
Summit Point Golf & Res Estate Ph. 3C	Batangas	Horizontal	2021
Summit Point Golf & Res Estate Ph. 3D	Batangas	Horizontal	2021
Summit Point Golf & Res Estate Ph. 3E	Batangas	Horizontal	2021
Villa Chiara Tagaytay	Rizal	Horizontal	2017
Woodside Garden Village	Pangasinan	Horizontal	2020

Ongoing Projects:

The table below summarizes the Registrant's ongoing development projects as of 31 December 2021:

PROJECT NAME	PHASE	LOCATION
Acropolis Loyola	Ph 1 & 2	Tumana, Marikina City and Pansol, Quezon City
Almeria Verde	Ph 1	Bolosan, Dagupan City
Almeria Verde	Ph 1A	Bolosan, Dagupan City
Alta Vista Tagaytay	Ph 1 & 1A	Sicat, Alfonso, Cavite
Beverly Place Pampanga	Ph 6E1	Mexico, Pampanga
Beverly Place Pampanga	Ph 10C	Mexico, Pampanga
Beverly Place Pampanga	Ph 10D	Mexico, Pampanga
Cambridge Place Batangas	Ph 1A	Darasa, Tanauan City, Batangas
Catalina Lake Residences Bauan	-	Balayong & Manghinao I, Batangas
Centro Verde Laguna	-	Calamba, Laguna
Club Morocco	-	Subic, Zambales
Colinas Verdes	Alteration	Tungkong Mangga, San Jose Del Monte, Bulacan
Colinas Verdes	Ph 1A	Tungkong Mangga, San Jose Del Monte, Bulacan
Costa Verde Alangilan	-	Bolbok & Alangilan, Batangas City
Cypress Hill	-	Bayabas, Toril, Davao City
El Sitio Nativo	-	Natipunan, Nasugbu, Batangas
Evergreen - Altezza	Ph 5	J.P. Laurel, Panabo City
Evergreen - Costa Mesa	Ph 1	J.P. Laurel, Panabo City
Evergreen - Montebello	Ph 2	J.P. Laurel, Panabo City
Evergreen - Monterey	Ph 3	J.P. Laurel, Panabo City
Evergreen - Sunnyvale	Ph 4A	J.P. Laurel, Panabo City
Evergreen - Sunnyvale	Ph 4B	J.P. Laurel, Panabo City
Fairmont Lake Residences	-	Silway-8, Polomolok, South Cotabato
Golden Meadows Biñan	Ph 1A	Sta. Rosa, Laguna
Golden Meadows Biñan	Ph 2C	Sta. Rosa, Laguna
Golden Meadows Biñan	Ph 2E	Sta. Rosa, Laguna
Golden Meadows Palawan	-	Sta. Lourdes, Puerto Princesa City, Palawan

PROJECT NAME	PHASE	LOCATION
Green Meadows At Orchard	Ph 2A	Dasmariñas, Cavite
Green Meadows Bauan	Ph 1 & 1A	Cupang & As-is, Bauan, Batangas
Green Meadows Digos	-	Colorado, Digos City, Davao Del Sur
Green Meadows Iloilo	Ph 3	Ungka 2, Pavia, Iloilo
Green Meadows Iloilo (East)	Ph 2	Tacas, Jaro, Iloilo City
Green Peak Heights	Ph 2	Pinugay, Baras, Rizal
Green Peak Heights	Ph 3	Pinugay, Baras, Rizal
Green Peak Heights Palawan	Ph 1	Sta. Lourdes, Puerto Princesa City, Palawan
Green Peak Heights Palawan	Ph 2	Sta. Lourdes, Puerto Princesa City, Palawan
Green Ridge Executive	Ph 4B	Pantok, Binangonan, Rizal
Greenwoods Executive Village	Ph 1A1	Palatiw, Pasig City
Greenwoods Executive Village	Ph 1A2	Palatiw, Pasig City
Greenwoods Executive Village	Ph 3A2	San Miguel, Pasig City
Greenwoods Executive Village	Ph 8A5	San Andres, Cainta, Rizal
Greenwoods Executive Village	Ph 8D6	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 8D7	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 8D8	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 8F5	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 8F6	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 9D1	Sta. Ana, Taytay, Rizal
Greenwoods South	Ph 4A	Dumuclay, Batangas City
Hacienda Verde Iloilo	-	Pandac, Pavia, Iloilo
La Alegria Residential Estate	-	Rizal, Silay City, Negros Occidental
La Huerta	Ph 1 & 2	Calamba, Laguna
La Mirada Royale	Ph 1A1	Plaridel, Bulacan
La Mirada Royale	Ph 1C	Plaridel, Bulacan
La Vista	-	Poblacion, Makilala, North Cotabato
Las Colinas Leisure Farm	-	Bayabas, Toril, Davao City
Las Terrazas Iloilo	-	Tacas, Jaro, Iloilo City
Los Rayos Lake Residences	-	Madaum, Tagum City
Marbella Lake Residences	Ph 1	Victoria, Laguna
Marbella Residences Davao	-	Tigatto-Mandug, Davao City
Metrosouth Townhouse	-	Dasmariñas, Cavite
Mira Verde Bulacan	Ph 3 & 3A	Guiguinto, Bulacan

PROJECT NAME	PHASE	LOCATION
Monte Verde Digos	Ph 1	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 2	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 3	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 4	Kiagot, Digos City, Davao Del Sur
Monte Verde East	-	San Rafael, Rodriguez, Rizal
Monteverde Royale	Ph 4C	Muzon, Taytay, Rizal
Nasa Costa Cove	-	Natipuan, Nasugbu, Batangas
Nasa Costa Peak	Tower 1	Natipuan, Nasugbu, Batangas
Nivel Hills Cebu	Tower 1&2	Lahug, Cebu City
Oakland Residences	Ph 1A	Sinawilan, Matanao, Davao Del Sur
Oakland Residences	Ph 1	Sinawilan, Matanao, Davao Del Sur
Orchard Residences Digos	-	San Jose, Digos City, Davao Del Sur
Orchard Residences Polomok	-	Glamang, Polomolok, South Cotabato
Orchard Residential Estate And Golf Country Club	Ph 5B	Dasmariñas, Cavite
Palo Alto	Ph 3	Pinugay, Baras, Rizal
Ponte Verde Davao	Ph 1	Communal, Davao City
Ponte Verde Davao (Martinez)	Ph 4	Communal, Davao City
Ponte Verde Davao (Sandoval)	Ph 2	Communal, Davao City
Ponte Verde Davao (So)	Ph 3	Communal, Davao City
Ponte Verde Rizal	-	Halayhayin, Pililla, Rizal
Ponteverde De Sto. Tomas	Ph 3A	Santiago, Sto. Tomas, Batangas
Ponteverde De Sto. Tomas	Ph 5	Santiago, Sto. Tomas, Batangas
Rizal Technopark	Ph 2D3	San Juan, Taytay, Rizal
Seville Lake Residences	-	New Carmen, Mandug, Davao City
Sherwood Residences	-	Calinan, Davao City
Solana Light Industrial Estates	-	Madaum, Tagum City
Soller Residences	-	Waan, Mandug, Davao City
Sonoma Place	-	Caimito Road, Puerto Princesa City, Palawan
Sotogrande Baguio	Tower 1	Leonard Wood Road, Baguio City
Sotogrande Baguio	Tower 2	Leonard Wood Road, Baguio City
Sotogrande Bauan	-	Balayong & Manghinao I, Batangas
Sotogrande Iloilo	Tower 2	Jaro, Iloilo City
Sotogrande Katipunan	-	Katipunan Ave., Quezon City
Sotogrande Palawan	Tower 1	Tagburos, Puerto Princesa City
Sotogrande Tomas Morato (The Tribute)	-	Tomas Morato, Quezon City
South Coast	Ph 1	Matabungcay, Lian, Batangas
South Coast	Ph 1A	Matabungcay, Lian, Batangas
Spring Oaks Residence	Ph 4	Los Baños, Laguna
St. Charbel South	Ph 3	Dasmariñas, Cavite

PROJECT NAME	PHASE	LOCATION
Sta. Lucia Mall Davao	-	Communal, Davao City
Sta. Lucia Residenze - Madrid	Tower 3	Cainta, Rizal
Summit Point	Ph 4	Inosluban, Lipa City, Batangas
Tierra Verde Digos	-	Colorado, Digos City, Davao Del Sur
Valencia Homes	-	Rizal, Avenue, Puerto Princesa City, Palawan
Valencia Towhouse Iloilo	-	Pakiad, Oton, Iloilo
Valleyview Executive	Ph 2D	Munting Dilaw, Antipolo City
Valleyview Executive	Ph 2A	Munting Dilaw, Antipolo City
Woodridge Iloilo And The Groove	-	Tagbac, Jaro, Iloilo City
Yanarra Residences	Ph 1A	Natipunan, Nasugbu, Batangas
Yanarra Residences	Ph 2A	Natipunan, Nasugbu, Batangas

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 07 February 2011 at the meeting of the Executive Committee, the Registrant approved the joint venture agreement among Sept. Company Inc (SCI), Antonio Rivilla, and the Registrant, to develop parcel of land situated Barrio San Antonio Abagon & Poblacion Municipality of Gerona, Tarlac with a total area of 155,153 sq m into a residential and commercial subdivision.

On 09 February 2011 at the meeting of the Executive Committee, the Registrant has entered into a joint venture agreement with Sta. Lucia Realty and Development, Inc. for a development of a commercial subdivision located in Barrio of Dumuclay, Batangas City. In addition, the Registrant also entered a joint venture agreement with Anamel Builders

Corporation (ABC) to develop a parcel of land owned by ABC located in the City of Gapan Nueva Ecija, with an aggregate area of 136,059 square meters in a residential subdivision.

On 16 March 2011 at the meeting of the Executive Committee, the Registrant approve the joint venture agreement between First Batangas Industrial Park Inc. to develop several parcels of land situated in the Brgys. of Manghinao and Balayong Bauan, Batangas with an aggregate area of 538,138 sq m.

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:

1. Trillasun Realty and Development Corporation, with respect to the development of certain properties in Brgy. Dumoclay, Batangas City;
2. Sta. Lucia Realty and Development, Inc., with respect to the development of certain parcels of land in Taytay, Rizal and Bario Mendez, Tagaytay City;
3. Royale Homes Realty and Development, Inc., with respect to the development of properties in Imus, Cavite;
4. Carlos Antonio S. Tan and Mark Davies S. Santos, with respect to the development of certain properties in Cainta, Rizal;
5. Irma SB. Ignacio-Tapan, with respect to the development of certain properties in Cainta, Rizal; and
6. 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 12 December 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:

1. A parcel of land with an area of 29,950 sq m situated in Brgy. Ampid, San Mateo, Rizal;
2. A parcel of land with an area of 72,767 sq m situated in Barrio Lapit, Urdaneta City, Pangasinan; and
3. A parcel of land with an area of 8,906 square meters situated in Barrio Muzon, Angono, Rizal.

Also, the registrant was authorized to acquire the following properties:

1. A parcel of land with an area of 1,230 sqm in Quezon City;
2. A parcel of land in Barrio Inosluban, Buclanin, Lipa, 7,895 sqm; and
3. A parcel of land in Mexico, Pampanga, 61,486 sqm.

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:

1. For the development of a parcel of land located in Davao City owned by Greensphere Realty & Development Corp.;
2. 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.;
3. 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;
4. 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;
5. 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;
6. 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
7. 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 approved 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 Registrant to extend the corporate term by 50 years together with the following:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land at Sun City Expansion, Davao, 24,578 sqm;
2. Parcel of land in Golden Meadows Sta. Rosa, 51,500 sqm;
3. Parcel of land located in Greenwoods Batangas, 32,312sqm; and
4. Parcel of land in Lipa Royale, Batangas, 9,421 sqm.

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

1. Development of Rizal Techno Park Taytay, 10,100 sqm;
2. Development of a new project in Puerto Princesa, 20,000 sqm;
3. Development of land in Palawan, 61,315sqm;

4. Development of parcel of land located in Greenwoods South, 32,314sqm;
5. Expansion in Davao, 9,841sqm;
6. Development of new project in Cebu, 537,011sqm;
7. Development of project in Davao, 36,913sqm; and
8. 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:

1. Parcel of land in Batangas City, 9315.5 sqm;
2. Parcel of land in Batangas City, 3,087 sqm; and
3. Parcel of land in Taytay, 6,302 sqm.

Further, a resolution was passed 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:

1. Development of a project located in Ponte Verde, Davao with an area of 36,915 sq.m.;
2. Development of a new project located in Eden, Davao City with an area of 985,292 sq.m.;
3. Development of another project in Ponte Verde, Davao with an area of 28,751 sq.m.;
4. Development of a new project in Cainta, Rizal with an area of 16,026 sq.m.;
5. Development of new project in Taytay, Rizal with an area of 8,318 sq.m.;
6. Development of seven (7) new projects located in Barrio San Miguel, Pasig City with an aggregate area of 8,423 sq.m.;
7. Development of a new project in Bauan, Batangas with an area of 246,653 sq.m.;
8. Development of a new project in Binangonan, Rizal with an area of 24,492.62 sq.m.;
9. Development of a new project in Sta. Rosa, Laguna with an area of 27,500 sq.m.; and
10. 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:

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

Further, at the Annual Stockholders Meeting of the Registrant held on 19 June 2015, the following resolutions authorizing the Registrant to enter into joint ventures and land acquisitions were authorized:

1. Development of a project located in San Juan Cainta with an area of 8,697 sqm
2. Development of a new project in Brgy. Tagburos Puerto Princesa Palawan with an area of 12,000
3. Development of new project in Tagaytay with an area of 178,397 sqm
4. Development of new project in Jaro Iloilo with an area of 12,000sqm
5. Development of new project in Davao with an area of 43,137 sqm
6. Parcels of land located in Cainta Rizal with a n area of 10,110 sqm
7. Parcels of land located in San Juan Taytay with a n area of 893sqm
8. Parcels of land located in Inosluban Lipa with an area of 9,421 sqm
9. Parcels of land located in Dasmarinas Cavite with an area of 100,000 sqm

At the Special Meeting of the Board of Directors of the Registrant held on 23 September 2015 at East-Bel Air Residences Clubhouse, Felix Ave, Cainta, Rizal, the following resolutions were discussed and approved:

A. Authorizing the Registrant to enter into joint ventures involving the following:

1. Development of 3 projects located in Brgy. Sta. Ana, Taytay, Rizal with an aggregate area of 18,104 sq.m.;
2. Development of a new project located in Brgy. Mahabang Sapa, Cainta, Rizal with an area of 17,352 sq.m.;
3. Development of 4 projects located in Brgy. San Juan, Cainta, Rizal with an aggregate area of 24,753 sq.m.;
4. Development of a project in Cainta, Rizal with an area of 4,424 sq.m.;
5. Development of a project in Brgy. Pag-asa, Binangonan, Rizal with an area of 28,535.62 sq.m.;
6. Development of 2 projects located in Bo. of Tuctucan and Panginay, Guiguinto, Bulacan with an aggregate area of 40,286 sq.m.;
7. Development of a project in Bo. Sinalhan, Sta. Rosa, Laguna with an area of 27,500 sq.m.; and
8. Development of a project in Brgy. Quirino, Quezon City with an area of 1,100 sq.m.

B. Authorizing the Registrant to acquire the following:

1. Parcel of land located in Bo. Canigaran, Puerto Princesa City with an area of 6,358 sq.m.;
2. Parcels of land located in Barrio dela Paz, Biñan, Laguna with a total area of 15,484 sq.m.; and
3. Parcel of land located in Brgy. Panapaan, Bacoor, Cavite with an area of 370 sq.m.

At a Special Meeting of the Board of Directors of the Registrant held on 03 February 2016 at the principal office of the Registrant the following were discussed and approved:

A. Authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Pavia and Manduriao, Iloilo City with an area of 688,477 sq.m.;
2. Development of a project located in Bo. Sacsac, Cebu with an area of 33,848 sq.m.;

3. Development of a project located in Bauan, Batangas with an area of 84,339 .m.;
4. Development of a project located in Bo. Dela Paz, Biñan, Laguna with an area of 13,700 sq.m.;
5. Development of a project located in Sto. Tomas, Batangas with an area of 37,746 sq.m.;
6. Development of a project located in Binangonan, Rizal with an area of 28,535.62 sq.m.;
7. Development of a project located in Dasmariñas, Cavite with an area of 44,692 sq.m.;
8. Development of a project located in Bo. Mayamot, Antipolo City with an area of 8,471 sq.m.;
9. Development of a project located in Brgy. Sta. Ana, Taytay, Rizal with an area of 7,725 sq.m.

B. Authorizing the Registrant to acquire the following:

1. Parcel of land located in Cavite with an area of 34,382 sq.m.;
2. Parcel of land located in Bo. dela Paz, Biñan, Laguna with an area of 10,322 sq.m.;
3. Parcel of land located in Bo. Sinalhan, Sta. Rosa, Laguna with an area of 5,500 sq.m.;
4. Parcel of land located in Santolan, Pasig City with an area of 1,977.50 sq.m.;
5. 21 parcels of land located in Calamba, Laguna with a total aggregate area of 315,361.97 sq.m.;
6. Parcel of land located in n San Antonio, Biñan, Laguna with an area of 2,000 sq.m.
7. Parcel of land located in Dasmariñas, Cavite with an area of 300,000 sq.m.;
8. 11 parcels of land located in Bo. Manghinao I, Bauan, Batangas with a total aggregate area of 89,942 sq.m.;
9. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 11,522 sq.m.;
10. 8 parcels of land located in Bauan, Batangas with a total aggregate area of 85,455 sq.m.;
11. 3 parcels of land located in Biñan, Laguna with a total aggregate area of 16,622 sq.m.;
12. 2 parcels of land located in Matinao, Polomolok, Gen. Santos City with a total aggregate area of 95,579 sq.m.;
13. Parcel of land located in Brgy. Iruhin, Tagaytay City with an area of 299 sq.m.

On 17 June 2016, at the Organizational Meeting of the Board of Directors, the following were approved by the Board:

A. Authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Brgy. Tagburos, Puerto Princesa, Palawan with an area of 187,115.50 sq.m.;
2. Development of a project located in Silay City, Negros Occidental with an area of 677,880 sq.m.;

4. Development of a project located in Brgy. Sta. Ana, Taytay, Rizal with an area of 3,053 sq.m.; and
5. Development of a project located in Bo. Mayamot, Antipolo City with an area of 8,471 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in District of Jaro, Iloilo City with a total area of 7,500 sq.m.;
2. Parcel of land located in Bo. Inosluban, Lipa City, Batangas with an area of 27,752 sq.m.;
3. Parcel of land located in Biñan, Laguna with an area of 13,302 sq.m.;
4. Parcel of land located in Bo. Sinalhan, Sta. Rosa, Laguna with an area of 14,814 sq.m.;
5. Parcel of land located in Bo. Tiniguiban, Puerto Princesa, Palawan with an area of 37,895 sq.m.;
6. Parcel of land located in Sta. Barbara, Iloilo City with an area of 104,464 sq.m.;
7. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 11,759 sq.m.;
8. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 13,464 sq.m.;
9. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 5,569 sq.m.;
10. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 14,444 sq.m.;
11. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 12,933 sq.m.;
12. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 17,884 sq.m.;
13. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 12,904 sq.m.;
14. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 15,594 sq.m.;
15. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 5,166 sq.m.;
16. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 10,927 sq.m.;
17. Parcel of land located in Brgy. Ulango, Calamba, Laguna with an area of 12,688 sq.m.;
18. Parcel of land located in Biñan, Laguna with an area of 3,130 sq.m.;
19. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 16,832 sq.m.;
20. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 15,781 sq.m.;
21. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 11,628 sq.m.;
22. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 16,636 sq.m.;
23. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 18,064 sq.m.;

24. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 16,636 sq.m.;
25. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 11,595 sq.m.;
26. Parcel of land located Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 96,295 sq.m.;
27. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 40,538 sq.m.;
28. Parcel of land located in Bo. Pulanbato, Cebu City with an area of 13,819 sq.m.;
29. Parcel of land located in Bo. Darangan, Binangonan, Rizal with an area of 29,170 sq.m.;
30. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 11,595 sq.m.;
31. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 96,295 sq.m.;
32. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 40,538 sq.m.;
33. Parcel of land located in Bo. Canlalay, Biñan, Laguna with an area of 2,609 sq.m.;
34. Parcel of land located in Zamboanga City with an area of 267,657 sq.m.;
35. Parcel of land located in Zamboanga City with an area of 18,600 sq.m.; and
36. Parcel of land located in Brgy. Tagburos, Puerto Princesa, Palawan with an area of 187,115.50 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 23 November 2016 at the principal office of the Registrant, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Jaro, Iloilo with an area of 96,422 sq.m.;
2. Development of a project located in Batangas with a total area of 119,389 sq.m.;
3. Development of a project located in Cebu City with an area of 12,792 sq.m.;
4. Development of a project located in Rizal with a total area of 308,340 sq.m.;
5. Development of a project located in Davao City with an area of 300,000 sq.m.;
6. Development of a project located in Pasig City with an area of 7,329 sq.m;
7. Development of a project located in Nueva Ecija with an area of 98,848 sq.m.; and
8. Development of a project located in Tagaytay City with an area of 29,640 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Jaro, Iloilo with a total area of 216,520 sq.m.;
2. Parcel of land located in Baguio City with an area of 9,822 sq.m.;
3. Parcel of land located in Tagaytay City with an area of 21,888 sq.m.;
4. Parcel of land located in Panacan, Davao City with an area of 28,751 sq.m.;
5. Parcels of land located in Calamba with a total area of 107,514 sq.m.;
6. Parcels of land located in Batangas with a total area of 142,677 sq.m.;
7. Parcel of land located in Rizal with an area of 208 sq.m.;
8. Parcel of land located in Quezon with an area of 4,211 sq.m.; and
9. Parcels of land located in Antipolo City with a total area of 6,072 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 17 February 2017 at the principal office of the Registrant, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Cebu with a total area of 8,644 sq.m.;
2. Development of a project located in Davao with a total area of 891,804 sq.m.;
3. Development of a project located in Batangas with a total area of 444,769 sq.m.;
4. Development of a project located in Nasugbu, Batangas covering various titles; and
5. Development of a project located in Rizal with an area of 47,607 sq.m.;

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Davao with a total area of 67,695 sq.m.;
2. Parcel of land located in Batangas with an area of 8,118 sq.m.;
3. Parcel of land located in Palawan with an area of 3,721 sq.m.;
4. Parcels of land located in Rizal with a total area of 4,613 sq.m.;
5. Parcels of land located in Iloilo with a total area of 7,394 sq.m.; and
6. Parcel of land located in Cavite with an area of 8,848 sq.m..

At the Special Meeting of the Board of Directors of the Registrant held on 27 April 2017 at the Choi Garden, Greenhills, San Juan City, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Cebu with an area of 8,470 sq.m.;
2. Development of a project located in Davao with a total area of 901,804 sq.m.;
3. Development of a project located in Batangas with an area of 254,836 sq.m.;
4. Development of a project located in Iloilo with a total area of 34,551 sq.m.;
5. Development of a project located in Rizal with a total area of 15,662 sq.m.;

6. Development of a project located in Aurora with an area of 490,173.56 sq.m.; and
7. Development of a project located in Cavite with an area of 35,054 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Cavite with an area of 11,684 sq.m.;
2. Parcel of land located in Batangas with a total area of 19,309 sq.m.;
3. Parcel of land located in Davao with a total area of 248,889 sq.m.;
4. Parcels of land located in Iloilo with an area of 8,527 sq.m.;
5. Parcels of land located in Rizal with an area of 159,696 sq.m.;

On 22 June 2017, the following resolutions were approved by the Board of Directors:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Cavite with an area of 46,739 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:
1. Parcel of land located in Pangasinan with an area of 121,496 sq.m.;
2. Parcels of land located in Batangas with a total area of 124,677 sq.m.; and
3. Parcels of land located in Iloilo with a total area of 58,731 sq.m.

At the Special Meeting of the Executive Committee held on 14 September 2017 at the principal office of the Registrant, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolution authorizing the Registrant to enter into a joint venture involving the development of a project located in Palawan with a total area of 212,890 sq.m.;

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Marikina City with a total area of 355,310 sq.m.;
2. Parcel of land located in Quezon City with a total area of 53,133 sq.m.;
3. Parcel of land located in Palawan with a total area of 23,461 sq.m.;
4. Parcel of land located in Batangas with a total area of 31,254 sq.m.;
5. Parcel of land located in Davao with a total area of 22,991 sq.m.;
6. Parcel of land located in Laguna with a total area of 17,339.29 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 08 January 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Baguio City with an area of 1,949 sq.m.;

2. Development of a project located in Bulacan with a total area of 715,410 sq.m.;
3. Development of a project located in Quezon City with an area of 1,560 sq.m.;
4. Development of a project located in Cavite with an area of 8,109 sq.m.;
5. Development of a project located in Rizal with a total area of 68,493 sq.m.;
6. Development of a project located in Batangas with an area of 383,069 sq.m.;
7. Development of a project located in Palawan with a total area of 178,762 sq.m.; and
8. Development of a project located in Negros Occidental with an area of 69,000 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Dagupan City with an area of 803 sq.m.;
2. Parcel of land located in Cavite with an area of 8,109 sq.m.;
3. Parcels of land located in Laguna with a total area of 62,369 sq.m.;
4. Parcels of land located in Batangas with a total area of 524,015 sq.m.;
5. Parcels of land located in Rizal with a total area of 29,465 sq.m.;
6. Parcel of land located in Iloilo with an area of 99,778 sq.m.;
7. Parcel of land located in Davao with an area of 50,000 sq.m.; and
8. Parcel of land located in General Santos City with an area of 239,000 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 07 February 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolution authorizing the Registrant to enter into a joint venture involving the development of a project located in Pangasinan with an area of 67,176.50 sq.m.;

B. Resolution authorizing the Registrant to acquire a parcel of land located in Pangasinan with an area of 67,176.50 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 24 April 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Bauan, Batangas with a total area of 14,870 sq.m.;
2. Parcels of land located in Carmen, Cebu with a total area of 231,280 sq.m.;
3. Parcels of land located in Sta. Barbara, Iloilo with a total area of 70,200 sq.m.;
4. Parcel of land located in Plaridel, Bulacan with an area of 3,155.50 sq.m.;
5. Parcel of land located in San Mateo, Rizal with an area of 160,003 sq.m.;

6. Parcel of land located in Puerto Princesa, Palawan with an area of 11,058 sq.m.;
7. Parcel of land located in Davao City with an area of 50,000 sq.m.;
8. Parcel of land located in San Pascual, Batangas with an area of 26,008 sq.m.; and
9. Parcel of land located in Dasmariñas, Cavite with an area of 6,081 sq.m.

B. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Mandaue, Cebu with an area of 317,543 sq.m.;
2. Development of a project located in Dagupan, Pangasinan with an area of 12,328 sq.m.;
3. Development of a project located in Angono, Rizal with an area of 50,532 sq.m.;
4. Development of a project located in Batangas with an area of 215,481 sq.m.; and
5. Development of a project located in Dasmariñas, Cavite with an area of 38,431 sq.m.

At the Organizational Meeting of the Board of Directors of the Registrant held on 21 June 2018, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:
1. Development of a project located in Davao del Sur with a total area of 14,299 sq.m.;
2. Development of a project located in Iloilo City with an area of 48,000 sq.m.;
3. Development of a project located in Quezon City with a total area of 1,103 sq.m.; and
4. Development of a project located in Rizal with an area of 7,104 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:
1. Parcels of land located in Batangas with a total area of 205,882 sq.m.;
2. Parcels of land located in Davao del Sur with a total area of 90,000 sq.m.;
3. Parcels of land located in Laguna with a total area of 187,658 sq.m.;
4. Parcels of land located in Pangasinan with a total area of 78,156 sq.m.;
5. Parcel of land located in Quezon with an area of 8,386 sq.m.;
6. Parcel of land located in Rizal with an area of 12,000 sq.m.;
7. Parcel of land located in Zambales with an area of 35,588 sq.m.; and
8. Parcel of land located in Iloilo with an area of 18,872 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 28 September 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Rizal with an area of 18,222 sq.m.;
2. Development of projects located in Batangas with a total area of 60,621 sq.m.;
3. Development of a project located in Antipolo City with an area of 51,630 sq.m.; and
4. Development of a project located in Bulacan with an area of 14,038 sq.m.

B. Resolutions authorizing the Registrant to enter into a joint venture with Sta. Lucia Realty & Dev., Inc. and the Armed Forces of the Philippines Retirement and Separation Benefits System ("AFPRSBS") for the development of a project located in Iloilo City with an area of 3,484 sq.m. The same was also approved by the Related Party Transactions Committee to ensure the absence of conflict of interest;

C. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Davao del Sur with a total area of 141,642 sq.m.;
2. Parcels of land located in Iloilo with a total area of 121,808 sq.m.;
3. Parcels of land located in Antipolo with a total area of 266,002 sq.m.;
4. Parcels of land located in Nueva Ecija with a total area of 207 sq.m.;
5. Parcels of land located in General Santos City with a total area of 243,168 sq.m.;
6. Parcels of land located in Rizal with a total area of 183,888 sq.m.
7. Parcel of land located in Batangas with an area of 11,419 sq.m.; and
8. Parcel of land located in Laguna with an area of 13,332.60 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 07 December 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of projects located in Iloilo with a total area of 56,483 sq.m.;
2. Development of a project located in Pasig City with an area of 2,106 sq.m.;
3. Development of a project located in Batangas with an area of 12,152 sq.m.;
4. Development of projects located in Bulacan with a total area of 20,349 sq.m.;
5. Development of projects located in Rizal with a total area of 11,576 sq.m;
6. Development of a project located in Laguna with an area of 15,003 sq.m.; and
7. Development of a project located in Davao del Sur with an area of 37,550 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Palawan with a total area of 128,120 sq.m.;
2. Parcels of land located in Batangas with a total area of 787,797 sq.m.;

3. A parcel of land located in Davao del Sur with an area of 57,928 sq.m.;
4. Parcels of land located in Cavite with a total area of 16,739 sq.m.; and
5. A parcel of land located in Laguna with an area of 153,354 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 28 February 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

    1. Development of a project located in Binangonan, Rizal with an area of 11,212 sq.m.;
    2. Development of a project located in Puerto Princesa, Palawan with an area of 189,369 sq.m.;
    3. Development of a project located in Taytay, Rizal with an area of 18,603 sq.m.;
    4. Development of a project located in Digos, Davao del Sur with an area of 37,550 sq.m.; and
    5. Development of a project located in Bulacan with an area of 14,038 sq.m.

B. Resolutions authorizing the Registrant to enter into a joint venture with Sta. Lucia Realty & Dev., Inc. for the development of a project located in Dasmarinas, Cavite with an area of 8,253 sq.m. The same was also approved by the Related Party Transactions Committee to ensure the absence of conflict of interest;

C. Resolutions authorizing the Registrant to acquire the following:

    1. Parcels of land located in South Cotabato with a total area of 576,456 sq.m.;
    2. Parcels of land located in Bauan, Batangas with a total area of 720,698 sq.m.; and
    3. Parcels of land located in Digos, Davao del Sur with a total area of 113,612 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 20 March 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to open bank accounts with China Banking Corporation for joint venture projects with La Panday Properties Philippines, Inc.;

B. Resolutions authorizing the Registrant to open bank accounts with BDO Unibank, Inc. for joint venture projects with La Panday Properties Philippines, Inc.;

At the Special Meeting of the Board of Directors of the Registrant held on 07 May 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

    1. Development of projects located in Sto. Tomas, Batangas with a total area of 383,069 sq. m.;
    2. Development of projects located in Davao City with a total area of 110,951 sq. m.;
    3. Development of projects located in Cavite with a total area of 1,526,899 sq. m.;
    4. Development of a project located in Cebu with an area of 5,336 sq. m.;
    5. Development of a project located in Iloilo with an area of 146,203 sq. m.;
    6. Development of a project located in Lian, Batangas with an area of 40,242 sq. m.; and
    7. Development of a project located in Bulacan with a total area of 6,311 sq. m.

B. Resolutions authorizing the Registrant to enter into the following joint ventures with Sta. Lucia Realty & Dev., Inc.:

    1. Development of projects located in Bulacan with a total area of 38,725 sq. m.;
    2. Development of a project located in Batangas with an area of 12,296 sq. m.;
    3. Development of a project located in Cavite with an area of 29,516 sq. m.;
    4. Development of a project located in Rizal with an area of 13,721 sq. m.; and
    5. Development of a project located in Iloilo with an area of 40,764 sq. m.

    The same were also approved by the Related Party Transactions Committee to ensure the absence of conflict of interest;

C. Resolutions authorizing the Registrant to acquire the following:

    1. Parcels of land located in Calamba, Laguna with a total area of 171,204 sq. m.;
    2. Parcels of land located in Davao City with a total area of 45,062 sq. m.;
    3. Parcels of land located in Iloilo with a total area of 51,866 sq. m.;
    4. Parcels of land located in Sta. Rosa, Laguna with a total area of 8,151 sq. m.;
    5. Parcel of land located in Negros Oriental with an area of 140,000 sq. m.;
    6. Parcel of land located in Pasig City with an area of 3,972 sq. m.; and
    7. Parcel of land located in Palawan with an area of 206,919 sq. m.

D. Resolutions authorizing the Registrant to acquire 2,562,490 shares of stock of Uni-Asia Properties Inc.

At the Organizational Meeting of the Board of Directors of the Registrant held on 28 June 2019, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Batangas with a total area of 75,935 sq.m.;
2. Parcels of land located in Davao del Sur with a total area of 119,150 sq.m.;
3. Parcels of land located in Laguna with a total area of 2,963 sq.m.;
4. Parcels of land located in Bulacan with a total area of 12,621 sq.m.;
5. Parcel of land located in Palawan with an area of 3,400 sq.m.; and
6. Parcel of land located in Davao with an area of 60,000 sq.m.

B. Resolutions authorizing the Registrant to enter into a joint venture involving the development of a project located in Laguna with an area of 15,486 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 22 August 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Batangas with a total area of 53,910 sq.m.;
2. Parcel of land located in Davao with an area of 41,270 sq.m.; and
3. Condominium unit with appurtenant parking space located in Davao with a total area of 114.18 sq.m.

B. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Davao del Sur with an area of 119,150 sq.m.;
2. Development of a project located in Cavite with an area of 8,253 sq.m.; and
3. Development of projects located in Rizal with a total area of 16,613 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 08 October 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Batangas with an area of 450 sq.m.;
2. Parcel of land located in Zambales with an area of 35,588 sq.m.;
3. Parcel of land located in Davao with an area of 74,490 sq.m.; and
4. Parcel of land located in Rizal with an area of 917 sq.m.;

B. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Rizal with an area of 45,649 sq.m.; and
2. Development of a project located in Davao with an area of 221,973 sq.m.;

At the Special Meeting of the Board of Directors of the Registrant held on 13 February 2020 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Palawan with a total area of 387,576 sq.m.;
2. Parcel of land located in Iloilo with an area of 38,745 sq.m.;
3. Parcels of land located in Batangas with a total area of 68,690 sq.m.;
4. Parcels of land located in Bataan with a total area of 82,916 sq.m.;
5. Parcels of land located in Laguna with a total area of 707,530 sq.m.;
6. Parcel of land located in Pangasinan with an area of 6,282 sq.m.;
7. Parcel of land located in Rizal with an area of 447,790 sq.m.;
8. Parcels of land located in Bulacan with a total area of 10,620 sq.m.;
9. Parcel of land located in Surigao del Norte with an area of 65,409 sq.m.; and
10. Parcel of land located in Davao City with an area of 50,000 sq.m.

B. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of projects located in Rizal with a total area of 122,787 sq.m.;
2. Development of a project located in Bataan with an area of 377,043 sq.m.; and
3. Development of a project located in Pangasinan with an area of 218,545 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 21 May 2020 at its principal office, at which meeting a quorum was present and acting throughout, the directors approved the resolutions authorizing the Registrant to acquire a parcel of land located in San Mateo, Rizal with an area of 17,112 sq.m.

At the Organizational Meeting of the Board of Directors of the Registrant held on 20 August 2020 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Davao del Sur with an area of 57,928 sq.m.;
2. Parcels of land located in Laguna with a total area of 39,735 sq.m.;
3. Parcel of land located in Batangas with an area of 14,623 sq.m.; and
4. Parcel of land located in Rizal with an area of 12,525 sq.m.

B. Resolutions authorizing the Registrant to enter into a joint venture involving the following:

1. Development of a project located in Zambales with an area of 179,508 sq. m.; and
2. Development of a project located in Pampanga with an area of 180,719 sq. m.

At the Special Meeting of the Board of Directors of the Registrant held on 10 December 2020 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. A parcel of land located in Bulacan with an area of 13,567 sq.m.;

2. Parcels of land located in Batangas with a total area of 76,160 sq.m;
3. A parcel of land located in San Pablo City with an area of 9,594 sq.m.; and
4. A parcel of land located in Laguna with an area of 26,971 sq.m.

B. Resolutions authorizing the Registrant to acquire a parcel of land located in Rizal with an area of 168,379 sq.m. from SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy;

C. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy, involving the following:

1. Development of a project located in Rizal with an area of 5,745 sq. m.;
2. Development of a project located in Pampanga with an area of 180,719 sq. m.; and
3. Development of a project located in Pangasinan with an area of 67,620 sq. m.

At the Special Meeting of the Board of Directors of the Registrant held on 12 March 2021 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Davao del Sur with an area of 8,227 sq.m.;
2. Parcel of land located in Iloilo with an area of 25,000 sq.m.; and
3. Parcel of land located in Batangas with an area of 4,998 sq.m.

B. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

1. Development of a project located in Rizal with an area of 5,866 sq.m.;
2. Development of a project located in Davao del Sur with an area of 10,000 sq.m.;
3. Development of a project located in Lapu-Lapu City with an area of 71,047 sq.m; and
4. Development of a project located in Batangas with an area of 216,787 sq.m.

C. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy, involving the following:

1. Development of a project located in Cavite with an area of 39,076 sq.m.;
2. Development of a project located in Rizal with an area of 526,270 sq.m.; and
3. Development of projects located in Batangas with a total area of 427,952 sq.m.

At the Organizational Meeting of the Board of Directors of the Registrant held on 25 June 2021 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

   1. Parcels of land located in Rizal with a total area of 17,214 sq.m.;
   2. Parcels of land located in Batangas with a total area of 102,018 sq.m; and
   3. Parcel of land located in Cotabato with an area of 52,149 sq.m.

B. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

   1. Development of projects located in Rizal with a total area of 186,930 sq.m.;
   2. Development of projects located in Bulacan with a total area of 24,839 sq.m.; and
   3. Development of projects located in Laguna with a total area of 140,820 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 02 September 2021 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

   1. Parcels of land located in Batangas with a total area of 349,594 sq.m; and
   2. Parcels of land located in Rizal with a total area of 118,274 sq.m.

B. Resolutions authorizing the Registrant to enter into joint ventures involving the following:

   1. Development of projects located in Rizal with a total area of 13,515 sq.m.; and
   2. Development of projects located in Batangas with a total area of 30,518 sq.m.

C. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy, involving the development of a project located in Rizal with an area of 595,232.70 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 09 December 2021 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

   1. Parcels of land located in Batangas with a total area of 29,741 sq.m;
   2. Parcels of land located in Laguna with a total area of 241,163 sq.m;
   3. Parcel of land located in Davao with an area of 139,516 sq.m;
   4. Parcels of land located in Pangasinan with a total area of 133,697 sq.m; and
   5. Parcels of land located in Rizal with a total area of 240,550 sq.m.

B. Resolutions authorizing the Registrant to enter into joint ventures involving the development of the following:

   1. A project located in Batangas with an area of 57,759 sq.m;
   2. A project located in Cavite with an area of 95,944 sq.m; and

3. A project located in Rizal with an area of 28,920 sq.m.

C. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy, involving the development of projects located in Batangas with a total area of 400,564 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 11 February 2022 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. A parcel of land located in Batangas with an area of 192,250 sq.m.; and
2. A parcel of land located in Laguna with an area of 131,163 sq.m.

B. Resolutions authorizing the Registrant to enter into joint ventures involving the development of the following:

1. A project located in Rizal with an area of 80,868 sq.m.; and
2. Projects located in Batangas with a total area of 75,936 sq.m.

C. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI involving the development of the following:

1. Projects located in Rizal with a total area of 137146 sq.m.;
2. Projects located in Batangas with a total area of 527,779 sq.m.; and
3. A project located in Cotabato with an area of 68,665 sq.m.

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

YEAR	PROJECT EXPENDITURES	PERCENTAGE TO REVENUES
2021	5,958,138,436	71%
2020	5,210,659,113	76%
2019	6,151,168,738	79%

M. Properties

1. Land Bank

Land Acquisitions

Historically, the Registrant has been acquiring interests in lands mainly by entering into JVs to develop land with existing owners. Over the years, the Registrant has accumulated land interests in areas which the Registrant believes are prime locations throughout the entire Luzon, Visayas, and Mindanao regions. Potential land acquisitions and participation in JV projects are evaluated using certain criteria such as the attractiveness of the acquisition cost relative to the market price, topographical feasibility of the planned development, accessibility to major infrastructure utilities and thoroughfares, and proximity to commercial areas.

The Registrant also acquired raw land for future development. Details on the raw land inventory owned by the Registrant as of the date of this Information Statement are set out in the table below. This list excludes properties that have already been launched or completed as development properties, specifically residential projects, as the title to the property in these projects were already sold or are intended to be sold to unit buyers.

Location	Area in Sqm.	Land Use
Baguio	29,465.98	Residential / Commercial
Bataan	82,916.00	Residential / Commercial
Batangas	2,405,386.00	Residential / Commercial
Bulacan	45,120.00	Residential / Commercial
Cavite	365,240.75	Residential / Commercial
Cebu	245,099.00	Residential / Commercial
Davao	2,805,376.16	Residential / Commercial
General Santos City	243,168.00	Residential / Commercial
Iloilo	1,207,996.34	Residential / Commercial
Laguna	2,031,636.33	Residential / Commercial
Metro Manila	422,041.00	Residential / Commercial
Negros Oriental	140,000.00	Residential / Commercial
Nueva Ecija	207.00	Residential / Commercial
Palawan	927,799.00	Residential / Commercial
Pampanga	180,719.00	Residential / Commercial
Pangasinan	267,631.50	Residential / Commercial
Quezon	12,597.00	Residential / Commercial
Rizal	1,497,605.00	Residential / Commercial
South Cotabato	588,552.00	Residential / Commercial
Surigao Del Norte	65,409.00	Residential / Commercial
Zambales	35,588.00	Residential / Commercial
Zamboanga	286,257.00	Residential / Commercial
TOTAL	13,885,810.06	

In view of the Registrant's expansion plans, the Registrant continues to selectively explore land acquisitions, focusing on key emerging areas where it has successfully developed and sold projects. The following table summarizes the various sites that the Registrant has identified for acquisition in the next five years:

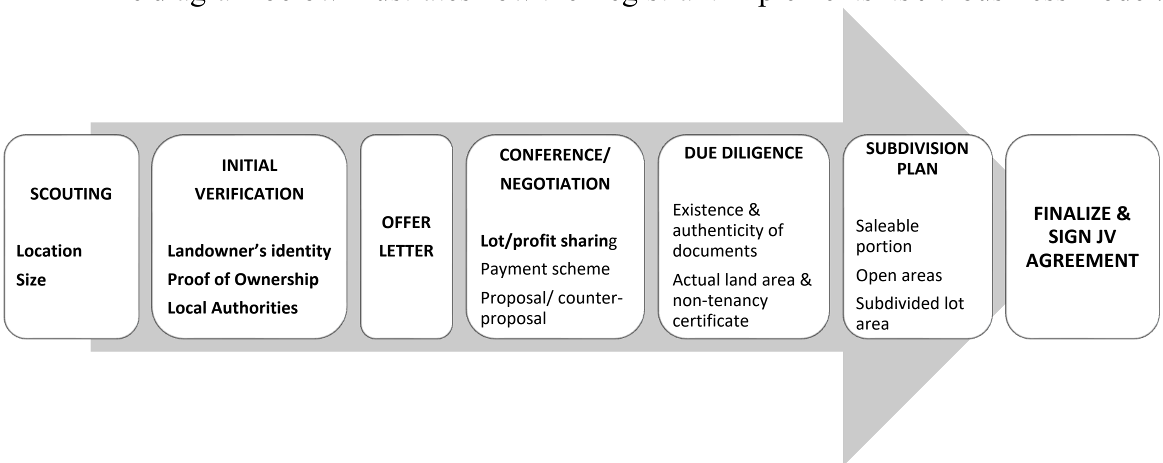
REGION	Percentage Concentration of Land banking
Region 4A – CALABARZON	46%
Region 11 - Davao Region	20%
Region 6 - Western Visayas	10%
Region 4B MIMAROPA	7%
Region 12 – SOCCSKSARGEN	6%
Region 16 – NCR	3%

Region 1 - Ilocos Region	2%
Region 3 - Central Luzon	2%
Region 7 - Central Visayas	2%
Region 9 – Zamboanga Peninsula	2%
TOTAL	**100%**

Joint Ventures

The Registrant has historically adopted a JV business model where the Registrant enters into joint venture arrangements with land owners for the development of raw land into future project sites in order to reduce land capital expenditures and substantial financial holding costs from owning land for development.

The diagram below illustrates how the Registrant implements its JV business model:



The Registrant initially identifies suitable properties for development by evaluating against certain criteria, with the top considerations being location and size. Once the properties are identified, initial verification is then conducted on the following:

- landowner's identity;
- proof of ownership; and
- relevant local authority approvals.

Once the property has passed initial verification, an offer letter is sent to the landowner and the negotiation process begins. The following are the main terms to be negotiated under the JV agreements:

- lot/profit sharing mechanism;
- payment scheme;
- cost sharing mechanism; and
- responsibilities on securing relevant approvals and authorizations.

Due diligence activities are also conducted with a focus on confirming the authenticity of documents, actual land area, and existence of non-tenancy certificates. The Registrant then formulates subdivision plan and proceeds to finalize and execute the JV agreement.

The JV business model has provided the organization immediate exposure to new areas for project expansion, established familiarity with local demographics, allowed more efficient use of cashflow, spread the risk with the landowners, provided access to more land/projects owned by JV partners. Also, this track record of success is expected by the Registrant to attract other new prospective JV partners as future land bank partners or source of land bank.

Under the joint venture agreements, the joint venture partner contributes the land free from any lien, encumbrance, tenants or informal settlers and the Registrant undertakes the development of the project. The joint venture partner is allocated either the developed lots or the proceeds from the sale of the units based on pre-agreed distribution ratio. The percentages of profits allocated to the Registrant as a developer for their JV Projects range from [40% to 85%]. With regard to the sharing of costs, various structures are currently in place. In some agreements, the Registrant nets the incurred marketing and advertising costs from the gross sale of real estate products sold. The Registrant then recognizes revenues based on the netted amount depending on its prorated ownership of the JV Project. The Registrant, however, shoulders all of the costs to develop the land. There are also cases where the Registrant nets all incurred marketing, advertising, and development costs from the gross sale of real estate products sold, after which the remaining income is shared between the Registrant and the JV partner.

2. Investment Property

The Registrant's investment properties primarily consist of the Sta. Lucia East Grand Mall, Sta. Lucia Business Center, both located in Cainta, Rizal and the under-development Ponte Verde Mall in Davao. For detailed discussion, refer to the Commercial Properties portion.

3. Property and equipment

The Registrant's main office is based at the Penthouse, Building 3 of Sta. Lucia Mall located at Cainta, Rizal. It owns several office equipment, furniture and fixtures and transportation equipment which are all used in the ordinary course of operations.

The Registrant does not intend to acquire significant properties for the next 12 months except those needed in the ordinary course of business.

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:

2022 (Interim Period)

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	23 Feb./P2.94	N/A	N/A	N/A
LOW	23 Mar./P2.51	N/A	N/A	N/A

2021

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	15 Jan./P2.68	25 Jun./P3.55	15 Jul./P3.31	19 Nov./P3.03
LOW	05 Jan./P1.92	14 Apr./P2.20	26 Jul./P2.56	28 Dec./P2.61

2020

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	24 Jan./P2.58	02 Apr./P2.04	08 Sep./P2.00	07 Dec./P2.28
LOW	23 Mar./P1.83	02 Jun./P1.79	19 Aug./P1.70	05 Nov./P1.81

2019

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	06 Mar./P1.65	13 Jun./P2.08	19 Aug./P2.73	08 Oct./P2.80
LOW	02 Jan./P1.24	22 Apr./P1.51	01 Jul./P1.88	20 Dec./P2.32

Price Information as of the latest practicable trading date:

As of 23 May 2022, the Registrant's shares stood at closing price of P2.93.

B. Holders

Based on the 31 March 2022 List of Stockholders prepared by the Registrant's Stock and Transfer Agent, PROFESSIONAL STOCK TRANSFER, INC., the Registrant has two hundred sixty seven (267) shareholders of common shares, of which the top 20 shareholders are as follows:

TOP TWENTY STOCKHOLDERS
As of 31 March 2022

RANK	NAME	TOTAL SHARES	PERCENTAGE (%)
1	STA. LUCIA REALTY & DEVELOPMENT, INC.	6,701,005,767	81.7550
2	PCD NOMINEE CORPORATION (EXCLUDING TREASURY SHARES) Filipino - 1,465,356,606 Non-Filipino - 1,841,001	1,467,197,607	17.9004
3	LUGOD, BERNARD D.	10,000,000	0.1220
4	DELA CRUZ, THOMAS EDWIN M.	10,000,000	0.1220
5	CITISECURITIES, INC.	3,250,000	0.0397
6	EBE CAPITAL HOLDINGS, INC.	1,535,000	0.0187
7	ROBLES, EXEQUIEL	712,500	0.0087
8	SANTOS, VICENTE	712,494	0.0087
9	LIMTONG, JULIE H.	400,000	0.0049
10	FRANCISCO ORTIGAS SEC., INC.	365,000	0.0045
11	TAN, PEDRO O.	278,050	0.0034
12	ASA COLOR & CHEMICAL INDUSTRIES, INC.	182,774	0.0022
13	G & L SECURITIES CO., INC.	70,000	0.0009
14	VALDEZ, AMBROSIO &/OR FELISA VALDEZ	50,000	0.0006
15	LIMTONG, ANTHONY FRANCIS H.	40,000	0.0005
16	LIMTONG, GAIL MAUREEN H.	40,000	0.0005
17	LIMTONG, HARRY JAMES H.	40,000	0.0005
18	LIMTONG, JOHN PATRICK H.	40,000	0.0005
19	LIMTONG, JULIE ANN KRISHA H.	40,000	0.0005
20	SUN HUNG KAI SECURITIES (PHILS.), INC.	30,000	0.0004

Total Outstanding Shares – 8,196,450,000

C. Foreign Equity

Foreign equity is held by a sole stockholder, PCD Nominee Corp. - Non-Filipino, which owns One Million Eight Hundred Forty One Thousand One (1,841,001) common shares of stock as of 31 March 2022.

D. Dividends

In 2021, SLI declared a special cash dividend to all stockholders of record as of 23 December 2021 in the amount of Php0.04 per share. Payment date was set on 27 December 2021.

No cash dividends were declared for the years 2019 and 2020.

The Registrant's current dividend policy provides for dividends up to 25% of the prior fiscal year's net income after tax, subject to:
(i) availability of unrestricted retained earnings,
(ii) implementation of business plans,
(iii) contractual obligations,
(iv) working capital requirements, and
(v) the approval of the Board.

The declaration and payment of dividends is subject to compliance annually or as often as the Board of Directors may deem appropriate, in cash or in kind and/or in additional shares from its surplus profits. The ability of the Registrant to pay dividends will depend on its retained earnings level and financial condition.

None of the Subsidiaries have declared dividends in the last three years and none have any set dividend policy.

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

In the past three (3) years, the Registrant entered into the following transactions exempt from the registration requirements of the Securities and Regulation Code ("SRC"):

- On 19 March 2018, the Registrant issued seven-year Corporate Notes totaling ₱5.00 billion with the Lead Underwriter as the Sole Arranger and Bookrunner. The notes were sold to Primary Institutional Lenders not exceeding 19. The offer price was 100%. As the notes were offered exclusively to Primary Institutional Lenders in the Philippines, the transactions were considered exempt transactions pursuant to Section 10.1 of the SRC and Rule 10.1.4 of the IRRs, and no notice of exemption from the registration requirements under the SRC and IRRs is required to be filed with the SEC.

- On 15 March 2021, the Registrant issued three- and five- year Corporate Notes totaling ₱7.00 billion, consisting of:

    1. Tranche A Notes amounting to ₱3.70 billion and having a maturity of three (3) years from issue date;
    2. Tranche B Notes amounting to ₱3.30 billion and having a maturity of five (5) years from issue date.

On 30 March 2021 and 25 May 2021, the Registrant issued ₱1.00 billion Tranche B Notes and ₱1.90 billion Tranche A Notes, respectively. RCBC Capital Corporation was the Lead Arranger and Sole Bookrunner. The offer price was 100%. As the notes were offered exclusively to Primary Institutional Lenders in the Philippines, the transactions were considered exempt transactions pursuant to Section 10.1 of the SRC and Rule 10.1.4 of the IRRs, and no notice of exemption from the registration requirements under the SRC and IRRs is required to be filed with the SEC.

Apart from the foregoing, there are no recent sales of unregistered or exempt securities.

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.

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

0 0 0 3 1 0 5 0

SEC Registration Number

STA. LUCIA LAND, INC. AND SUBSIDIARIES

(Company's Full Name)

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

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

David M. Dela Cruz		**8681-7332**
(Contact Person)	**2021**	(Company Telephone Number)

1 2 3 1	1 7 - A	0 6 2 5
Month *Day*	(Form Type)	*Month* *Day*
(Fiscal Year)		(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

SEC

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

265

Total No. of Stockholders

Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

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) 8681-7332

(Telephone Number)

December 31, 2021

(Year Ending)

Annual Report – SEC Form 17-A

(Form Type)

(Amendments)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2021**

2. Commission identification number: **31050**

3. BIR Tax Identification No.: **000-152-291-000**

4. **STA. LUCIA LAND, INC. AND SUBSIDIARIES**
   Exact name of issuer as specified in its charter

5. **Republic of the Philippines**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: ____________ (SEC Use Only)

7. **Penthouse, Bldg. III, Sta. Lucia East Grand Mall, Marcos Highway cor. Imelda Ave., Cainta, Rizal 1900**
   Address of issuer's principal office Postal Code

8. **(02) 8681-7332**
   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 Stock outstanding
Common	**8, 196,450,000**

11. Are any or all of the securities listed on a Stock Exchange?
    Yes [x] No [ ]

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

    ____________ ____________

12. Indicate by checkmark 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 [x] No [ ]

    b. has been subject to such filing requirements for the past ninety (90) days.
    Yes [x] No [ ]

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PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

1.1 Overview

Sta. Lucia Land, Inc. (the Registrant, the Company, or SLI) was 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 September 14, 1987, the Company launched its Initial Public Offering where a total of 20,000,000 common shares were offered at an offering price of Php1.00 per share.

Subject to a restructuring program, the BOD of the 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 Php50.00 million to Php2,000.00 million at a par value of Php1.00, to a group of investors led by Sta. Lucia Realty & Development, Inc. (SLRDI).

This was subsequently approved and ratified by the stockholders in a Special Stockholders' Meeting on December 18, 1995. On December 18, 1995, the stockholders of the Company approved a number of changes in the corporate structure as part of its diversification scheme. These were:

A. The change of its name to Zipporah Realty Holdings, Inc.;
B. The increase in the number of directors from nine to 11;
C. The waiver of the pre-emptive rights over the future issuances of shares;
D. The change in the primary and secondary purposes, 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.
E. The change in the par value of its shares from Php0.01 to Php1.00; and
F. The increase in its authorized capital stock to Php2,000.00 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.

On June 15, 2007, the BOD approved the following resolutions and was ratified by the stockholders on July 16, 2007:

A. Change in Corporate name to Sta. Lucia Land, Inc.
B. Increase in authorized capital stock of the Company from Php2,000.00 million divided into 2,000,000,000 shares to Php16,0000.00 million divided into 16,000,000,000 shares or an increase of Php14,000.00 million with a par value of Php1.00 per share.
C. Subscription of SLRDI of up to 10,000,000,000 shares out of the increase in the Company's authorized capital stock; and;
D. SLRDI's subscription to such shares shall be at par value, and the consideration for which shall be the assignment and transfer by SLRDI to the Company of assets acceptable to the 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 Company's shareholders on July 16, 2007.

On December 8, 2007, the Company and the SLRDI executed various deeds of assignment wherein SLRDI assigned all its rights, title and interest to certain properties consisting of investment properties (Sta. Lucia East Grand Mall) amounting to Php4,710.00 million and certain parcels of land amounting to Php6,018.50 million and assumption of mortgage in the investment properties of Php723.60 million. The investments of the SLRDI through the said assignment of various properties, net of mortgage assumed, were recognized as additional outstanding shares of Php10,000.00 million.

The Company is listed on the PSE under the ticker "SLI".

In 2013, the Company decided to establish two (2) wholly-owned subsidiaries, Sta. Lucia Homes, Inc. and Santalucia Ventures, Inc., to handle housing construction and the marketing, operation and development of the Company's projects, respectively.

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

A. The previous assignment by SLRDI of Saddle and Clubs Leisure Park is rescinded.
B. SLRDI transfers 3,000 million shares of the Company in favor of the latter as full payment for the Php1,801.11 million advances to the former.

In 2014, 2,250 million shares covering Php900.00 million of advances were issued back by SLRDI to the Company and formed part of the 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.

On December 22, 2015, the Company sold 400 million shares which increased the outstanding shares to 8,946.45 million in 2015.

On September 30, 2014, the lease agreement on Sta. Lucia East Grand Mall (the Mall) between the Parent Company and Sta. Lucia East Commercial Corporation (SLECC), an affiliate, was terminated by both parties. Effective October 1, 2014, the existing lease agreements over the Mall spaces were directly between the Parent Company and the tenants. Prior to September 30, 2014, the Parent Company charges rental fee to SLECC, an amount equivalent to 90% of SLECC's net income excluding real property tax. SLECC charges management fee of 7% of the gross rental revenue from mall operations starting October 1, 2014 since SLECC still manages the mall operations, despite the change in lease arrangements.

As a result of the change in arrangement, the rental income of the Parent Company reflected in the consolidated statement of comprehensive income includes rental income directly from tenants for the period October 1, 2014 to December 31, 2014 amounting to Php241.63 million and the rental fee from SLECC for the period January 1, 2014 to September 30, 2014 amounting to Php262.71 million. The rental income for 2015 and 2016 reflects, on the other hand, rental income directly from tenants.

As of December 31, 2016, the Company is 83.28% owned by SLRDI.

The end of the corporate life of the Parent Company was December 5, 2016. On June 16, 2016, the SEC approved the extension of the Parent Company's life to another 50 years up to December 5, 2066.

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 Mall, Marcos Highway cor. Imelda Avenue, Cainta, Rizal.

On December 27, 2018, pursuant to the Deed of Assignment, the Ultimate Parent Company and the Parent Company executed the Second tranche in the Deed of Assignment. The Parent Company acquired 750.00 million treasury shares at the price of P1.20 per share to cover the settlement of the P900.00 million advances made by the Parent Company to the Ultimate Parent Company. As a result, the Group is 81.75% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company) as of December 31, 2019.

As delegated by the Board of Directors (BOD), the accompanying consolidated financial statements were approved and authorized for issue by the Executive Committee and Audit Committee on May 6, 2022.

1.2 <u>Business</u>

Sta. Lucia Land, Inc. is the flagship property development arm of the Sta. Lucia Group of Companies (the "Sta. Lucia Group") which is principally engaged in real estate development, both horizontal and vertical, in various locations across the country. The Sta. Lucia Group has built a solid track record in the area of horizontal residential developments, particularly gated subdivisions, and has expanded into vertical developments, mall operations, housing construction and marketing. The Sta. Lucia Group is controlled by the Robles and Santos families.

Residential Projects

1. **Horizontal Developments**

   <u>Residential Lots</u>

   Horizontal developments consist of residential lots for sale in gated subdivisions, complete with facilities and amenities. Typical features of these gated subdivisions include an entrance gate, guard house, landscaped entry statement, community clubhouse, basketball court, swimming pool, wide concrete road network, paved sidewalks with concrete curbs and gutters, centralized interrelated water system, underground drainage system, and electric system. These projects involve minimal construction works.

   Since 2007, the Company has completed 108 residential subdivision projects and is currently developing 110 residential subdivision projects involving a total of 39,986 units with average selling prices per unit ranging from ₱400,000 to ₱12,000,000. Required downpayments are usually 15% to 20%, payable in 6 months to 1 year.

2. **Vertical Developments**

   <u>Townhouses</u>

   Townhouse projects are comprised of residential housing units with independent and identical houses that are built adjacent to each other, with a row sharing one- or two-house walls. These projects have higher development costs, are built on smaller land areas (i.e., six to seven hectares), and are developed in phases. The Company starts with the next phase only once the previous phase is sold out.

   The Company has completed four townhouse projects, three of which are known as Nottingham Villas located in (i) Jaro, Iloilo City, (ii) Taytay, Rizal and (iii) Puerto Princesa, Palawan, with 10, 11 and 15 phases, respectively. The Company also completed the Aquamira at Saddle in Tanza, Cavite with 3 phases. These projects have an average price of ₱2,980,000 per unit.

The Company has two other townhouse projects which are currently being developed in (i) General Trias, Cavite and (ii) Monterosa, Iloilo. Down payments of 15% to 20% are usually required, payable in 6 months up to two years. Balance of 80% is paid through in-house or bank financing.

Condominiums

The condominium projects of the Company are located in strategic locations near existing horizontal developments. The Company has completed the following seven residential condominium projects:

Condominium Project	Location
East Bel Air Tower 1	Cainta, Rizal
East Bel Air Tower 3	Cainta, Rizal
La Mirada Tower	Lapu-lapu City, Cebu
Neopolitan Condominium 1	Fairview, Quezon City
Splendido Taal Tower 1	Laurel, Batangas
Sta. Lucia Residenze – Monte Carlo (Tower 1)	Cainta, Rizal
The Orchard Pasig Tower	Pasig City

and currently has three ongoing projects, two in Cainta, Rizal (East Bel-Air 4 and Sta. Lucia Residenze – Madrid (Tower 3)) and one in Jaro, Iloilo (Green Meadows Condominium). The downpayment ranges from 15% to 20%, payable in two to three years. Balance of 80% is paid through in-house or bank financing.

Condotels

Condotel projects are condominium units being sold to individual buyers but are managed and operated as a hotel. For condotel projects, unit buyers are given the option to purchase a condominium unit or a condotel unit. A condotel unit is placed under a rental program initially for 15 years where it is rented out like a typical hotel room. An experienced management company, with common shareholders and directors as SLI, handles all operations, maintenance, and management of the units under the rental program. Rental income from the units is shared between the Company and the unit owners, where the management company usually receives at least 30% of net rental income. The condotel owner is not given any guarantee or assurance that the unit will be leased or if leased out, of any guaranteed return on the rental of his/her unit. Condotel unit owners are given 30 complimentary room nights per year which are transferrable across all the Company's condotels in the Philippines.

The Company has completed the following ten condotel projects:

Condotel Project	Location
Arterra Residences at Discovery Bay	Lapu-lapu City, Cebu
Stradella (formerly East Bel Air Tower 2)	Cainta, Rizal
La Breza Tower	Mother Ignacia Street, Quezon City
Sotogrande Iloilo Tower 1	Jaro, Iloilo
Splendido Taal Tower 2	Laurel, Batangas
Sta. Lucia Residenze – Santorini (Tower 2)	Cainta, Rizal
Crown Residence at Harbor Springs Resort	Puerto Princessa, Palawan
Sotogrande Katipunan	Katipunan, Quezon City
Sotogrande Hotel Davao	Davao City
Sotogrande Neopolitan	Fairview, Quezon City

and currently has seven ongoing projects in (i) Quezon City (The Tribute), (ii) Puerto Princesa (Sotogrande Palawan), (iii) Cebu (Nivel Hills) (iv) two in Baguio City (Sotogrande Baguio Tower 1 and 2), and (v) two in Batangas (Sotogrande Bauan and Nasacosta Peaks).

Average selling prices per unit range from ₱85,000 to ₱160,000 per sqm with required downpayments of 20%, payable in two to three years while the balance of 80% is paid through in-house or bank financing.

Commercial Properties

1. Mall

Sta. Lucia East Grand Mall ("SLEGM")

The SLEGM is a comprehensive commercial, entertainment, and leisure facility with a full range department store, supermarket, movie theater, fast food chains, bookstore, specialty boutiques for clothing, accessories, telecommunication, and hobby stores. The SLEGM is comprised of three four-storey buildings with a gross floor area ("GFA") of 180,000 sqm and a gross leasable area of 89,940 sqm. The SLEGM is located at Marcos Highway cor. Felix Ave., Cainta, Rizal.

In 2014, the Company opened the expansion mall called Il Centro, which is comprised of a three-storey building with a GFA of 50,000 sqm and a gross leasable area of 9,136.62 sqm. The expansion mall has a 20,000 sqm parking to cater to residential tenants and mall clients.

Currently, the mall has 99,076 sqm gross leasable space of which 78.83% is leased. The business serves to complement the needs of the residential communities that the Company has built in the cities of Pasig, Marikina, and in the various towns of the Rizal province.

Ponte Verde Mall

As of December 31, 2021, the construction of the Ponte Verde Mall, the second mall of the company located along the Philippine Japan Friendship Highway (formerly Diversion road) in Panacan, Davao City, is already at its 46% completion. Strategically located right in front of the Davao International Airport, the mall is accessible to all forms of public transportation and a variety of commercial and recreational establishments.

Expected to operate as early as 2023, the four-storey commercial building will contribute an additional 40,918 sqm GFA and 24,142 sqm gross leasable area to the mall portfolio of the company.

2. Business Center

Sta. Lucia Business Center

The Company aims to expand its recurring income base by developing offices, malls and hotels as well as potentially entering into strategic partnerships for commercial asset management or development. In October 2020, the Company completed its six-storey Sta. Lucia Business Center in Cainta, Rizal, which offers 26,011 square meters of gross leasable office space. As of December 31, 2021, this building is already accepting reservations for interested tenants.

3. **Commercial Lots**

The commercial properties of the Company are complementary to existing residential projects and are being offered to existing established retail partners. There are a total of 1,489 commercial lots covering 156.89 hectares adjacent to the Company's projects nationwide. There is an allocation for an average commercial space ranging from 300 to 2,000 sqm in the majority of the Company's projects. The Company intends to expand its retail portfolio by offering these commercial properties through 3 main options: (i) outright sale of the commercial lots, (ii) lease of the commercial lot to retailers, and (iii) building of the Company's own malls in these commercial properties and leasing commercial space to retailers.

Services

1. **Sale on Installment**

The Company also earns revenue through its sale on installment program to cater to their customers who do not have the accumulated savings to pay for the projects of the Company but have sufficient recurring income to support monthly amortization payments. Around 90- 95% of the Company's sales are through its in-house installment program. The customers of the Company who avail of the program are charged higher than the prevailing interest rates of banks, ranging from 14% to 16% per annum and a 20% downpayment with tenors up to a maximum of 10 years. For 2021, around 95% of customers of SLI availed of the sale on installment facility with terms of 5 years or less.

2. **Housing / Construction**

The Company also ventured into housing construction services through its wholly-owned subsidiary, SLHI, which provides access to and assistance in connection with general construction services to its lot buyers. SLHI began operating in 2014 in order to service the needs of lot buyers who would like to have their own house constructed on their previously bought lots but are not familiar with the process (i.e., securing permits, construction, accessing financing, etc.). SLHI provides these services to its lot owners with the assurance of reliability from an established brand name. The price of house construction service ranges from ₱26,000 per sqm to ₱30,000 per sqm. Payment terms require a 20% downpayment that is payable up to six months, with the balance payable up to 10 years through in house or bank financing. While this remains a good opportunity for the Company to reach more lot buyers, the Company, for the next few years, will focus on project development through strategic land banking and joint ventures with land owners in key provinces.

3. **Marketing**

The Company is currently conducting marketing services through its subsidiary, SVI. SVI was incorporated with the primary purpose of marketing, operating, managing residential structures for lot buyers of the Group. The sales and marketing functions were shifted to SVI in order that the Company may focus on the development of its projects.

Subsidiaries

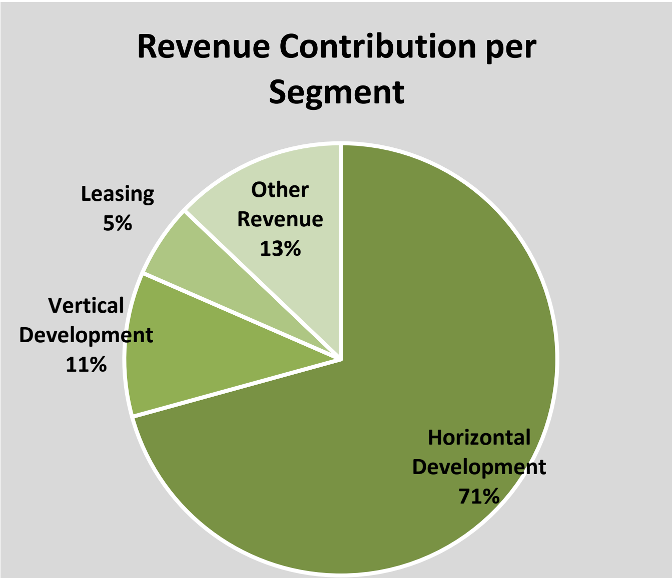
1. **Sta. Lucia Homes, Inc. (SLHI)**

   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., 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.

2. **Santalucia Ventures Inc. (SVI)**

   On January 31, 2013, the Parent Company also filed an application with SEC for the incorporation of another wholly owned subsidiary Santalucia Ventures Inc., 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.

The Company conducts its business through the following main operating segments:



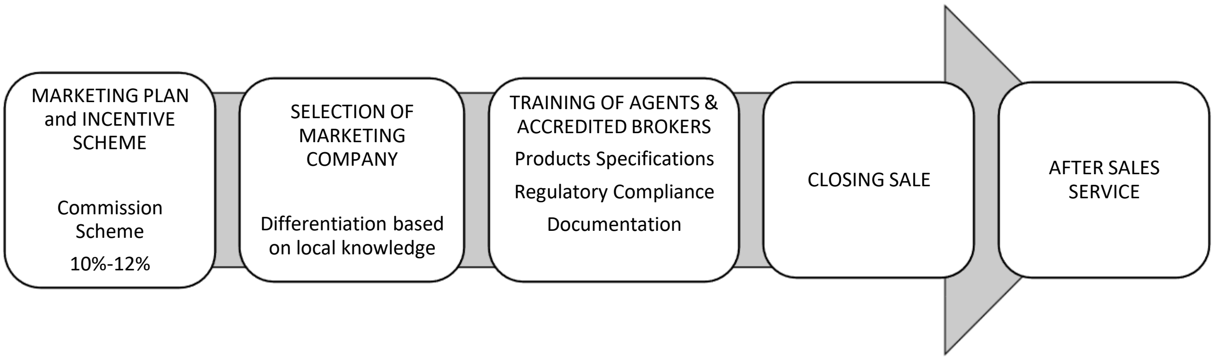
1.3 <u>Distribution Methods of the Products</u>

1. Sales Process

The Company's main selling strategy is the utilization of a wide network of marketing companies, which are selected based on the following criteria:

A. core competencies;
B. familiarity with target markets; and
C. location.

The following diagram illustrates the Company's sales process:



2. Marketing and Distribution

The Company has at its disposal the expertise of eight different marketing arms, four of which work exclusively with the Company, namely: Royale Homes Marketing Corp., Orchard Property Marketing Corp., Mega East Properties, Inc., Fil-Estate, Asian Pacific, Sta. Lucia Global Inc., 1Premiere Land Marketing Co., and Santalucia Ventures, Inc., which is a wholly-owned subsidiary of the Company. These marketing firms have a combined local and international sales force of over 120,000 brokers agents ensuring wide geographic coverage and presence and extensive knowledge of the demographics. These marketing companies are tasked to promote the Company and its projects through various media such as print advertisements and online marketing (e.g., Facebook, Instagram, Youtube, and Twitter). To further enhance the public's awareness of the brand, the Company has, since 2008 began engaging celebrity endorsers, and brokers to promote the brand and the projects.

The following enumerates the marketing companies, of which only SVI is a subsidiary of the Company:

- *Royale Homes Marketing Corporation*
  Website: http://www.royalehomes.ph/

  Envisioned to become the leading real estate marketing organization in the country, Royale Homes Marketing Corporation was founded in 8 September 1994 by three lady entrepreneurs: Matilde P. Robles, President of the company, Carmina A. Sotto, Executive Vice-President of Sales and Marketing, and Ma. Melinda A. Bernardino, Executive Vice-President for Finance and Administration.

  Royale Homes having shown its strength in real estate marketing was tapped by SLRDI to exclusively market a number of its premier residential and resort projects nationwide. It has also marketed the real estate properties of the JV partners of the Company.

- *Orchard Property Marketing Corporation*
  Website: http://www.opmc.ph/

  Orchard Property Marketing Corporation is a subsidiary of SLRDI. A solid, professional network backed by a good name in the real estate industry. The company was organized in 1995 to exclusively market the Company's projects. With offices in Metro Manila, Metro Cebu, Metro Davao, Lucena City and Bulacan, OPMC is taking larger steps towards servicing its growing clientele for its diverse products all over the Philippines.

  OPMC takes pride in its highly trained service-oriented workforce and continues to develop the best manpower to attain maximum customer satisfaction.

- *Mega East Properties, Inc.*

Website: http://www.megaeast.com.ph/

Mega East Properties, Inc. is the youngest and most dynamic marketing arm of the Company. Entrusted with a limited but strategic set of inventories by the Company, MPI carries dream-lots located in the residential, business and tourism corridors of Quezon City, Marikina, Caloocan, Provinces of Rizal, Tagaytay and Paniqui, Tarlac.

- *Fil-Estate Group of Marketing Companies*
  Website: http://fegc.brinkster.net/FEChistory.htm

  Fil-Estate Realty Corporation was founded in January 15, 1981 by Messrs Robert John Sobrepeña, Atty. Ferdinand T. Santos and Noel Cariño. These men combined their marketing and management skills and expertise to build and develop an organization that would bring about the realization of their common dream; to put up the best marketing company in the real estate industry, a model company that the real estate industry can follow.

  From its initial years, a close relationship has been developed between SLRDI as the developer and Fil-Estate as the exclusive marketing arm for select projects. This relationship has continued to prosper over the succeeding years resulting in many successful launches and sales of a host of first-class subdivision and golf course developments.

- *Asian Pacific Group of Companies*
  Website: http://www.apgc.com.ph

  With 29 years of experience and leadership in the Philippines real estate industry, Asian Pacific Group of Companies is a global network of companies that specializes in real estate marketing and property development. Composed of five member companies, APGC has presently a total of seven branches nationwide, namely Lipa City, Batangas City, Nueva Ecija, Tarlac, Cebu, Bacolod and Iloilo, and boasts of over 50,000 sales forces worldwide. Its nationwide inventory of real estate properties amounts to a total of ₱ 5.4 Billion.

- *Santalucia Ventures*
  Website: http://stalucialand-intl.com/index.

  Santalucia Ventures was incorporated in 2013 to handle the marketing and distribution of the Company's products. Santalucia Ventures requires all real estate brokers directly involved in selling activities to have the necessary licenses.

- Other marketing companies of SLI includes Sta. Lucia Global Inc. and 1Premier Land Marketing Company.

1.4 <u>Real Property Development</u>

SLI considers itself one of the country's largest real estate companies in terms of land developed. The Company has situated its developments in prime locations which are highly accessible to employment, educational, commercial and recreational facilities. Its real estate development activities include acquisition of several undeveloped lands and entering into joint venture agreements with the purpose of developing these lands primarily into residential subdivisions and or other type of developments. The ultimate objective of the group is the development residential, commercial and leisure components into one integrated community.

Once the Company has acquired an interest in land for development, it will begin the project development process. In addition to obtaining the required government regulatory approvals, this process involves the planning of the potential project, including master planning and design. Site development and construction work for the Company's projects is contracted out to qualified and accredited independent contractors. Terms with contractors usually include a 10-40% downpayment, provision of construction materials by accredited suppliers, and payment scheme which includes a 10% retention.

Development timetables vary from project to project, as each project differs in scale and design. Typically, the Company undergoes the following project development process for the Company's horizontal projects:

Step 1: Earthworks (Excavation, Road Tracing, Fill or Backfill, Grading, Base Preparation)
Step 2: Underground Works (Drainage, Waterline, Sewer System)
Step 3: Concrete Works (Pavement, Curbs & Gutter, Sidewalk, Perimeter Fencing)
Step 4: Electrical Works (Electrical Facility Distribution Lines, Street Lights)
Step 5: Amenities (Entry Signage, Guardhouse, Community Clubhouse and Recreational Facilities)

After these properties have been developed, these residential lots become ready for house construction. The project development processes for vertical and housing construction projects are basically the same in terms of land selection and acquisition, procuring government regulatory approvals, project planning, and appointment of contractors for the site development and construction works.

Completed Projects
As of December 31, 2021, the Company completed the development of the following projects:

PROJECT	LOCATION	PROJECT TYPE	YEAR COMPLETED
Aldea at Monterosa	Iloilo	Horizontal	2021
Altea Ciudades Davao	Davao	Horizontal	2021
Antipolo Greenland	Rizal	Horizontal	2013
Aqua Mira at Saddle Cluster A	Cavite	Vertical	2017
Aqua Mira at Saddle Cluster B	Cavite	Vertical	2017
Aqua Mira at Saddle Cluster C	Cavite	Vertical	2017
Arterra Residences at Discovery Bay	Cebu	Vertical	2017
Blue Mountains Comml & Res Est	Rizal	Horizontal	2020
Blue Ridge At Monterosa	Iloilo	Horizontal	2021
Cainta Greenland Ph. 3B	Rizal	Horizontal	2020
Cainta Greenland Ph. 3B1	Rizal	Horizontal	2020
Cainta Greenland Ph. 4C1	Rizal	Horizontal	2020
Cainta Greenland Ph. 4C2	Rizal	Horizontal	2020
Cainta Greenland Ph. 4J1	Rizal	Horizontal	2020
Cainta Greenland Ph. 9C	Rizal	Horizontal	2020
Catalina Lake Palawan	Palawan	Horizontal	2020
Colinas Verdes Bulacan Ph. 3	Bulacan	Horizontal	2020
Colinas Verdes Bulacan Ph. 3A	Bulacan	Horizontal	2020
Colinas Verdes Bulacan Ph. 3B	Bulacan	Horizontal	2020
Costa Del Sol Ph. 1	Iloilo	Horizontal	2016

PROJECT	LOCATION	PROJECT TYPE	YEAR COMPLETED
Crown Residence at Harbor Springs	Palawan	Vertical	2019
East Bel-Air Residences Ph. 4	Rizal	Vertical	2021
East Bel-Air Residences Tower 1	Rizal	Vertical	2012
East Bel-Air Residences Tower 3	Rizal	Vertical	2020
El Pueblo Verde	Tarlac	Horizontal	2019
Glenrose Taytay	Rizal	Horizontal	2014
Grand Villas Bauan	Batangas	Horizontal	2013
Green Meadows Dasmarinas Ph. 2	Cavite	Horizontal	2020
Green Meadows Iloilo Ph. 1	Iloilo	Horizontal	2017
Green Meadows Tarlac	Tarlac	Horizontal	2013
Green Peak Heights Ph. 1	Rizal	Horizontal	2020
Greenland Newtown Ph. 2B	Rizal	Horizontal	2019
Greenland Newtown Ph. 2C	Rizal	Horizontal	2019
Greenridge Executive 4A	Rizal	Horizontal	2020
Greenwoods Executive Ph. 2K1	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 540	Pasig/Rizal	Horizontal	2020
Greenwoods Executive Ph. 6S9	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8A1	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8A2	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8A3	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8A4	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8F3	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8F4	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8F5	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 8G1	Pasig/Rizal	Horizontal	2018
Greenwoods Executive Ph. 9B1	Pasig/Rizal	Horizontal	2019
Greenwoods Executive Ph. 9E	Pasig/Rizal	Horizontal	2019
Greenwoods Executive Ph. 9F	Pasig/Rizal	Horizontal	2020
Greenwoods North Ph. 2	Gapan	Horizontal	2020
Greenwoods North Ph. 3	Gapan	Horizontal	2020
Hamptons Residences Angono	Rizal	Horizontal	2021
La Breza Tower	Quezon City	Vertical	2011
La Mirada Tower 1	Cebu	Vertical	2010
Luxurre Residences Cavite	Cavite	Horizontal	2013
Marbella Residences Palawan	Palawan	Horizontal	2020
Mesilo Residences: Nueva Vida	Cavite	Horizontal	2015
Metropolis East - Binangonan Ph. 1D	Rizal	Horizontal	2021
Metropolis East - Binangonan Ph. 2A	Rizal	Horizontal	2021
Metropolis East - Binangonan Ph. 1B	Rizal	Horizontal	2019
Metropolis East - Binangonan Ph. 2	Rizal	Horizontal	2019
Neopolitan Condominiums Tower 1	Quezon City	Vertical	2015
Nottingham Villas Iloilo	Iloilo	Vertical	2019
Nottingham Villas Palawan	Palawan	Vertical	2019
Nottingham Villas Townhouse	Rizal	Vertical	2017
Orchard Tower 1 (The Olive)	Pasig City	Vertical	2019

PROJECT	LOCATION	PROJECT TYPE	YEAR COMPLETED
Palo Alto Executive Village Ph. 2	Rizal	Horizontal	2020
Ponte Verde Davao Ph. 1	Davao	Horizontal	2020
Pueblo Del Sol Ph2	Cavite	Horizontal	2016
Rizal Technopark Ph. 2D1	Rizal	Horizontal	2019
Rizal Technopark Ph. 2F	Rizal	Horizontal	2019
Rizal Technopark Ph. 2G	Rizal	Horizontal	2019
Rizal Technopark Ph. 2S1	Rizal	Horizontal	2019
Rockville Cavite	Rizal	Horizontal	2019
Sierra Vista Ph2A	Manila	Horizontal	2012
Soto Grande Hotel Davao	Davao	Vertical	2019
Soto Grande Iloilo	Iloilo	Vertical	2018
Soto Grande Neopolitan	Quezon City	Vertical	2015
Soto Grande Ph2	Cavite	Horizontal	2015
Soto Grande Ph3	Cavite	Horizontal	2015
South Groove Davao	Davao	Horizontal	2015
South Spring Laguna Ph 1C	Laguna	Horizontal	2019
South Spring Laguna Ph 1C1	Laguna	Horizontal	2019
South Spring Laguna Ph 1C2	Laguna	Horizontal	2019
South Spring Laguna Ph 1D	Laguna	Horizontal	2018
South Spring Laguna Ph 1E	Laguna	Horizontal	2018
South Spring Laguna Ph 1F	Laguna	Horizontal	2019
Splendido Taal Tower 1	Cavite	Vertical	2010
Splendido Taal Tower 2	Cavite	Vertical	2015
Sta. Barbara Royale Ph.1A	Quezon City	Horizontal	2014
Sta. Lucia Residenze – Monte Carlo	Rizal	Vertical	2013
Sta. Lucia Residenze – Santorini	Rizal	Vertical	2018
Stradella (East Bel-Air Residences Tower 2)	Rizal	Vertical	2014
Sugarland Estates	Cavite	Horizontal	2013
Summer Hills Executive Ph 4	Rizal	Horizontal	2020
Summer Hills Executive Ph 4A	Rizal	Horizontal	2020
Summer Hills Executive Ph 4B	Rizal	Horizontal	2020
Summit Point Golf & Res Estate Ph. 3	Batangas	Horizontal	2021
Summit Point Golf & Res Estate Ph. 3A	Batangas	Horizontal	2021
Summit Point Golf & Res Estate Ph. 3B	Batangas	Horizontal	2021
Summit Point Golf & Res Estate Ph. 3C	Batangas	Horizontal	2021
Summit Point Golf & Res Estate Ph. 3D	Batangas	Horizontal	2021
Summit Point Golf & Res Estate Ph. 3E	Batangas	Horizontal	2021
Villa Chiara Tagaytay	Rizal	Horizontal	2017
Woodside Garden Village	Pangasinan	Horizontal	2020

Aldea at Monterosa

Aldea Residences is a joint venture between Sta. Lucia Land, Inc. and Amigo Resorts and Residences, Inc strategically located in Oton, Iloilo. This property is master-planned to provide convenience and accessibility to its future residents.

Altea Ciudades Davao

Altea is a proud fusion of the traditional and the modern with accents of elegance and luxury located in Mandug, Davao City. The greatest pleasures of life are a privilege in this 8-hectare residential haven with affordable 100 sqm lots ensuring value of money yet owning a promising property. Altea offers an improved quality of life in an exciting variety with the development of adjoining complementary features. Ciudades introduces El Centro, a 12-hectare luxuriant natural splendor complemented by areas for education, sports, wellness and retail.

Antipolo Greenland

Antipolo Greenland is a residential community located in Antipolo City, Rizal. The project covers an area of 3.3 h.a. and is approximately eight kilometers from Metro Manila. The total project development cost was approximately ₱22 million.

Aqua Mira at Saddle Cluster A, B and C

Aqua Mira Resort & Residences (at Saddle & Clubs Leisure Park) is a site to behold in scale and grandeur located in Tanza, Cavite. Inside the 600-hectare saddle & club leisure park is the resort life. Aqua Mira at Saddle Cluster A, B and C has a saleable area of 845 sqm, 845 sqm and 854 sqm., respectively, with 24 lots each.

Arterra Residences at Discovery Bay

Arterra Residences is a 20-storey residential and commercial condotel located in Lapu-Lapu City, Cebu. The project focuses on harmony with nature and is centered on elements of air and water. It covers an area of 7,000 sqm and has 339 units available for sale.

Blue Mountains Commercial & Residential Estates

Blue Mountains come in an excellent integration of residential and commercial development features located in Antipolo City.

Blue Ridge At Monterosa

Blue Ridge at Monterosa is a master-planned community that offers unprecedented serenity of being around lush greens and breathable air while having topnotch security. Being at the boundary of Mandurriao and the first-class municipality of Oton, Blue Ridge is situated along the Circumferential Road, conveniently located for accessibility to modern establishments.

Cainta Greenland

A prime residential community nestled at the bustling area of eastern Metro Manila. Cainta Greenland Executive Village is complete with the facilities of a modern community that caters to basic and recreational needs.

Catalina Lake Palawan

Lake Catalina is a 35-minute drive from Puerto Princesa International Airport. It has a clubhouse, basketball court, resort-style swimming pool and picture-perfect lighthouse. Commercial lots are also available for those who wish to set-up shops for new business ventures.

Colinas Verdes Bulacan

Colinas Verde is a master-planned community located in San Jose Del Monte, Bulacan with first-class amenities such as the Colinas Verdes Country Club, which is the first country club in the area. The community is designed with a clubhouse, basketball court and swimming pool.

Costa Del Sol

Costa del Sol Iloilo is a residential property and commercial property located in Arevalo, Iloilo City.

Crown Residence at Harbor Springs

Crown Residence at Harbor Spring is a luxury property development that is conceptualized and master planned located at Puerto Princesa, Palawan. It is conveniently located at the center of Sta. Lourdes hot springs and gateway to Honda Bay.

East Bel-Air Residences

East Bel-Air Residences offers just the opposite – convenient urban living in a suburban, elegant contemporary setting. It comprises six buildings all of which are only six floors high, ensuring more spacious and less confining living space for the harried modern homeowner of today. It is a housing development that suits the lifestyle and wants of the young, modern professional.

El Pueblo Verde

El Pueblo Verde is located in the sugar central of Luzon, Gerona Tarlac with urban and agro-industrial zones. In the urban area, portions have been set aside as an agro-industrial zone and another as a light industrial zone. The town has schools, churches, clinics, parks and commercial centers. El Pueblo Verde is situated near the Gerona Municipal Hall and town center.

Glenrose Taytay

Conveniently situated in Taytay, Rizal, Glenrose redefines suburban living by providing an exclusive refuge away from the hustle and bustle of the crowded metropolis yet perfectly close to the heart of the city.

Grand Villas Bauan

Grand Villas Bauan is a sprawling master planned development that integrates urban living with estate lifestyle. Bauan Grand Villa gives you a choice of residential lots and estate lots that offer the pleasure of seaside attractions combined with the modern convenience afforded by a thriving township. Surrounding it all is a verdant countryside with rice and corn fields, coconut plantations and mango orchards.

Green Meadows Dasmarinas

Located in the progressive city of Dasmariñas in Cavite, Green Meadows brings the best of natures as well as modern comforts within the reach. As a first class city, Dasmariñas is both a center for commence and an industrial hub. Green Meadows Residential Estates is nestled within the rolling terrain of the Orchard Golf and Country Club.

Green Meadows Iloilo

Green Meadows is Iloilo's first lake community. Located within the outskirt towns of Pavia and Jaro, Green Meadows is designed around Lake Victoria, a 5-hectare man-made lake whose tranquil setting is the inspiration for gatherings, celebrations, and good old family fun. Come down to the lake for a ride on a boat or in a kayak. Skim over the water in a jet ski. Or go for a whole afternoon of fishing.

Green Meadows Tarlac

With its premiere location and elegantly-designed homes, Green Meadows is definitely an investment worth taking. Be a few steps away from the crossroad of landmark destinations and key business, leisure and entertainment establishments with the lush greenery that surrounds this one-of-a-kind master-planned community at the center of Paniqui, Tarlac.

Green Peak Heights

Nestled in the town of Baras in Rizal, the 29-hectare Green Peak Heights is your very own piece of convenience just 30 minutes away from the Greater Manila Area.

Greenland Newtown

Greenland Newton is a master-planned residential property located in San Mateo, Rizal. Only 10 minutes away from Quezon City's work, let the soft afternoon breeze welcome you to the calming embrace of this exclusive community.

Greenridge Executive

Set at the flourishing municipality of Binangonan, Rizal, Greenridge is a charming residential development that lets you escape into your own verdant retreat. Located near main highways, the journey into this serene neighborhood is a short lovely drive from essential destinations.

Greenwoods Executive

Greenwoods Executive Village provides you with the modern convenience of a modern community with facilities to make your life easier. Only 15 minutes away from Ortigas Center, Greenwoods Executive Village gives its residents easy access to major malls like SM Mega Mall, Shangri-la Plaza, and other urban conveniences like banks, hospitals, and workplace.

Greenwoods North

An affordable and quality residential subdivision lot located at Bayanihan, Gapan City, Nueva Ecija. Greenwoods North is a prime subdivision neighbor to Gapan City's modern City Hall right along the commercial district of Gapan City, the "Trading Center" of the south western and south eastern towns of Nueva Ecija and the northern town of Bulacan. With its landscaped entrance gate opening right along the bustling Maharlika Highway, the principal arterial network connecting Nueva Ecija to Pampanga, Zambales and the Cagayan Valley, Greenwoods North is accessible from many economic points of Central Luzon. Moreover, the construction of the Olongapo San Fernando-Gapan Road links Gapan and Greenwoods North to the Clark Special Economic Zone and the Subic Bay Freeport Zone.

Hamptons Residences Angono

The Hamptons Place location for both work and play and a laid back sanctuary for relaxation. The project is strategically situated near notable landmarks such Robinsons Place Antipolo, Shopwise Supermarket, Thunderbird Hotel & Resorts, Eastridge Golf Club, Assumption Antipolo, Antipolo Doctors Hospital and Our Lady of Peace & Good Voyage Church.

La Breza Tower

With a central location in vibrant Quezon City, La Breza Hotel has always been a popular choice for families and business travelers seeking quality midrange accommodation. La Breza Tower is a 22-storey residential condotel located in Mother Ignacia Street, Quezon City. It caters to middle class employees and business owners. The total project development cost is estimated at ₱ 557 million.

La Mirada Tower 1

La Mirada Tower is a 15-storey Spanish Mediterranean-inspired residential condominium with a beachfront view located in Lapu-Lapu City, Cebu. It occupies 8,719 sqm and is comprised of 170 units. The total project development cost amounted to approximately ₱ 359 million.

Luxurre Residences Cavite

Luxurre Residences is a residential and commercial community located in Alfonso, Cavite. The community is designed with a clubhouse, basketball court, and swimming pool. Total project land area is 10.2 hectares. The total project development cost was approximately ₱ 61 million. The project was launched in 2010.

Marbella Residences Palawan

Marbella residences is a private and exclusive community that promises first class living in what is considered by international travelers as the Best Island in the World. Beautiful set up in the majestic island of Palawan, you can enjoy green landscapes, white-sanded shores, crystal clear waters, and exotic wildlife. Marbella is only four hours away from El Nido and Coron, two of the most enchanting places in Palawan known for its towering limestone cliffs, beautiful islands, riveting lagoons, and captivating beaches.

Mesilo Residences: Nueva Vida

Mesilo Residences is a 150-hectared residential subdivision development situated in Dasmarinas Cavite. A first class development, Mesilo lies at a secluded island-like plateau and is surrounded by a naturally formed creek.

Metropolis East – Binangonan

With exclusive amenities to choose from, Metropolis boasts of parks with playground and swimming pool for the recreation of future residents, as well as a multi-purpose clubhouse with open basketball and tennis court.

Neopolitan Condominiums Tower 1

The Neopolitan Condominium is a 9-storey residential condominium located in Fairview, Quezon City. It is designed as a residential project at the center of buzzing city.

Nottingham Villas Iloilo

Nottingham Villas at Metropolis Iloilo is a collection of townhouse units designed and fitted with features, fixtures and amenities for start-up families and go-getter urban professionals who dream of getting the best of country living with a modern twist.

Nottingham Villas Palawan

Nottingham Villas Palawan is a collection of townhouse units designed and fitted with features, fixtures, and amenities for start-up families and go-getter urban professionals who dream of getting the best nature-inspired living with a modern twist. It is located in the exceptionally beautiful Puerto Princesa, Palawan, home to the famed world wonder, Subterranean River National Park (Underground River).

Nottingham Villas Townhouse

Nottingham Villas Townhouse is a residential townhouse located in Taytay, Rizal. It has 80 townhouse for sale with saleable area of 15,610 sqm. The project was launched in 2013 and completed in 2016.

Orchard Towers

Orchard Towers features four residential buildings surrounded by lush greenery that call to mind the wonders of nature. The first tower, Orchard Tower 1 which will provide you with your private escape from the harsh concrete jungle was launched in 2015 and completed in 2018.

Palo Alto Executive Village

Cocooned at the boundary of Antipolo, Tanay and Baras and practically a quick drive away from Greater Manila Area. Palo Alto Executive Village showcases a 78-hectare Forest Reserves; 53-ha. Open Space that features a Sta Lucia Country Club complete with leissure amenities such as 6-lane tenpin bowling alley, gymnasium, swimming pools, basketball & tennis courts; and 17-ha., 73 ha. and 62 ha. Residential, Commercial and Farm Estates.

Ponte Verde Davao

Located in Davao city, one of the biggest and fastest growing cities in the world. Ponte Verde is where the convenience of urban living blends with the exhilarating comforts of an exclusive community. Discover the benefits of being at the forefront of a thriving, well-developed community. Ponte Verde is practically a stone's throw away from the Davao International Airport, Thus strategically accessible to all forms of public transportation and a variety of commercial and recreational establishments. Revel in the beauty and tasteful functionality of the Ponte Verde clubhouse, where you can enjoy the exclusive amenities. Built multi-purpose function rooms, swimming pool, and basketball court, the clubhouse is the ultimate one-stop leisure hub of your family.

Pueblo Del Sol

Sitting within the famous tourist spot in the county, Pueblo del Sol offers solace to buyers with its relaxing atmosphere that only Tagaytay City can offer. Only a stone's throw away from Taal Lake, people who would come home to Pueblo del Sol are assured not only of premium residence but also bonus of being near one of the famous tourist spots in the Philippines.

Rizal Technopark

Enhancing your quality of life named after our National Hero, who was himself a product of a fine family, here is Sta. Lucia Realty's Tribute to a Man Ahead of His Time. A commercial and industrial site that will grow steadily along with your family, the Rizal Technopark 2000 is an idea ahead of its time. Lot sizes are vast to accommodate mass production facilities, and roads, electricity, water and security systems are all in place – key ingredients to an area's progress.

Rockville Cavite

Rockville Residences in Brgy. Kaytitinga III Alfonso Metro Tagaytay is the first 'easy-terms-easy-own' subdivision of professional and experienced property and land developer Sta. Lucia Land Inc. and 1 Premiere Land Marketing Co. Rockville Residences is in the vicinity of Mt. Batulao's fresh air and cool breeze which at the end of a long day means going home to an environment that refreshes and recharges.

Sierra Vista

Sierra Vista offers more than a dwelling place to its resident but a host of public and commercial establishments that will cater to your family's needs are just within your reach. It has 11 residential lots for sale under SLI, which has a saleable area of 3,654 sqm area. The project was launched in 2014 and completed in 2017.

Soto Grande Hotel Davao

Sotogrande Hotel offers both the wealth of natural wonders within a thriving metropolis and the priceless convenience of luxurious living. The name Sotogrande is derived from two Spanish words: "Soto" means riverside grove or thicket and "Grande" means luxurious and majestic. With the refreshing sight of the Davao river nearby and a sprawling mountain view of greeneries everywhere. Sotogrande is true to its name in combining the beauty of nature and the luxury of modern convenience. Sotogrande is conveniently 5 minutes away from Davao international airport, while recreational facilities, malls, health facilities and other commercial establishments are nearby.

Soto Grande Iloilo

Sotogrande Iloilo is a condotel property located at the crossroads between Pavia and Jaro in Iloilo. It is ideally located for easy accessibility to business and leisure facilities. It offers a quiet retreat within the natural setting of a man-made lake and its lush green surroundings.

Soto Grande Neopolitan

Sotogrande is a 6-storey condotel poised to rise within the Neopolitan Business Park, a master-planned complex by Sta. Lucia Land in Quezon City. Located along Mindanao Avenue and Regalado Highway in Fairview, the Neopolitan Business Park is conveniently at the center of promising developments in this side of the country's capital.

Soto Grande

Sotogrande is a Spanish-Mediterranean inspired community designed both as a vacation getaway and a permanent residence in Tagaytay. The community features a clubhouse, basketball court, and swimming pool.

South Groove Davao

South Grove is a residential community located in Davao which is three kilometers from the city proper. The community is designed with a clubhouse, basketball court, and swimming pool.

South Spring Laguna

South Springs Residential Estates is a first-class residential subdivision along Biñan's National Highway. The 50-hectare residential estate is a welcome respite from your busy lives. You can sit back and relax amidst the calming backdrop of nature.

Splendido Taal Tower

Splendido Taal Towers is a 4-tower project located within a 1,500 sqm area in Laurel, Batangas. The first tower is an 18-storey high-rise condominium project. The project was designed to complement the Splendido Residential and Golf Course Estate.

Sta. Barbara Royale

Sta. Barbara Royale is designed to give you the privilege of lifestyle in a master planned community. Santa Barbara Royale is located in a quiet and secure neighborhood, yet minutes from schools, commercial centers, and other establishments.

Sta. Lucia Residenze

Sta. Lucia Residenze is a residential complex that has easy access to four phases of Sta. Lucia Mall, one of the country's prominent shopping and entertainment destinations. Apart from finally having a subtle abode with everything within reach, the delight is even furthered with its profit-generating feature.

Stradella (East Bel-Air Residences Tower 2)

Stradella is a 6-storey residential and commercial condotel located in Cainta, Rizal. The project offers convenient urban living in a suburban and elegant contemporary setting. Located within the 1 h.a. residential and commercial complex called East Bel-Air.

Sugarland Estates

Sugarland Estates is a residential community located in Trece Martires, Cavite surrounded by lush and verdant greenery. The total project development cost was approximately ₱75 million.

Summer Hills Executive

Summer Hills is a residential community located in Antipolo, Rizal. The community features a clubhouse, basketball court, and swimming pool.

Summit Point Golf & Res Estate

An exclusive community in the heart of Lipa, Summit Point Golf and Residential Estate has an elevation of 1,100 feet, the place is known for its mild climate, breath taking scenery, lush gardens, and a fresh, clean environment with modern facilities to give you unique advantages in your lifestyle. Residential lots vary from 173 to 752 square meters designed to give you prime choices.

Villa Chiara Tagaytay

Villa Chiara, which covers an area of 2.03 h.a., is a residential estate located in Tagaytay City, Cavite. The project was launched in 2008.

Woodside Garden Village

The Woodside Garden Ville is located at Urdaneta, Pangasinan. The Woodside Garden Village is designed to be a blend of nature's color and texture. The landscape and tree-lined roads complement its American-Californian theme, natural and picturesque in character. Form and function is combined to achieve appealing pocket parks for the family to enjoy. The Woodside Garden Village takes pride in having the finest clubhouse development in Pangasinan. It boasts of a fully-airconditioned multi-purpose hall, a junior Olympic-sized pool, a kiddie pool, tennis and basketball courts, kiosks and trellises, parks and playgrounds.

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

PROJECT	LOCATION	SALEABLE AREA	ASSIGNED TO SLI
Alta Vista de Subic	Zambales	95,109	22,021
Alta Vista Residential Estate	Cebu	141,937	25,450
Caliraya Spring Golf Marina	Laguna	296,375	84,980
Costa Verde Cavite	Cavite	81,967	16,521
Davao Riverfront	Davao	166,664	84,059
Eagle Ridge Golf and Residential Estate	Cavite	1,867,988	69,042
Glenrose Park Cebu	Cebu	48,565	14,341
Greenwoods Pasig	Pasig City	816,010	6,665
Greenwoods South	Batangas	531,029	76,732
Lakewood City	Nueva Ecija	299,617	107,084
Manville Royale Subdivision	Negros Occidental	208,790	75,497
Metropoli Residenzia	Quezon City	24,057	18,057
Metropolis Greens	Cavite	301,984	19,362
Monte Verde Executive	Rizal	374,354	50,819
Neopolitan Estate	Quezon City	362,384	69,823
Palm Coast Marina	Manila City	15,880	2,571
Palo Alto	Rizal	830,317	679,121
Pinewoods	Benguet	384,389	39,336
Pueblo Del Sol Ph1	Cavite	151,245	12,246
Rizal Technopark	Rizal	208,696	36,570
South Pacific Golf & Leisure Estate	Davao	257,718	149,819
Southfield Executive Village	Cavite	81,493	28,199
Tagaytay Royale	Cavite	602,714	10,946
Vista Mar Residential Estate	Cebu	209,615	52,385

These lots were assigned by SLRDI in favor of the Company in December 2007 in connection with its asset for share swap transaction in 2008 when SLRDI increased its stake in the Company from 20.92% to 97.22%. SLRDI subscribed to 10,000,000,000 common shares of the Company in exchange for the assignment of all its rights, title and interest to certain investment properties consisting of (i) the Sta. Lucia East Grand Mall amounting to ₱4,710.00 million and (ii) several parcels of land amounting to ₱6,018.50 million with assumption of mortgage in the amount of ₱723.60 million in favor of the Company. This additional ₱10 billion subscription was consummated on May 20, 2008, the day SEC approved the Company's application to increase its authorized capital stock from ₱2 billion divided into 2,000,000,000 common shares to ₱16 billion divided into 16,000,000,000 common shares.

Ongoing Projects

The table below summarizes the Company's ongoing development projects as of December 31, 2021:

PROJECT NAME	PHASE	LOCATION
Acropolis Loyola	Ph 1 & 2	Tumana, Marikina City and Pansol, Quezon City
Almeria Verde	Ph 1	Bolosan, Dagupan City
Almeria Verde	Ph 1A	Bolosan, Dagupan City
Alta Vista Tagaytay	Ph 1 & 1A	Sicat, Alfonso, Cavite
Beverly Place Pampanga	Ph 6E1	Mexico, Pampanga
Beverly Place Pampanga	Ph 10C	Mexico, Pampanga
Beverly Place Pampanga	Ph 10D	Mexico, Pampanga
Cambridge Place Batangas	Ph 1A	Darasa, Tanauan City, Batangas
Catalina Lake Residences Bauan	-	Balayong & Manghinao I, Batangas
Centro Verde Laguna	-	Calamba, Laguna
Club Morocco	-	Subic, Zambales
Colinas Verdes	Alteration	Tungkong Mangga, San Jose Del Monte, Bulacan
Colinas Verdes	Ph 1A	Tungkong Mangga, San Jose Del Monte, Bulacan
Costa Verde Alangilan	-	Bolbok & Alangilan, Batangas City
Cypress Hill	-	Bayabas, Toril, Davao City
El Sitio Nativo	-	Natipunan, Nasugbu, Batangas
Evergreen - Altezza	Ph 5	J.P. Laurel, Panabo City
Evergreen - Costa Mesa	Ph 1	J.P. Laurel, Panabo City
Evergreen - Montebello	Ph 2	J.P. Laurel, Panabo City
Evergreen - Monterey	Ph 3	J.P. Laurel, Panabo City
Evergreen - Sunnyvale	Ph 4A	J.P. Laurel, Panabo City
Evergreen - Sunnyvale	Ph 4B	J.P. Laurel, Panabo City
Fairmont Lake Residences	-	Silway-8, Polomolok, South Cotabato
Golden Meadows Biñan	Ph 1A	Sta. Rosa, Laguna
Golden Meadows Biñan	Ph 2C	Sta. Rosa, Laguna
Golden Meadows Biñan	Ph 2E	Sta. Rosa, Laguna
Golden Meadows Palawan	-	Sta. Lourdes, Puerto Princesa City, Palawan
Green Meadows At Orchard	Ph 2A	Dasmariñas, Cavite
Green Meadows Bauan	Ph 1 & 1A	Cupang & As-is, Bauan, Batangas
Green Meadows Digos	-	Colorado, Digos City, Davao Del Sur
Green Meadows Iloilo	Ph 3	Ungka 2, Pavia, Iloilo
Green Meadows Iloilo (East)	Ph 2	Tacas, Jaro, Iloilo City
Green Peak Heights	Ph 2	Pinugay, Baras, Rizal
Green Peak Heights	Ph 3	Pinugay, Baras, Rizal
Green Peak Heights Palawan	Ph 1	Sta. Lourdes, Puerto Princesa City, Palawan
Green Peak Heights Palawan	Ph 2	Sta. Lourdes, Puerto Princesa City, Palawan
Green Ridge Executive	Ph 4B	Pantok, Binangonan, Rizal
Greenwoods Executive Village	Ph 1A1	Palatiw, Pasig City

PROJECT NAME	PHASE	LOCATION
Greenwoods Executive Village	Ph 1A2	Palatiw, Pasig City
Greenwoods Executive Village	Ph 3A2	San Miguel, Pasig City
Greenwoods Executive Village	Ph 8A5	San Andres, Cainta, Rizal
Greenwoods Executive Village	Ph 8D6	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 8D7	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 8D8	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 8F5	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 8F6	Sta. Ana, Taytay, Rizal
Greenwoods Executive Village	Ph 9D1	Sta. Ana, Taytay, Rizal
Greenwoods South	Ph 4A	Dumuclay, Batangas City
Hacienda Verde Iloilo	-	Pandac, Pavia, Iloilo
La Alegria Residential Estate	-	Rizal, Silay City, Negros Occidental
La Huerta	Ph 1 & 2	Calamba, Laguna
La Mirada Royale	Ph 1A1	Plaridel, Bulacan
La Mirada Royale	Ph 1C	Plaridel, Bulacan
La Vista	-	Poblacion, Makilala, North Cotabato
Las Colinas Leisure Farm	-	Bayabas, Toril, Davao City
Las Terrazas Iloilo	-	Tacas, Jaro, Iloilo City
Los Rayos Lake Residences	-	Madaum, Tagum City
Marbella Lake Residences	Ph 1	Victoria, Laguna
Marbella Residences Davao	-	Tigatto-Mandug, Davao City
Metrosouth Townhouse	-	Dasmariñas, Cavite
Mira Verde Bulacan	Ph 3 & 3A	Guiguinto, Bulacan
Monte Verde Digos	Ph 1	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 2	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 3	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 4	Kiagot, Digos City, Davao Del Sur
Monte Verde East	-	San Rafael, Rodriguez, Rizal
Monteverde Royale	Ph 4C	Muzon, Taytay, Rizal
Nasa Costa Cove	-	Natipuan, Nasugbu, Batangas
Nasa Costa Peak	Tower 1	Natipuan, Nasugbu, Batangas
Nivel Hills Cebu	Tower 1&2	Lahug, Cebu City
Oakland Residences	Ph 1A	Sinawilan, Matanao, Davao Del Sur
Oakland Residences	Ph 1	Sinawilan, Matanao, Davao Del Sur
Orchard Residences Digos	-	San Jose, Digos City, Davao Del Sur
Orchard Residences Polomok	-	Glamang, Polomolok, South Cotabato
Orchard Residential Estate And Golf Country Club	Ph 5B	Dasmariñas, Cavite
Palo Alto	Ph 3	Pinugay, Baras, Rizal
Ponte Verde Davao	Ph 1	Communal, Davao City
Ponte Verde Davao (Martinez)	Ph 4	Communal, Davao City
Ponte Verde Davao (Sandoval)	Ph 2	Communal, Davao City
Ponte Verde Davao (So)	Ph 3	Communal, Davao City
Ponte Verde Rizal	-	Halayhayin, Pililla, Rizal

PROJECT NAME	PHASE	LOCATION
Ponteverde De Sto. Tomas	Ph 3A	Santiago, Sto. Tomas, Batangas
Ponteverde De Sto. Tomas	Ph 5	Santiago, Sto. Tomas, Batangas
Rizal Technopark	Ph 2D3	San Juan, Taytay, Rizal
Seville Lake Residences	-	New Carmen, Mandug, Davao City
Sherwood Residences	-	Calinan, Davao City
Solana Light Industrial Estates	-	Madaum, Tagum City
Soller Residences	-	Waan, Mandug, Davao City
Sonoma Place	-	Caimito Road, Puerto Princesa City, Palawan
Sotogrande Baguio	Tower 1	Leonard Wood Road, Baguio City
Sotogrande Baguio	Tower 2	Leonard Wood Road, Baguio City
Sotogrande Bauan	-	Balayong & Manghinao I, Batangas
Sotogrande Iloilo	Tower 2	Jaro, Iloilo City
Sotogrande Katipunan	-	Katipunan Ave., Quezon City
Sotogrande Palawan	Tower 1	Tagburos, Puerto Princesa City
Sotogrande Tomas Morato (The Tribute)	-	Tomas Morato, Quezon City
South Coast	Ph 1	Matabungcay, Lian, Batangas
South Coast	Ph 1A	Matabungcay, Lian, Batangas
Spring Oaks Residence	Ph 4	Los Baños, Laguna
St. Charbel South	Ph 3	Dasmariñas, Cavite
Sta. Lucia Mall Davao	-	Communal, Davao City
Sta. Lucia Residenze - Madrid	Tower 3	Cainta, Rizal
Summit Point	Ph 4	Inosluban, Lipa City, Batangas
Tierra Verde Digos	-	Colorado, Digos City, Davao Del Sur
Valencia Homes	-	Rizal, Avenue, Puerto Princesa City, Palawan
Valencia Towhouse Iloilo	-	Pakiad, Oton, Iloilo
Valleyview Executive	Ph 2D	Munting Dilaw, Antipolo City
Valleyview Executive	Ph 2A	Munting Dilaw, Antipolo City
Woodridge Iloilo And The Groove	-	Tagbac, Jaro, Iloilo City
Yanarra Residences	Ph 1A	Natipunan, Nasugbu, Batangas
Yanarra Residences	Ph 2A	Natipunan, Nasugbu, Batangas

Selected Ongoing Development Projects

<u>Acropolis Loyola</u>

Nestled at the rolling hills of Quezon City and bordering the panoramic view of Marikina Valley, Acropolis Loyola offer unprecedented Metro Manila living. Average size of lots is 300 sqm, selling at an average price of ₱ 65,000 per sqm.

<u>Almeria Verde</u>

Named after the resort town of Almeria in Spain, Almeria Verde exemplifies the idyllic suburban lifestyle of a river side community. With spacious lots and elegant home designs to choose from, it offers high-end living in a secure, conveniently-located, self-contained neighborhood in the heart of Pangasinan. Almeria Verde is cut for growing families who wish to own an elegant home within a spacious lot. It is perfect for families who love the great outdoors as this community is well-equipped with a basketball court, clubhouse, swimming pool, playground, and landscaped open spaces. It paints a picture of serenity framed by the Agno River and beaches along the Lingayen Gulf.

Catalina Lake Residences Bauan

Catalina Lake Residences is a bold collection of contemporary and Spanish Mediterranean residences and archetypal lake houses. Situated at the heart of Bauan Batangas, Catalina Lake Residences is a series of relaxing lakeside homes designed to take the mind off the city hustles. Each residence is fashioned from modishly intricate interiors and tailor fitted style topped with breathtaking views.

Colinas Verdes Alteration

Colinas Verde is a master-planned community located in San Jose Del Monte, Bulacan with first-class amenities such as the Colinas Verdes Country Club, which is the first country club in the area. The community is designed with a clubhouse, basketball court and swimming pool. It covers an area of 14.9 h.a., with 137 lots developed selling at an average price of ₱ 8,000 per sqm. The total project development cost was around ₱ 311 million.

Golden Meadows Biñan

Golden Meadow Biñan is one of Sta. Lucia quality projects with a community that exudes the warmth, joy and love of family located at Sta. Rosa, Laguna. Golden Meadow Biñan is crested with recreational facilities, tall pine trees, and lush vegetation.

Greenmeadows at the Orchard Ph2A

Located in the progressive city of Dasmariñas, Cavite, Green Meadows brings the best of natures as well as modern comforts within the reach. As a first class city, Dasmariñas is both a center for commerce and an industrial hub. Residents of Green Meadows can find all the essentials and conveniences, of city living just a few minutes' drive from home. Green Meadows Residential Estates is nestled within the rolling terrain of the Orchard Golf and Country Club. This scenic and serene haven has been designated as a bird and wildlife sanctuary, with its teeming foliage and various species of birds.

Greenmeadows Iloilo

Green Meadows is Iloilo's first lake community. Located within the outskirt towns of Pavia and Jaro, Green Meadows is designed around Lake Victoria, a 5-hectare man-made lake that provides a tranquil setting is the inspiration for gatherings, celebrations, and good old family fun.

Green Peak Heights

Be at home with nature at Green Peak Heights. Nestled in the town of Baras in Rizal, the 29-hectare Green Peak Heights is 30 minutes away from the Greater Manila Area.

Hacienda Verde Iloilo

Hacienda Verde is a premiere township development set on 125 h.a. of land that is lush and lively, progressive, while remaining rich in history. It captures beautifully the past and present to create a picture of a future that can only be found within our township.

La Alegria Residential Estates

La Alegria is at the heart of Silay City, Negros Occidental. In the humble city of Silay, Negros Occidental, La Alegria prides itself as the only lake residential community.

Las Colinas Davao

Las Colinas is located just off the Bayabas-Eden Road in Toril, Davao City. With the property's scenic mountain views, cooler climate and fresh air, future residents are guaranteed to enjoy a rejuvenating and calming ambience, that will allow them to enjoy with ease some quality time with their loved ones.

Los Rayos Lake Residences

Los Rayos Lake Residences is an exquisite residential retreat, with a lush mangrove forest, Philippine hardwood trees, plus a four kilometer stretch of white sand beach all within reach in Los Rayos. Los Rayos Lake Residences located in Tagum City, Davao Del Norte. The 37-hectare residential development is accessible to numerous key establishments such as shopping malls, schools, restaurants, plantations and eco parks. It is built around a central lake surrounded by the lush greenery of Davao. The 4-hectare lake area is the centerpiece of Los Rayos.

Nasa Costa Cove

A beachside resort-residential development located in Brgy. Natipuan, Nasugbu, Batangas along a strip of carved beachfront adjacent to high-end developments. Approximately 102 kilometers south of Metro Manila. All lots at Phase 1 are within walking distance to the beach.

Spring Oaks Residence

Lakewood resort residential estates Los Baños is a 42-hectare master-planned community located in Los Baños, Laguna, a town known for its mountain views and hot springs. Designed as a resort cum residential subdivision, Lakewood provides a breathtaking view of Mt. Makiling on one side and an enchanted lake view on the other side. Beyond its walls are an abundant array of resorts, restaurants, fresh fruit stands, garden landscaping and other specialty shops.

Soller Residences Davao

Down South in Davao, the idyllic Soller Residences is the place to be. Davao City, being among the safest cities in the country, is also home to the finest eco-adventure facilities and a hearty environment. It serves as the perfect backdrop for startup families who are starting small but betting on big dreams. The Soller Residences is located within Ciudades, Davao's first mixed-use and self-sufficient community. Soller Residences offer top-notch amenities such as a community clubhouse, multipurpose function hall, children's playground, swimming pool, bike trails and basketball court.

South Coast

South Coast is an integrated recreational, sports, residential community with ecological nature at its best. It is located at Lian, Batangas.

Woodridge Iloilo and The Groove

Woodridge Iloilo is located at Metropolis Drive, Bitoon, Jaro, Iloilo. It is accessible in coastal road and National Road.

Yanarra Residences

Situated in the heart of Nasugbu, Batangas, you can experience the soothing songs of the beach and the warm embrace of green landscapes all around you. And as a testament of our souls enriching first class vision, let our European art inspired architecture make you even more proud to call Yanarra, “Home”.

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

YEAR	PROJECT EXPENDITURES	PERCENTAGE TO REVENUES
2021	5,958,138,436	71%
2020	5,210,659,113	76%
2019	6,151,168,738	79%

1.5 Competition

The residential market is still a highly under-served market with the housing backlog projected to reach 5.6 million by 2030 (myproperty.ph). In this segment, the Company considers Vista Land and Filinvest Land, Inc. as its competitors. The Company believes that the strengths of these competitors lie in their larger land bank holdings and historically, their ability to access funding through the capital markets.

In order to effectively compete, the Company has long adopted the strategy of focusing on the provincial areas that are largely ignored and under-served by its bigger competitors whose projects have, until recently, been concentrated in the Metro Manila which is already congested and near saturation. SLI is present in 11 regions across the country. The Company believes that sustained growth will come from the provinces and major cities outside of Metro Manila, and has therefore prioritized establishing its presence there. The Company believes that its expertise and knowledge in these areas will prove significant as it continues to expand its property footprint in these largely under-served areas. The Company will continue using its sales force to target a specific customer segments in specific geographic locations. Once identified, potential clients are reached through aggressive advertising and personalized sales services, including after sales support. Such services include assistance in documentation and facilitation of access to credit. Its capability to reach out to different locations is made possible through its vast marketing channels, which, by sheer number of sales agents, was able to capture a good portion of the market. The international offices of its marketing arms also made it possible to move closer to offshore markets. Open houses, discounts and promotion are some of the marketing tools the Company employs as part of its sales and marketing strategy.

With respect to the mall business, SM Prime and Robinsons Land are considered as the main competitors of the Company. Although SLEGM was one of the first malls in the Cainta area, competition has emerged in recent years as new malls were developed by its peers. Despite this, however, the Company continued to generate healthy cash flows, retain tenants and even engage newer ones. Its prime location, being located in a major intersection along a major thoroughfare, along with the variety of its affiliated and independent retailers that afford its customers more varied choices and the continuous improvements in both facilities and services have enabled SLEGM to hold its own in this highly competitive retail market.

1.6 Contractors and Suppliers

The Company appoints contractors based on a number of qualifications such as experience in the project area, past project performance, and contract price, among others. The Company also accredits and establishes relationships with qualified suppliers to provide cost and budgetary estimates, and ensure supply of materials to be used for developing the land.

Site development and construction work for the Company's projects is contracted out to the qualified and accredited independent contractors. Terms with contractors usually include a 10-40% downpayment, provision of construction materials by accredited suppliers, and payment scheme which includes a 10% retention.

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

1.7 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.

The Company has now expanded its target market to include clients with different professions and living statuses, coming from all segments of society.

The Company's main target markets are the OFWs and middle class. A major percentage of the Company's number of units sold come from OFWs and their families which constitutes around 70% of sold units, 15% come from SME business owners, and 15% come from middle class employees.

1.8 Intellectual Property

The "Sta. Lucia Land, Inc." trademark was registered with the Intellectual Property Office ("IPO"). Sta. Lucia Land is the brand SLI uses and by which it is known to the public.

Design mark/ logo	Registration No.	Trademark	Status	Expiration Date
STA.LUCIA LAND INC.	4/2020/00502228	Sta. Lucia Land, Inc.	Registered February 21, 2021	February 21, 2031

The above trademark is important because name recognition and exclusivity of use are contributing factors to the success of the Company's development. In the Philippines, certificates of registration of a trademark issued by the Intellectual Property Office are generally effective for a period of 10 years, unless terminated earlier.

The Company is also the owner of one domain name: www.stalucialand.com.ph.

1.9 Government Approvals/Regulations

The Company has obtained and will obtain all such necessary and desirable government permits, consents, and authorizations that may be required for the conduct and continuance of its business.

These permits and approvals include, but are not limited to, the environmental compliance certificates or certificates of non-coverage, development permits, department of agrarian reform conversions, and licenses to sell. In addition, the Company and its subsidiaries intend to continue to comply, in all material respects, with applicable regulations and law which govern its various businesses.

1.10 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.

1.11 Transactions with Related Parties

The related amounts and outstanding balances from related party transactions (RPT) in 2021 and 2020 follow:

	2021			
	Volume	**Outstanding**	**Terms**	**Conditions**
Trade receivables				
Ultimate Parent Company (SLRDI)				
Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee	**₱129,315,548**	**₱456,143,593**	Due and demandable; noninterest-bearing	Unsecured; no impairment (Note 15)
Affiliate (SLECC)				
Rental and management fee (d)	**7,976,671**	**45,196,667**	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliate (Mall Tenants)				
Rental income (d)	**5,616,030**	**42,112,456**	Due and demandable; noninterest-bearing	Unsecured; no impairment
		₱543,452,716		
Non-trade receivables				
Affiliate (Marketing Arm)		**₱921,832**		
Advances (e)			Due and demandable; noninterest-bearing	Unsecured; no impairment
Key officers and directors (f)	**12,014,366**	**86,128,195**	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables				
Ultimate Parent Company (SLRDI)				
Advances		**₱3,254,988**	Payable on demand; noninterest bearing	Unsecured
Advances from shareholders				
Advances		**14,711,492**	Payable on demand; noninterest bearing	Unsecured
		₱14,711,492		

	2020			
	Volume	Outstanding	Terms	Conditions
Trade receivables				
Ultimate Parent Company (SLRDI)				
Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee	₱137,234,705	₱585,459,141	Due and demandable; noninterest-bearing	Unsecured; no impairment (Note 15)
Affiliate (SLECC)	(7,142,523)	37,219,997		Unsecured; no impairment
Rental and management fee (d)				

	2020			
	Volume	Outstanding	Terms	Conditions
			Due and demandable; noninterest-bearing	
Affiliate (Mall Tenants)				
Rental income (d)	(20,776,640)	36,496,426	Due and demandable; noninterest-bearing	Unsecured; no impairment
		₱659,175,564		
Non-trade receivables				
Affiliate (Marketing Arm)				
Advances (e)	₱200,000	₱921,832	Due and demandable; noninterest-bearing	Unsecured; no impairment
Key officers and directors (f)	₱8,607,794	₱73,130,416	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables				
Ultimate Parent Company (SLRDI)				
Advances	₱17,713,026	₱56,318,549	Payable on demand; noninterest bearing	Unsecured
Advances from shareholders				
Advances	–	16,346,102	Payable on demand; noninterest bearing	Unsecured
		₱72,664,651		

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 expressly disclosed, these accounts are noninterest-bearing and are generally unsecured. 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 the Ultimate Parent Company consisting of non-interest bearing advances for working capital requirements with no fixed repayment terms.

   Other transactions with the Ultimate Parent Company include noninterest-bearing cash advances for various charges for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies, rentals for project exhibits and advertising/marketing costs. This pertains to the monthly amortization payment from the buyers of the Parent Company collected by the Ultimate Parent Company due to be remitted to the Parent Company.

   In 2014, SLLI and SLRDI entered into several memorandums of agreements wherein SLLI 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 SLLI, SLRDI has agreed to the following:

   - Colinas Verdes Bulacan Project - SLRDI has entered into a joint arrangement with Araneta Properties, Inc. (API) for a proceed sharing agreement of 60% - LRDI - 40% API share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement 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 arrangement with AFP-Retirement and Separation Benefits System (ARSBS) for a lot sharing agreement of 55% -LRDI - 45% ARSBS share. SLLI shall be entitled to 75% of SLRDI's share in the

joint arrangement 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 arrangement with Green Sphere Realty Corporation (GSRC) for a lot sharing agreement of 60% - LRDI - 40% GSRC share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement 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 arrangement with GSRC for a lot sharing agreement of 60% - LRDI - 40% GSRC share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project.

Total share from the proceeds of SLRDI from the joint operations amounted to ₱144.48 million,
₱152.58 million and ₱180.71 million in 2021, 2020 and 2019, respectively. The share amounting ₱28.61 million, ₱38.14 million and ₱45.18 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2021, 2020 and 2019, respectively.

B. Effective October 1, 2014, SLLI directly entered into lease agreements with mall tenants. SLECC and SLLI, 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, SLLI shall pay SLECC a management fee equivalent to 5% of the gross rental revenue for managing mall operations including, repairs and maintenance and collection of space rental from storeowners or tenants.

In addition, the Parent Company has receivables from affiliate mall tenants. This pertains to accrued rental income amounting to ₱42.11 million and ₱36.50 million in 2021 and 2020, respectively.

C. The Parent Company made cash advances for pre-operating costs for various expenses like registration fees, taxes and licenses fees to its marketing arm. The advances amounted to nil and ₱0.20 million in 2021 and 2020, respectively.

D. The Parent Company made noninterest-bearing cash advances to officers and directors which is subject to liquidation. These advances amounted to ₱12.01 million and ₱8.61 million in 2021 and 2020, respectively.

As of December 31, 2021 and 2020, the Group has not made any provision for ECL relating to amounts owed by related parties. There have been no guarantees and collaterals provided or received for any related party receivables or payables. This assessment of the Group 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:

	2021	2020
Short-term employee benefits	**₱15,403500**	₱14,670,000
Post-employment benefits	**582,482**	554,745
	₱15,985,982	₱15,224,745

Approval requirements and limits on the amount and extent of related party transactions

Material related party transaction (MRPT) are transactions amounting to ten percent (10%) or more of the total consolidated assets of the Group and shall be identified taking into account the related party registry. The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement.

All individual MRPTs shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a twelve (12)-month period that breaches the materiality threshold shall be required when the aggregate RPT transactions meets and exceeds the materiality threshold covering the same related party.

1.12 Employees and Officers

As of December 31, 2021, the Registrant has the following numbers of employees and officers per department:

DEPARTMENT	COUNT
Office of the Chairman/Administrator	1
Office of the EVP/CFO	1
Accounting	19
Administration	8
Advertising & Promotions	4
Asset Management	73
Commercial Business	2
Const. Permit & Post Const. (VRS)	1
Corporate Planning & Investor Relations	2
Credit & Finance	5
Hotels	1
Human Resources	3
Internal Audit & Controllership	14
Management Information System	9
Project Development	27
Purchasing	5
Sales and Marketing	18
Special Projects	2
Treasury	6
Sta Lucia Homes	2
TOTAL	**203**

The Company foresees an increase in its manpower complement by 30 in the ensuing 12 months.

The Company's employees are not unionized or party to collective bargaining agreements with the Company.

There has been no strike or threat of strike of the Company's employees over that last five years.

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures. In addition, the Company contracted Health Maintenance, Inc., a health maintenance organization, to provide health support services to its officers, employees and their dependents, if any. The contract has a term of one year, from July 10, 2021 to June 30, 2022, which is deemed automatically renewed for another year unless a written notice was served by either party at least 30 days prior to the expiry date.

The Company 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.

1.13 **Risks**

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

One of the major risk events that occurred that generally impacted the Philippines as well as the Group's business operations was the Covid-19 pandemic. The global effect of the pandemic still continuously spreads up to this day. Even prior to the onset of the Covid-19, the Group already recognizes pandemic as a social uncertainty. With the assessment of its impact to global and local business operations, the Group has elevated the Covid-19 pandemic as a top risk priority.

Through its program initiatives, the Group was able to at least minimize the business effect brought about by the pandemic. Several plans and strategies were implemented to ensure business continuity.

While the sector has remained resilient in 2021, the Group assures its commitment with its response to the pandemic as possibility of prolong social and market uncertainty stands.

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 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 2015. 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.

The Philippines has from time to time experienced severe political and social instability. The Philippine Constitution provides that, in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately owned public utility or business. In the last few years, there were instances of political instability, including public and military protests arising from alleged misconduct by the previous administration.

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. 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.

ITEM 2: PROPERTIES

1. LAND BANK

Land Acquisitions

Historically, the Company has been acquiring interests in lands mainly by entering into JVs to develop land with existing owners. Over the years, the Company has accumulated land interests in areas which the Company believes are prime locations throughout the entire Luzon, Visayas, and Mindanao regions. Potential land acquisitions and participation in JV projects are evaluated using certain criteria such as the attractiveness of the acquisition cost relative to the market price, topographical feasibility of the planned development, accessibility to major infrastructure utilities and thoroughfares, and proximity to commercial areas.

The Company also acquired raw land for future development. Details on the raw land inventory owned by the Company as of the date of this Prospectus are set out in the table below. This list excludes properties that have already been launched or completed as development properties, specifically residential projects, as the title to the property in these projects were already sold or are intended to be sold to unit buyers.

Location	Area in Sqm.	Land Use
Baguio	29,465.98	Residential / Commercial
Bataan	82,916.00	Residential / Commercial
Batangas	2,405,386.00	Residential / Commercial
Bulacan	45,120.00	Residential / Commercial
Cavite	365,240.75	Residential / Commercial
Cebu	245,099.00	Residential / Commercial
Davao	2,805,376.16	Residential / Commercial
General Santos City	243,168.00	Residential / Commercial
Iloilo	1,207,996.34	Residential / Commercial
Laguna	2,031,636.33	Residential / Commercial
Metro Manila	422,041.00	Residential / Commercial
Negros Oriental	140,000.00	Residential / Commercial
Nueva Ecija	207.00	Residential / Commercial
Palawan	927,799.00	Residential / Commercial
Pampanga	180,719.00	Residential / Commercial
Pangasinan	267,631.50	Residential / Commercial
Quezon	12,597.00	Residential / Commercial
Rizal	1,497,605.00	Residential / Commercial
South Cotabato	588,552.00	Residential / Commercial
Surigao Del Norte	65,409.00	Residential / Commercial
Zambales	35,588.00	Residential / Commercial
Zamboanga	286,257.00	Residential / Commercial
TOTAL	13,885,810.06	

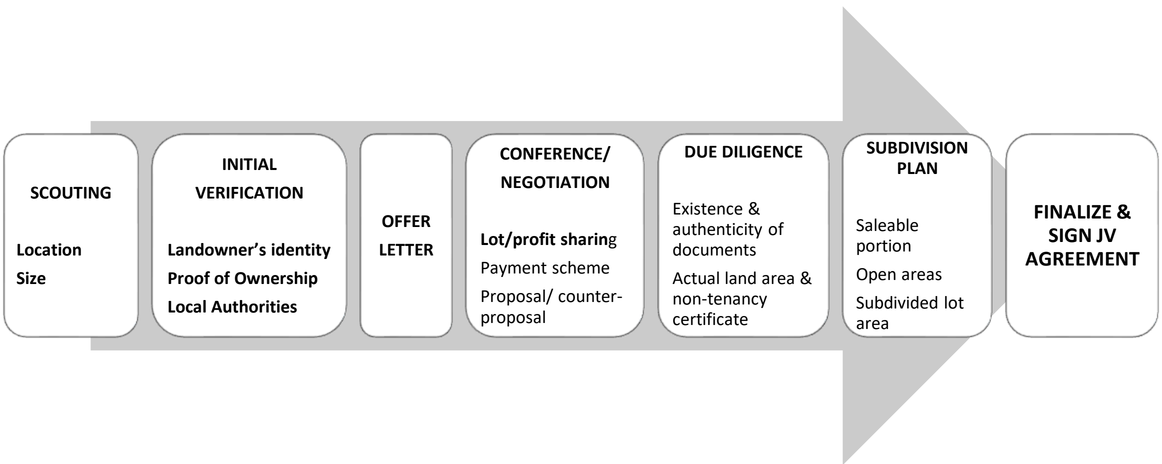
In view of the Company's expansion plans, the Company continues to selectively explore land acquisitions, focusing on key emerging areas where it has successfully developed and sold projects. The following table summarizes the various sites that the Company has identified for acquisition in the next five years:

REGION	Percentage Concentration of Land banking
Region 4A – CALABARZON	46%
Region 11 - Davao Region	20%
Region 6 - Western Visayas	10%
Region 4B MIMAROPA	7%
Region 12 – SOCCSKSARGEN	6%
Region 16 – NCR	3%
Region 1 - Ilocos Region	2%
Region 3 - Central Luzon	2%
Region 7 - Central Visayas	2%
Region 9 – Zamboanga Peninsula	2%
TOTAL	**100%**

Joint Ventures

The Company has historically adopted a JV business model where the Company enters into joint venture arrangements with land owners for the development of raw land into future project sites in order to reduce land capital expenditures and substantial financial holding costs from owning land for development.

The diagram below illustrates how the Company implements its JV business model:



The Company initially identifies suitable properties for development by evaluating against certain criteria, with the top considerations being location and size. Once the properties are identified, initial verification is then conducted on the following:

- landowner's identity;
- proof of ownership; and
- relevant local authority approvals.

Once the property has passed initial verification, an offer letter is sent to the landowner and the negotiation process begins. The following are the main terms to be negotiated under the JV agreements:

- lot/profit sharing mechanism;
- payment scheme;
- cost sharing mechanism; and
- responsibilities on securing relevant approvals and authorizations.

Due diligence activities are also conducted with a focus on confirming the authenticity of documents, actual land area, and existence of non-tenancy certificates. The Company then formulates subdivision plan and proceeds to finalize and execute the JV agreement.

The JV business model has provided the organization immediate exposure to new areas for project expansion, established familiarity with local demographics, allowed more efficient use of cashflow, spread the risk with the landowners, provided access to more land/projects owned by JV partners. Also, this track record of success is expected by the Company to attract other new prospective JV partners as future land bank partners or source of land bank.

Under the joint venture agreements, the joint venture partner contributes the land free from any lien, encumbrance, tenants or informal settlers and the Company undertakes the development of the project. The joint venture partner is allocated either the developed lots or the proceeds from the sale of the units based on pre-agreed distribution ratio. The percentages of profits allocated to the Company as a developer for their JV Projects range from [40% to 85%]. With regard to the sharing of costs, various structures are currently in place. In some agreements, the Company nets the incurred marketing and advertising costs from the gross sale of real estate products sold. The Company then recognizes revenues based on the netted amount depending on its prorated ownership of the JV Project. The Company, however, shoulders all of the costs to develop the land. There are also cases where the Company nets all incurred marketing, advertising, and development costs from the gross sale of real estate products sold, after which the remaining income is shared between the Company and the JV partner.

2. INVESTMENT PROPERTY

The company’s investment properties primarily consist of the Sta. Lucia East Grand Mall, Sta. Lucia Business Center, both located in Cainta, Rizal and the under-development Ponte Verde Mall in Davao. For detailed discussion, refer to the Commercial Properties portion under 1.2 Business.

3. PROPERTY AND EQUIPMENT

The company’s main office is based at the Penthouse, Building 3 of Sta. Lucia Mall located at Cainta, Rizal. It owns several office equipment, furniture and fixtures and transportation equipment which are all used in the ordinary course of operations.

The company does not intend to acquire significant properties for the next 12 months except those needed in the ordinary course of business.

ITEM 3: LEGAL PROCEEDINGS

Itemized below are the list of cases and its status involving the Registrant.

	CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	COURT	CASE NO.	AMOUNT INVOLVE	STATUS
1	**FELICISIMA BALAGTAS AND OFELIA ALVAREZ VS. SLLI, MICHAEL ROBLES AND MILESTONE FARMS**	CANCELLATION OF SALE, REFUND OF ALL PAYMENTS TO THE RESPONDENTS AND THE CORRESPONDING VAT WITH INTEREST AND DAMAGES ***(SUMMONS RECEIVED ON: JUNE 05, 2014)***	**PALO ALTO** P COM B 1 L 30	HLURB QUEZON CITY	HLURB REM-121012-14950	> 4,158,229.00 > 100,000.00 MORAL DAM > 100,000.00 EXEMPLARY DAM > 30,000.00 ATTORNEY'S FEES	**JOINT SITE INSPECTION SHOWED THAT THE LOT IS BUILDABLE; BALAGTAS NOT AMENABLE** **HLURB GRANTED RESCISSION; FILED APPEAL MEMORANDUM AT OFFICE OF THE PRESIDENT SEPT. 22, 2017** **PENDING APPEAL**
2	**SHERRYL ADRIANO VS. STA. LUCIA LAND**	REFUND		HLURB CALAMBA LAGUNA	HLURB CASE NO. RIV-102317-4813		**FOR REFUND SETTLEMENT (Archived? No order received)**
3	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL.**	*Injunction with prayer for Issuance of preliminary Injunction and/or Temporary Restraining Order (TRO)*		REGIONAL TRIAL COURT BR. 215 QUEZON CITY	R-QZN-18-04305-CV		**MOTION TO DISMISS FILED BY STA.LUCIA LAND, GRANTED. CASE IS NOW DISMISSED.** **JUDGE (BR.215) UPON MOTION INHIBITED; RE-RAFFLED TO BR.92** **BR. 92 DISMISSED**

							THE PETITION
4	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS AND LIBERATO D. ROBLES, ET., AL.**	Syndicated Estafa		PROSECUTORS OFFICE OF QUEZON CITY	XV-03-INV-18F-05949		**DISMISSED FOR LACK OF PROBABLE CAUSE (NOV. 2018)** **FILED PETITION FOR REVIEW AT DOJ; DISMISSED**
5	**MICHAEL RAY HERNANDEZ**	LEGAL ASSISTANCE FOR LOT REPLACEMENT (H&L BUYER)	COLINAS VERDES BULACAN	HLURB PAMPANGA	NTR-CON-061719-0486		**DEMAND: REPLACE LOT ONLY** **SLI (PRM): HOUSE REPAIR ONLY, READY FOR TURNOVER** **NEXT HEARING: NOV. 29, 2018 HLURB PAMPANGA** * *CONFLICT WITH BARTIDO FINAL COMPLIANCE, 10AM, HLURB CALAMBA* **NTR TERMINATED** **DOCKETED CASE: FILED ANSWER** **DISMISSED; COMPLAINANT APPEALED THE DISMISSAL**
6	**JOSEPH VELASQUEZ**	TURNOVER OF TITLE	MESILO DASMA	HLURB CALAMBA	R.NO. 1904057071 C-		**COMPLAINANT NOT PRESENT DURING**

					0828190414 5		**THE MEDIATIO N CONFEREN CE ON OCT. 15 AND NOV. 8, RESPECTIV ELY.** **TERMINAT ED. COMPLAIN ANT NO APPEARAN CE.**
7	**JONAH FE ELISC UPIDE S**		ALMERIA VERDE PANGASINAN	HLURB BAGUIO			**DEMAND: WAIVER OF PENALTIES NAND INTEREST** **SLI POSITION: PROPOSAL DENIED. COUNTERP ROPOSAL: WAIVER OF PENALTIES 50% ONLY, PAY BALANCE** **FOR FINAL DISPOSITIO N** **WAIVER OF PENALTIES GRANTED, 50%. INTEREST ARE NOT WAIVED SINCE IT IS STIPULATE D IN THE CONTRACT**
8	**GOLD EN SEA BEACH RESOR T AND DEVEL OPME NT CORP**	QUIETING OF TITLE	LIAN, BATANGAS PROJECT	RTC BATANGAS	CIVIL CASE NO. 1422		**SLI I NOT THE REGISTERE D OWNER; NOT A REAL PARTY IN INTEREST IN THE COMPLAIN T** **HEARING ON JUNE 29, 2021**
9	**MEGA TOP REALT**	ESTAFA		OCP QC	XV-03-INV-20A-00819		**FILED MOTION FOR**

	Y VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS						**RECONSIDERATION** **FILED COUNTER AFFIDAVIT**
10	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL.**	*Annulment of Title with prayer for Issuance of preliminary Injunction and/or Temporary Restraining Order (TRO)*		REGIONAL TRIAL COURT BR. 219 QUEZON CITY			**MOTION TO DISMISS FILED BY STA.LUCIA LAND, GRANTED. CASE DISMISSED.** **PLAINTIFFS' MR GRANTED ON-GOING HEARING (SUMMARY: PRAYER FOR PRELIMINARY INJUNCTION)** **JUNE 22, 2021**
11	**SPS. CHRISTIAN AND MARY DIANA ALVA**	REFUND	SouthCoast, Batangas	DSHUD R4	non-docketed		**For filing of Response; Full Refund delivered.**
12	**MARIA LUISA APOSTOL**	WAIVER OF INTEREST	Summerhills, Antipolo	DSHUD R4	non-docketed		**For filing of Response; Waiver of interest**

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

	CASE TITLE	**NATURE OF CASES**	**PROPERTY INVOLVED**	**PENDING COURT**	**CASE NO.**	**STATUS**
1	**DOMINADOR TAN VS. EXEQUIEL D. ROBLES AND SLRDI**	Recovery of ownership and possession with application for the issuance of a temporary order and/or preliminary injunction ***Date Instituted: March 26, 2013***	Portion of SOUTH SPRING	RTC, Binan, Laguna	Civil Case No. B-9022	**FOR DISMISSAL** **ON GOING JV NEGOTIATION**

		HANDLED BY: ATTY. CRYSTAL I. PRADO				
2	**LA MIRADA ROYALE RESIDENTIAL I,II,III,IV AND V VS. VICENTE R. SANTOS AND LA MIRADA ROYALE RESIDENTIAL ASSOCIATION**	CANCELLATION OF CERTIFICATES OF REGISTRATION ***Date Instituted: August 22, 2013*** ***HANDLED BY: ATTY. JERRY B. DELA CRUZ***	LA MIRADA	HLURB QUEZON CITY	HLURB CASE NO. NTR-HOA-082213-575	**FILED APPEAL MEMORANDUM AT OP** **PENDING**
3	**BAYBREEZE EXECUTIVE VILLAGE HOMEOWNERS ASS. VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI**	Development ***Date Instituted: November 26, 2013*** ***HANDLED BY: ATTY. JERRY B. DELA CRUZ***	BAYBREEZE	OFFICE OF THE PRESIDENT	HLURB CASE NO. NCRHOA-112613-1932	**FILED APPEAL MEMORANDUM AT OP** **PENDING**
4	**ROSALINA HONRADO VS. EXEQUIEL D. ROBLES, ET., AL. AND SLRDI**	Pay the decreased in area and/or lot replacement ***Date Instituted: August 12, 2014*** ***HANDLED BY: ATTY. EDINBURGH P. TUMURAN***	ORCHARD RES. Phase 02 Block 12 Lot 60	HLURB Calamba, Laguna	RIV-081214-4114	**FILED MOTION TO DISMISSED September 15, 2014** **PENDING**
5	**PTOLYME DIMENSIONS INC AND SIAPORE MICRO VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI, EAGLERIDGE AND RS**	Fraudulent Machination, unsound business practice, election of HOA officers, Annulment of property management contract, quo warranto with prayer for the issuance of a cease and	EAGLE RIDGE	OFFICE OF THE PRESIDENT	HLURB CASE NO. RIV-041315-0741	**FILED APPEAL MEMORANDUM AT OP** **PENDING**

		desist order/application for temporary restraining order and or writ of preliminary injuction ***Date Instituted: April 13,, 2015*** ***HANDLED BY: ATTY. JERRY B. DELA CRUZ (RS) ATTY. EDINBURGH P. TUMURAN (SLRDI) ATTY. GLEN E. DARADAL (EAGLE RIDGE)***				
6	**GRACE PENDON ET., AL.. VS. EXEQUIEL D. ROBLES ET., AL.**	HUMAN RIGHTS ***Summons received on: July 01, 2015*** ***HANDLED BY: ATTY. AQUINO MARTIN V. NILLO***	RIZAL TECHNOPARK	CHR QUEZON CITY	CHR NO. 2015-0217	**FILED COUNTER-AFFIDAVIT** **PENDING**
7	**VISTA VERDE COUNTRY HOMES VS. EXEQUIEL D. ROBLES, JOHNIELLE KEITH NIETO**	VIOLATION OF SEC. 3 (A) GRAVE MISCONDUCT OPPRESSION AND CONDUCT PREJUDICIAL TO THE BEST INTEREST PF THE SERVICE ***Summons received on: July 30, 2015*** ***HANDLED BY: ATTY. AQUINO MARTIN V. NILLO***	VISTA VERDE COUNTRY HOME	OFFICE OF THE OMBUDSMAN	OMB-L-C-15-0169	**DISMISSED** **WITH APPEAL AT SC** **FILED COMMENT**

8	**RENATO CABILZO VS. EXEQUIEL D. ROBLES VICENTE R. SANTOS MARIZA SANTOS-TAN EXALTACION R. JOSEPH FELIZARDO R. SANTOS ANTONIO D. ROBLES LIBERATO D. ROBLES**	OTHER DECEITS SYNDICATED ESTAFA LARGE SCALE ESTAFA ***Date Instituted: September 18, 2015*** ***HANDLED BY: ATTY. EDINBURGH P. TUMURAN***	ACROPOLIS MANDALUYONG B 5 L4, 5, 6	DOJ MANILA	XV-1-INV-151-02516	**DISMISSED WITH APPEAL AT DOJ**
9	**SPS. MARTIN ERICSON CRUEL AND CZARINA CRUEL VS. MARIZA SANTOS-TAN, SLRDI**	*Specific Performance* ***Date Instituted: December 23, 2015*** ***HANDLED BY: ATTY. Z19 S. JAVIER***	VALLEY VIEW EXEC. P 1C B 2 L 12	HLURB QUEZON CITY	REM-122315-15873	**PENDING**
10	**CLOVIS RANCHO, AMADO JOSE GARCIA ET., AL. VS. EXEQUIEL D. ROBLES, MARIZA SANTOS-TAN, VICENTE R. SANTOS ET.AL.**	*Violation of PD 957 And Art. 318 of RPC* ***ASSISTED BY: ATTY. EDINBURGH P. TUMURAN***	ROYALE CEBU ESTATE	PROSECUTORS OFFICE OF CEBU	I.S. NO. VII-INV-16G-0925	**FILED COUNTER AFFIDAVIT** **PENDING**
11	**TIMOTHY JASON PERALEJO VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS, MARIZA SANTOS-TAN, EXALTACION R. JOSEPH, LIBERATO D. ROBLES, FELIZARDO R. SANTOS, IGMIDIO D. ROBLES, LEODEGARIO R. SANTOS, AURORA D. ROBLES, ORESTES R. SANTOS, ROBERTO D. ROBLES,**	PD 957 ***Date Instituted: November 27, 2017*** ***HANDLED BY: ATTY. CRYSTAL I. PRADO***	VISTA REAL CLASSICA P UPM B 9 L 10	PROSECUTORS OFFICE OF QUEZON CITY	NPS XV-03-INV-17K-11187	**DISMISSED (JUNE 2018)** **FILED PETITION FOR REVIEW AT DOJ**

	DOMINGA R. ROBLES, ANTONIO D. ROBLES, ANDREA R. ANDRES,					
12	**JERRY GALOPE VS. EXEQUIEL D. ROBLES, SLRDI, ET., AL.**	*Quieting of Title* ***Date Instituted: April 20, 2016*** ***HANDLED BY: ATTY. Z19 S. JAVIER***	MEADOWOOD CAVITE	REGIONAL TRIAL COURT BR. 19 BACOOR, CAVITE	BSC-2016-04	**FILED ANSWER JULY 06, 2018** **WITH MOTION TO SET PRE-TRIAL** **PENDING**
13	**DEPT. OF AGRARIAN REFORM/PROVINCIAL TASK FORCE VS. EXEQUIEL D. ROBLES, IGMIDIO D. ROBLES, ET., AL.**	*Section 73, RA 6657 as Amended 25 of RA 9700* ***Date Instituted: June 20, 2018*** ***HANDLED BY: ATTY. CRYSTAL I. PRADO***	BLUEMOUNTAIN ANTIPOLO	PROSECUTORS OFFICE OF ANTIPOLO	XV-01-INV-18F-00688	**DISMISSED (OCT. 2018)** **FILED MR**
14	**RUSSEL MIRAFLOR VS. EXEQUIEL D. ROBLES, ET., AL.**	*Estafa* ***Date Instituted: June 13, 2018*** ***HANDLED BY: ATTY. EDINBURGH P. TUMURAN***	VISTA VERDE QUEZON P 2 B 41 L 35	PROSECUTORS OFFICE OF LUCENA	NPS-IV-16-INV-12E-00232	**FILED COUNTER AFFIDAVIT AUG. 2018**
15	**CECILIA CORDERO VS. EXEQUIEL D. ROBLES**	*Violation of Sections 4 & 5 in rel to Sec. 39 of PD 957* ***Complaint received on: Oct. 13, 2014*** ***HANDLED BY: ATTY. CRYSTAL I. PRADO***	PONTE VERDE BATANGAS P5 B7 L12	PROSECUTORS OFFICE OF TANAUAN	NPSD NO. IV-02-INV-171-01384	**DISMISSED MARCH 2018** **FILED PETITION FOR REVIEW AT DOJ**
16	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL.**	*Injunction with prayer for Issuance of preliminary Injunction and/or Temporary*		REGIONAL TRIAL COURT BR. 215 QUEZON CITY	R-QZN-18-04305-CV	**FILED COMMENT/OPPOSITION**

		Restraining Order (TRO) ***HANDLED BY: ATTY. CRYSTAL I. PRADO***				
17	**MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS AND LIBERATO D. ROBLES, ET., AL.**	Syndicated Estafa ***HANDLED BY: ATTY. CRYSTAL I. PRADO***		PROSECUTORS OFFICE OF QUEZON CITY	XV-03-INV-18F-05949	**DISMISSED (NOV. 2018)** **FILED PETITION FOR REVIEW AT DOJ**
18	**ROMEO LADANO VS. DENNIS BELMONTE EUFEMIA ABEDES EXEQUIEL ROBLES IGMIDIO ROBLES**	Malicious Mischief ***Complaint received on: Jan. 23, 2018*** ***HANDLED BY: ATTY. CRYSTAL I. PRADO***	BLUEMOUNTAIN ANTIPOLO	PROSECUTORS OFFICE OF ANTIPOLO	XV-01-INV-17J-01001	**DISMISSED** **WITH MR**
19	**NELSON ZAPEDA VS. EXEQUIEL D. ROBLES**	Estafa ***HANDLED BY: ATTY. EDINBURGH P. TUMURAN***	GREENWOODS TAYTAY	NATIONAL BUREAU OF INVESTIGATION Manila	NBI-CCN-C-18-06295	**ON GOING INVESTIGATION**

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.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for the matters taken up during the Annual Meeting Stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

5.1 Market Information

The principal market of the common equity of the Registrant is the Philippine Stock Exchange, Inc. (PSE). The table below sets out, for the periods indicated, the high and low sales prices for the Company's common shares, as reported on the PSE forth the market prices of the common shares in 2021, 2020, 2019 and 2018.

2021

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	15 Jan./P2.68	25 Jun./P3.55	15 Jul./P3.31	26 Aug./P3.09
LOW	07 Jan./P1.92	14 Apr./P2.20	26 Jul./P2.56	02 Aug./P2.59

2020

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	28 Jan./P2.58	02 Apr./P2.04	08 Sept./P2.00	07 Dec./P2.28
LOW	23 Mar./P1.83	02 Jun./P1.79	19 Aug./P1.70	05 Nov./P1.81

2019

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	06 Mar./P1.65	13 Jun./P2.08	19 Aug./P2.73	08 Oct./P2.80
LOW	02 Jan./P1.24	22 Apr./P1.51	01 Jul./P1.88	20 Dec./P2.32

2018

	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	23 Jan./P1.06	09 May/P1.17	04 Sept./P1.22	11 Dec./P1.27
LOW	26 Mar./P0.98	02 Apr./P0.98	12 Jul./P1.03	03 Oct./P1.07

As of December 29, 2021, the closing price of the Company's common shares was ₱ 2.88 per share with a total market capitalization of ₱ 23,605 million.

5.2 Holders

Based on the 31 December 2021 List of Stockholders prepared by the Registrant's Stock and Transfer Agent, PROFESSIONAL STOCK TRANSFER, INC., the Registrant has two hundred sixty five (265) shareholders of common shares, of which the top 20 shareholders are as follows:

TOP TWENTY STOCKHOLDERS
As of 31 December 2021

RANK	NAME	TOTAL SHARES	PERCENT
1	STA. LUCIA REALTY & DEVELOPMENT, INC.	6,701,005,767	81.7550%
2	PCD NOMINEE CORPORATION	1,467,197,607	17.9004%
3	LUGOD, BERNARD D.	10,000,000	0.1220%
4	DELA CRUZ, THOMAS EDWIN M.	10,000,000	0.1220%
5	CITISECURITIES, INC.	3,250,000	0.0397%
6	EBE CAPITAL HOLDINGS, INC.	1,535,000	0.0187%
7	ROBLES, EXEQUIEL	712,500	0.0087%
8	SANTOS, VICENTE	712,494	0.0087%
9	LIMTONG, JULIE H.	400,000	0.0049%
10	FRANCISCO ORTIGAS SEC., INC.	365,000	0.0045%
11	TAN, PEDRO O.	278,050	0.0034%
12	ASA COLOR & CHEMICAL INDUSTRIES, INC.	182,774	0.0022%
13	G & L SECURITIES CO., INC.	70,000	0.0009%
14	VALDEZ, AMBROSIO &/OR FELISA VALDEZ	50,000	0.0006%
15	LIMTONG, ANTHONY FRANCIS H.	40,000	0.0005%
16	LIMTONG, GAIL MAUREEN H.	40,000	0.0005%
17	LIMTONG, HARRY JAMES H.	40,000	0.0005%
18	LIMTONG, JOHN PATRICK H.	40,000	0.0005%
19	LIMTONG, JULIE ANN KRISHA H.	40,000	0.0005%
20	SUN HUNG KAI SECURITIES (PHILS.), INC.	30,000	0.0004%

Total Outstanding Shares as of December 31, 2021 - 8,196,450,000.

5.3 Dividends

In 2021, SLI declared a special cash dividend to all stockholders of record as of December 23, 2021 in the amount of Php0.04 per share. Payment date was set on December 27, 2021.

No cash dividends were declared for fiscal years 2019 and 2020.

The Company's current dividend policy provides for dividends of up to 25% of the prior fiscal year's net income after tax, subject to (i) the availability of Unrestricted Retained Earnings, (ii) implementation of business plans, (iii) contractual obligations, (iv) working capital requirements, and (v) the approval of the Board. The declaration and payment of dividends is subject to compliance annually or as often as the Board of Directors may deem appropriate, in cash or in kind and/or in additional shares from its surplus profits. The ability of the Company to pay dividends will depend on its retained earnings level and financial condition.

None of the Subsidiaries have declared dividends in the last three years and none have any set dividend policy.

5.4 Recent Sale of Unregistered Securities

In the past three (3) years, the Company entered into the following transactions exempt from the registration requirements of the Securities and Regulation Code ("SRC"):

- On March 19, 2018, the Company issued seven-year Corporate Notes totaling ₱ 5.00 billion with the Lead Underwriter as the Sole Arranger and Bookrunner. The notes were sold to Primary Institutional Lenders not exceeding 19. The offer price was 100%. As the notes were offered exclusively to Primary Institutional Lenders in the Philippines, the transactions were considered exempt transactions pursuant to Section 10.1 of the SRC and Rule 10.1.4 of the IRRs, and no notice of exemption from the registration requirements under the SRC and IRRs is required to be filed with the SEC.

- On March 15, 2021, the Company issued three- and five- year Corporate Notes totaling ₱ 7.00 billion, consisting of:

  1. Tranche A Notes amounting to ₱ 3.70 billion and having a maturity of three (3) years from issue date;
  2. Tranche B Notes amounting to ₱ 3.30 billion and having a maturity of five (5) years from issue date.

On March 30, 2021 and May 25, 2021, the Company issued ₱ 1.00 billion Tranche B Notes and ₱ 1.90 billion Tranche A Notes, respectively. RCBC Capital Corporation was the Lead Arranger and Sole Bookrunner. The offer price was 100%. As the notes were offered exclusively to Primary Institutional Lenders in the Philippines, the transactions were considered exempt transactions pursuant to Section 10.1 of the SRC and Rule 10.1.4 of the IRRs, and no notice of exemption from the registration requirements under the SRC and IRRs is required to be filed with the SEC.

Apart from the foregoing, there are no recent sales of unregistered or exempt securities.

ITEM 6: MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

COMPARISON: YEAR END 2021 VS. YEAR END 2020

RESULTS OF OPERATIONS

Overview of Operations

The Group had been resilient with the effect of the covid-19 pandemic recording an astounding increase in its financial performance during the period. Having a project portfolio of which concentration were mainly located in the fringes outside Metro Manila, the Group has experienced a significant increase in revenue generation evidenced by the remarkable increase in real estate sales of 27% from the previous year.

The shift in the new work set-up arrangements had increased the demand of properties outside the central business districts, as a result, this significantly increased the property values outside Metro Manila and directly benefiting the Group's project portfolio. This has eventually contributed to the remarkable increase in financial performance of the Group in the current period.

Revenue

Increase in property values outside Metro Manila as result of the increase in demand have boosted the real estate sales of the Group during the period. Real estate sales for the period was increased by 27% or ₱1,444 million as compared the previous year. The shift in a more relaxed quarantine restriction has opened up an extensive operation to the Group's sales and marketing team contributing to the increase in real estate sales. The increase in real estate sales have also directly affected the revenue recognized from commission income and interest income from in-house financing. Commission income during the period recorded a 55% or ₱50 million increase comparing to the previous period. Interest income increased by 8% or ₱40 million as compared to the previous period. Other income, consisting of gains from repossession of inventory, penalties and surcharges and other miscellaneous income increased by 15% or ₱53 million during the period. Despite the experienced increase with the major revenue stream of the Group, its commercial operation experienced a 13% or ₱69 million decrease in 2021. The decrease was primarily due to the rental concessions granted by the Group it is tenants to help them as well as to ease the negative impact brought about by the covid-19 pandemic.

Cost and Expense

Total cost and expense recognized during 2021 totaled ₱5,530 million. This amount represents a 7% increase comparing to the 2020 amount of ₱5,145 million. Total selling and administrative expenses increased by 39% or ₱416 million. The increase was primarily due to the increased in commission expense brought about by the increase in real estate sales recognized during the year. Commission expense increased by 28% or ₱175 million during 2021. Given that despite the presence of risks due to the pandemic, the Group managed to raise more funds from the debt market resulting to a 6% or ₱58 million increase in interest expense. Overall, the shift to the more relaxed quarantine restrictions opened up most of the Group operations contributing to the increase in the cost and expense recognized during the period.

Net Income

Directly benefiting from the increase in property prices outside Metro Manila and the increase in demands of properties situated in the fringes, the Group's net income increased by a whooping 66% ₱1,132 million during the period.

PROJECT AND CAPITAL EXPENDITURES

During the period, the Group apportioned ₱5,958 million for project and capital expenditures as the Group wants to captures the growing demand for real estate. Part of the allotted amount, ₱1,114 million were incurred to acquire raw lands for future developments and expansions of its existing horizontal and vertical projects. In line with its existing growth model, the Group will remain focused on its core strength of developing horizontal properties with residential and commercial components. Coping up and meeting the increasing demands in properties especially in areas located outside the Metro, the Group will continue its massive expansions which will be financed primarily through internally generated funds and its increased access to the debt and capital markets.

FINANCIAL CONDITION

Assets

The Group's total assets in 2021 increased to ₱51,993 million from ₱45,786 in 2020. This represents a significant 14% or ₱6,207 increase from its current year's performance. The increase was primarily due to the recognized real estate sales contributing a 55% or ₱2,115 million increase in receivables arising from the sales. Also, during 2021, as evidence by the 107% or ₱1,004 million increase in cash and 16% or ₱3,974 million increase in inventories, the Group has taken significant borrowings in the debt market to increase its liquidity and support the on-going project expansions throughout the country. With the availability of adequate amount of cash to support the Group's operations and massive project developments, the financial position of the Company took off and had experienced a significant increase in during the period.

Liabilities

To maintain the strong liquidity position and to continuously support the massive project developments and land banking activities of the Group, it has maximized its access to the debt market by raising a ₱7,000 million worth of Corporate Notes that was used to pay-out the more expensive long term and short term loans outstanding in 2021 giving way to a more relaxed cash position. Total liabilities of the Group during 2021 totaled ₱31,922 million. The amount represents a 32% or ₱3,834 million increase from 2020 balance. Accounts and other payables increased by 26% or ₱1,345 million from 2020. Short term borrowings also increased by 39% or ₱2,376 million.

Equity

Total stockholders' equity increased by 13% or ₱2,374 million in 2021. This was due to the significant increase in net income experienced during the year. It is also during the year that the Group declared its first special cash dividends of ₱0.04 per share.

Key Performance Indicators

	31-Dec-21	**31-Dec-20**
Current Ratio	**2.03**	**2.01**
Debt to Equity	**0.96**	**0.97**
Interest Coverage Ratio	**333.99%**	**341.52%**
Return on Asset	**5.46%**	**3.73%**
Return on Equity	**14.15%**	**9.65%**

*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 2021.

Material Changes in the Balance Sheet (+/- 5%) as of December 31, 2021 versus the Balance Sheet as of December 31, 2020

107% increase in cash and cash equivalents
The increase in cash and cash equivalents was primarily due to the Group's action in the debt market to maintain a strong liquidity position. Also, the Group has put up more payment channel making it more possible to increase its collections to its existing receivables from real estate sales.

13% decrease in receivables
The decrease in receivables was due to the increase in collections that the Group experienced as it had set up more available payment channels to its buyers. This includes the collections through bill payments and other option made available during the pandemic.

22% decrease in current portion of contract assets
The decrease in the current portion of contract assets was due to the increase in collections that the Group experienced from completed projects during the period.

16% increase in real estate inventories
With the availability of cash to support the Group's operation, significant amount of capital expenditures was deployed for the project developments and land banking activities increasing the amount real estate inventories during the periods.

11% decrease in other current assets
The decrease was primarily due to the transfer of advances to land owners arising from land acquisitions which was initially recognized as other receivables as the contracts are yet to be executed. Once executed the receivable are then transfer as part of the Group's real estate inventories.

84% increase in noncurrent portion of installment contract receivables
Increase in the noncurrent portion of installment receivables was primarily due to the increase in real estate sales especially from the project that are still under development.

174% increase in noncurrent portion of contract assets
Increase in the noncurrent portion of contract assets was primarily due to the increase in real estate sales especially from the completed projects of the Group.

9% decrease in property and equipment
Decrease in the carrying value of property and equipment were result of continuous lapsing recorded in the books. Less capital expenditures were allocated in acquisition of property and equipment for the Group's operations.

17% decrease in financial assets at fair value through other comprehensive income
Still with the effect of pandemic, fair value of most investments declines during 2021. Fair market value of financial assets held by the Group decreased in 2021.

228% increase in pension assets
With the continuous increase in the number of employees of the Group, pension asset contribution was directly affected. The increase in the amount of pension asset was due to the increase in contribution paid during the period.

34% increase in other noncurrent assets
As the Group has increased its deployment of available cash for capital expenditures, increase in advances to contractors were recognized during the period increasing the balance reported for other non-current assets.

26% increase in accounts and other payables
The mobilization of major project development activities and expansions on existing properties of the Group had contributed to the increase in accounts and other payables. The volume of billings received from contractors and suppliers increased during the period.

39% increase in short term debts
Striving to maintain a strong liquidity position and to benefit with the low interest rates for the period, the Group maximized its access to the debt markets for additional source of funding, increasing its short-term borrowings in 2021.

34% decrease in contract liabilities - current
Advance collections which was initially recorded as liabilities from buyers whose properties are yet to be developed were already recognized as income since there is already an increase in project development accomplishments during the period.

40% decrease in long term debts - current portion
During 2021, the Group managed to raise a ₱7,000 million worth of corporate notes. The proceeds of which was used pay the ₱2,000 million bonds matured during the period and to pre-term more expensive loans, part of which was the 7-year ₱5,000 million corporate notes whose portion of its principal amounts were already falling due.

13% increase in income tax payable
Increase in net income during the period increases the amount of tax liabilities. Netted with the payments made during 2021 attributable tax liabilities increased during the period.

13% increase in long term debts - noncurrent portion
The increase in non-current portion of long term debts was primarily due to the ₱7,000 million corporate notes raised during 2021.

32% increase in deferred tax liabilities-net
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

276% increase in contract liabilities – noncurrent
The increase was primarily attributable to the increase in real estate sales recognized during the period especially from new project launches. Percentage of collected amounts exceeds the actual accomplishments from these projects thus, resulting to recognition of contract liabilities.

32% increase in retained earnings

Increase was mainly attributable to the remarkable revenue generation of the Group despite the declared dividends during the period. Net income during the period significantly increased comparing to the same period last year.

38% decrease in unrealized gain on fair value of available-for-sale financial assets
Decrease was due to the decline in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.

346% increase in unrealized gain on pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary.

Material Changes in the Income Statement (+/- 5%) for the year ended December 31, 2021 versus the Income Statement for the year ended December 31, 2020

27% increase in real estate sales
Increase in the demand of properties outside Metro Manila have increased property values boosting the recognized real estate sales of the Group during the period.

13% decrease in rental income
Decrease in rental income was primarily due to the rental concessions granted by the Group to the retail operators on its commercial properties. The rental concessions were granted to ease the negative impact brought about by the covid-19 pandemic.

8% increase in interest income
Paralleled with the trend of real estate sales during the year, increase in interest income during the year was recognized.

55% increase in commission income
The increase in commission income was directly attributable to the increase in recognized real estate sales during 2021.

5% decrease in dividend income
Directly attributed to the dividends declared from the Group's investment in Philippine Racing Inc. and Manila Jockey Club Inc., there was a lower dividend pay-out during the period.

15% increase in other income
Increase is a result of booking of surcharges and penalties from customer's default on payment, income from hotel operations and gains from repossession.

28% increase in commission
Paralleled with the increase in real estate sales recognized during the period, commission expense increased during the period.

84% increase in taxes, licenses and fees
The increase was primarily attributable to the increase in real property taxes paid during the period arising from project developments and acquisition of raw lands for land banking activities.

17% increase in salaries, wages and other benefits
The increase was primarily due to the extended hiring activities of the Group to address the manpower needs in the increasing business operations. Also, increase can be attributed to the salary adjustments made during the period.

9% decrease in advertising

Considering that the increase in property demands outside Metro Manila was purely a direct effect of the shift in work arrangement set up some companies, promotional and other advertising activities remained as usual thus, a decrease in expense was noted during period.

76% increase in professional fees
External parties were sought into during 2021 to support the implemented fund-raising activities which resulted to increasing the recognized professional fees.

35% increase in utilities
The shift to a more relaxed quarantine restrictions has opened up more business operating activities increasing expenses for utilities.

19% decrease in depreciation and amortization
With less acquisition of properties and equipment for business operation support, less depreciation was recognized during the period.

50% increase in representation
The increase was attributable to the increase project development activities and acquisition of raw land for land banking activities.

109% increase in repairs and maintenance
The increase in the number of projects already completed but not yet turned over to homeowners' associations and Condominium Corporations significantly increased the incurrence of expenses related to repairs and maintenance for its upkeep.

503% increase in expected credit losses
With the deferment of some of the collections due to the implemented extension of payment terms, the Group recognized additional risk of non-collection, thus increasing its recognized expected credit losses for 2021.

6% increase in interest expense
With the maximization of the access to the debt market to maintain good liquidity position, increase in availment of long-term and short-term loans contributed to the increase in the recognized interest expense during the period.

<u>COMPARISON: YEAR END 2020 VS. YEAR END 2019</u>

RESULTS OF OPERATIONS

<u>Overview of Operations</u>

The Group started the year continuing the growth momentum in 2019 reporting higher revenues and net income. However, with the pandemic, it slowed down sales and halted the commercial operations resulting contraction in the numbers initially projected and anticipated. With its yield management efforts to cope with the contraction, the Group had managed to sustain a net income margin of 25% for 2020.

<u>Revenue</u>

The pandemic significantly affected the real estate market sector. The gross revenue of the Group was decreased by 12% or ₱837 million during the year. Government imposed restrictions in response to the pandemic has resulted to slowing down of operations thus decreasing the reservation sales and resulting to a 8% decline in real estate sales revenue amounting to ₱488 million in 2020. Interest income also posted a decline of ₱167 million in 2020. Retail operations were also severely hit as majority of establishments were closed. Rental payments were also waived during the Enhanced Community Quarantine. Reduced foot traffic resulted to decrease in rental revenue of almost 41% or ₱364 million in 2020. Other income, which is mostly consist of gains from repossession of inventory as well as from penalties and surcharges increased by 21% or ₱61 million in 2020.

Cost and Expense

The temporary halt of the majority of the Group's operation from the community quarantine restrictions resulted to decrease in total recognized expenses in 2020 amounting to ₱929 million or a 15% decrease from the total year expense of ₱6,074 million in 2019. Commission expense was down by 10% parallel with the lower real estate sales during the period. Selling and administrative expenses declined to ₱1,067 million or 15% lower than last year. Attributable cost for the commercial operations was also down by 33% a result of the given limited retail operations.

Net Income

Considering the yield management efforts of the Group in anticipation of the impact of pandemic to its performance, margins were sustained and the cost of operations was effectively managed despite the slowdown of the sales and decline in other sources of income. Net income was maintained at ₱1,708 million after tax in 2020.

PROJECT AND CAPITAL EXPENDITURES

The Group apportioned P5,211 million for project and capital expenditures as the Group wants to captures the growing demand for real estate. A bold move from the Group to become the country's leading real estate company not in sheer size but in ways more meaningful quality projects, quality business plans, grow, returns and innovation. The amount is accounted for the continuous development of the Registrant's existing residential and commercial projects and finance newly developed projects. As part of its growth strategy, the Group acquired raw lands for new residential and condominium project developments amounting to P1,377 million for the year 2020.

FINANCIAL CONDITION

Assets

The Group's total assets stood strong at ₱45,786 million during the year. This represents a 13% increase from the 2019 balance of ₱40,352 million. Outstanding receivables increased by almost 48% as a result of the deferment of some collections due to the implemented extension of payment terms and the passing of the Bayanihan Act. Given the decline in real estate sales, the Group continued its project development activities that resulted to an increase in real estate inventory balance of 14% from the previous year amounting to ₱3,061 million. Real estate inventory balance amounted to ₱24,931 million in 2020.

Liabilities

As the Group strived to maintain a strong liquidity position amidst lower cash inflows from operations, it maximized its access to the debt markets for additional source of funding. Total liabilities for 2020 amounted to ₱28,088 million. This amount represents a 16% increase from the previous year's reported total liabilities of ₱24,238 million. Majority of the borrowings were availed through short term loans. As a result, short term debts grew by almost 75%, from ₱3,521 million in 2019 to ₱6,149 million in 2020. Accounts and other payables amounted to ₱5,408 million, increased by 13% from ₱4,874 million in 2019. Total contract liabilities arising from real estate sales grew by ₱514 million or 15% from 2019 reported amount. Deferred tax liabilities also increased by ₱488 million or 51%.

Equity

Total stockholders' equity increased by ₱1,584 million in 2020 generated from the net income during the year amounting to ₱1,708 million. Financial assets measured at fair through other comprehensive income decrease by ₱124 million.

Key Performance Indicators

	31-Dec-20	31-Dec-19
Current Ratio	**2.01**	**2.67**
Debt to Equity	**0.97**	**0.93**
Interest Coverage Ratio	**341.52%**	**274.35%**
Return on Asset	**3.73%**	**4.30%**
Return on Equity	**9.65%**	**10.77%**

*Notes to Key Performance Indicators:

6. 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*).
7. Debt to Equity = Total debt over shareholder's equity.
8. Interest Coverage Ratio = Earnings before tax over Interest expense.
9. Return on Asset = Net Income over Total Assets.
10. 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 2020.

Material Changes in the Balance Sheet (+/- 5%) as of December 31, 2020 versus the Balance Sheet as of December 31, 2019

48% increase in receivables
Increase in receivables is primarily attributable to the deferment of some collection due to the implemented extension of payment terms and the passing of Bayanihan Act.

16% increase in current portion of contract assets
Majority of the real estate sales for 2020 are from buyers preferring installment term as mode of payments for their purchase. This has resulted to an increase in contract assets reported in during the year.

14% increase in real estate inventories
Despite the temporary halt of majority of the operations of the Group, it continued its project development activities resulting to increase in the real estate inventories for 2020.

14% increase in other current assets
This consists of increased advances made to contractors and marketing arms contracted by the Group to boost its project developments and sale of its property.

85% increase in noncurrent portion of installment contract receivables
Increase in this receivable is primarily attributable to the deferment of some collection due to the implemented extension of payment terms and the passing of Bayanihan Act.

22% decrease in noncurrent portion of contract assets
Majority of the reported noncurrent portion of contract assets arising from real estate sales are reclassified to current contract assets as these items falls due within 12 months.

7% decrease in property and equipment
As the Group has experienced a temporary halt and slow down of operations during 2020, there are lesser assets acquired in 2020 as compared to the previous year to support its operations.

13% decrease in financial assets at fair value through other comprehensive income
With the effect of pandemic, fair value of most investments decline in 2020. Fair market value of financial assets held by the Group decreased in 2020.

27% increase in other noncurrent assets
As project development activities were continued despite the halt and slow down of other operating activities of Group, increase in the amount of advances made to contractors was posted during the year.

75% increase in short term debts
As the Group strived to maintain a strong liquidity position amidst lower cash inflows from operations, it maximized its access to the debt markets for additional source of funding, increasing its short term borrowings by 75% in 2020.

13% increase in accounts and other payables
Primarily due to the procurement of raw land to be used in project developments under installment payment schemes and billings from contractors that is not due for payment.

76% increase in income tax payable
Directly related to the recognized revenue for year 2020.

18% increase in contract liabilities - current
Attributable to increase in reservation fees and collection of down payments from sale of real estate lots during 2020.

548% increase in long term debts - current portion
The increase was primarily attributable to the P2billion bonds payables falling due in March 2021, as well as some portion of the principal of the outstanding corporate notes of the Group.

27% decrease in long term debts - noncurrent portion
The decrease was primarily attributable to the P2billion bonds payables falling due in March 2021, as well as some portion of the principal of the outstanding corporate notes of the Group.

9% increase in contract liabilities – noncurrent
Attributable to increase in reservation fees and collection of down payments from sale of real estate lots during 2020.

100% decrease in pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary. The Group had made excess contribution that arises the recognition of pension asset.

51% increase in deferred tax liabilities-net
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

28% increase in retained earnings
Increase was mainly attributable to the recognized net income during the period.

26% decrease in unrealized gain on fair value of available-for-sale financial assets
Decrease was due to the decline in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.

107% increase in unrealized gain on pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary.

Material Changes in the Income Statement (+/- 5%) for the year ended December 31, 2020 versus the Income Statement for the year ended December 31, 2019

8% decrease in real estate sales
With the effect of pandemic, the Group had experienced temporary halt and slowing down of majority of its operations, thus real estate sales decreased during the period. In general, the pandemic had impacted the real estate sector, decreasing demands in real estate properties in 2020.

40% decrease in rental income
Retail operations were severely hit as majority of establishments were closed. Rental payments were also waived during the Enhanced Community Quarantine. Reduced foot traffic resulted to decrease in rental revenue.

26% decrease in interest income
Paralleled with the decrease in real estate sales during the year, interest income posted the same trend as it is directly attributed to.

62% increase in dividend income
Increase is directly attributed to the dividends declared from the Group's investment in Philippine Racing Inc. and Manila Jockey Club Inc.

15% increase in other income
Increase is a result of booking of surcharges / penalties from customer's default on payment, income from hotel operations and gains from repossession.

24% decrease in cost of real estate sales
Decrease in real estate sales directly affects the recognized cost of sales.

33% decrease in cost of rental income
Temporary halt of the commercial operations were experienced during the ECQ, thus attributable cost to operate also decreased. Further, only those tenants whose offering essentials products and services were allowed to operate. Depending on the quarantine protocols only limited number of tenants continued its operations during the period.

10% decrease in commission
Paralleled with the decrease in real estate sales during the year, commission expense posted the same trend as it is directly attributed to.

36% decrease in advertising
The temporary halt and slow down of majority of the Group's operations has resulted to lower selling and administrative expenses incurred during the period.

31% decrease in representation
The temporary halt and slow down of majority of the Group's operations has resulted to lower selling and administrative expenses incurred during the period.

35% decrease in repairs and maintenance

The temporary halt and slow down of majority of the Group's operations has resulted to lower selling and administrative expenses incurred during the period.

6% decrease in depreciation
The temporary halt and slow down of majority of the Group's operations has resulted to lower selling and administrative expenses incurred during the period.

62% decrease in professional fees
The temporary halt and slow down of majority of the Group's operations has resulted to lower selling and administrative expenses incurred during the period.

54% decrease in utilities
The temporary halt and slow down of majority of the Group's operations has resulted to lower selling and administrative expenses incurred during the period.

19% decrease in miscellaneous expense
The temporary halt and slow down of majority of the Group's operations has resulted to lower selling and administrative expenses incurred during the period.

27% increase in expected credit losses
With the deferment of some of the collections due to the implemented extension of payment terms, the Group recognized additional risk of non-collection, thus increasing its recognized expected credit losses for 2020.

12% increase in interest expense
With the maximization of tapping the debt market to maintain good liquidity position, increase in availment of short term loans also increased the interest expense during the period.

COMPARISON: YEAR END 2019 VS. YEAR END 2018

RESULTS OF OPERATIONS

Overview of Operations

With the growing demand for real estate and the Group's dedication to provide quality and excellence in its endeavor, the group achieved another milestone as a result of 94% surge in revenue for year 2019. Net income after tax increased to ₱1,736 million in 2019 from ₱1,065 million last year. Driven by aggressive development in its pipeline projects where the Group utilized ₱9,704 million for capital expenditure coupled with effective implementation of its extensive marketing efforts, real estate sales grew from ₱2,428 million in 2018 to ₱5,871 million in 2019. Rental revenue slightly increased to ₱898 million in 2019 from ₱859 million in 2018.

Revenue

Driven by strong demand for real estate, the Group was able to generate gross revenue of ₱5,871 million in 2019 from its real estate sales. Income from its leasing portfolio slightly increased by ₱40 million from ₱859 million recognized in 2018 due to minimal escalation rates in lease contracts. The Group expects to launch an office building in year 2020 which will add to its leasing portfolio. Extensive marketing strategies employed, more properties are sold and majority of the buyers opted for longer payment schemes resulting to increase in recognized interest income totaling to ₱647 million in 2019 as compared to ₱301 million in 2018. Other income also increased to ₱294 million in 2019 from ₱256 million in 2018.

Cost and Expense

Total expenses for the year amounted to ₱6,074 million, 105% higher than ₱2,967 million in 2018. Total expenses comprised of cost of sales amounting to ₱3,231 million, selling and administrative expenses amounting to ₱1,263 million, interest expense amounting to ₱886 million and income tax expense amounting to ₱695 million as compared to ₱1,513 million, ₱670 million, ₱707 million and ₱77 million, respectively.

Net Income

As the company seizes the growing demand of real estate, robust increase in net income after tax amounted to ₱671 million which translates to 63% increase from ₱1,065 million in 2018. Net income after tax amounts to ₱1,736 million.

PROJECT AND CAPITAL EXPENDITURES

The Group apportioned P9,704 million for project and capital expenditures as the Group wants to captures the growing demand for real estate. A bold move from the Group to become the country's leading real estate company not in sheer size but in ways more meaningful quality projects, quality business plans, grow, returns and innovation,. The amount is accounted for the continuous development of the Registrant's existing residential and commercial projects and finance newly developed projects. As part of its growth strategy, the Group acquired raw lands for new residential and condominium project developments amounting to P3,282 million for the year 2019.

FINANCIAL CONDITION

Assets

The Group's total assets increase to ₱40,352 million in 2019 from ₱34,716 million in 2017. The 16% increase is due to increase in receivables by ₱2,033 million which arises from buyers opting the installment payment scheme. Significant capital expenditure also causes the increase in total assets.

Investment property and other noncurrent assets increased by 9% and 67% or ₱443 million and ₱145 million, respectively due to construction of the new office building which is expected to be launched in 2020.

Liabilities

Total liabilities reported to be ₱24,238 million in 2019 compared to ₱20,262 million in 2018. The 20% increase is mainly attributable to the increase in contract liabilities, accounts payable, long term debt and deferred tax liabilities amounting to ₱1,395 million, ₱793 million, ₱999 million and ₱379 million, respectively. The increase in contract liabilities, previously recognized as customers' deposit, is due to more reservation fees and downpayment collected from sales of real estate.

Income tax payable also increased by 149% or ₱30 million in relation to revenue surge of 94%.

Equity

Total stockholders' equity increased by ₱1,660 million in 2019 due to increase in net income generated during the year amounting to ₱1,736 million. There was slight decrease in unrealized gain from investment in financial assets measured at fair through other comprehensive income amounting to ₱77 million.

Key Performance Indicators

	31-Dec-19	31-Dec-18
Current Ratio	**2.67**	**2.82**
Debt to Equity	**0.93**	**0.94**
Interest Coverage Ratio	**274.35%**	**161.61%**
Return on Asset	**4.30%**	**3.06%**
Return on Equity	**10.77%**	**7.37%**

*Notes to Key Performance Indicators:

11. 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*).
12. Debt to Equity = Total debt over shareholder's equity.
13. Interest Coverage Ratio = Earnings before tax over Interest expense.
14. Return on Asset = Net Income over Total Assets.
15. 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 2019.

Material Changes in the Balance Sheet (+/- 5%) as of December 31, 2019 versus the Balance Sheet as of December 31, 2018

15% decrease in cash
Decline in the balance of cash is directly attributable to aggressive development and expansion of pipeline projects and acquisition of raw lands to seize the growing demand for real estate

54% increase in receivables
The increase in receivables is directly attributed to the 142% surge in real estate sales due to strong demand and extensive marketing efforts.

20% increase in real estate inventories
Seizing the strong demand for real estate for 2019, the Group apportioned most of its capital in project developments and acquisition of raw lands, thus increasing the real estate inventory.

7% decrease in other current assets
This consists of increased advances made to contractors and marketing arms contracted by the Group to boost its project developments and sale of its property.

53% increase in noncurrent receivables
The increase in receivables is directly attributed to the 142% surge in real estate sales due to strong demand and extensive marketing efforts.

8% increase in investment property
The increase is a result of expansion of the Group's leasing portfolio thru the construction of a new office building expected to be launched in 2020.

32% increase in property and equipment
The increase is due to acquisition of new office equipment and vehicles for the Group's operation.

67% increase in other noncurrent assets

Mainly due to security deposits made by mall tenants and advances made to contractors for the construction of the new office building.

20% increase in accounts and other payables
Primarily due to the procurement of raw land to be used in project developments under installment payment schemes and billings from contractors that is not due for payment. Unearned processing fee for customers also added to the increase.

149% increase in income tax payable
Directly related to the increase in revenue for year 2019.

51% increase in contract liabilities - current
Attributable to increase in reservation fees and collection of down payments from sale of real estate lots.

10% increase in long term debts
The Group obtains some of its finances to fund and support its activities through availment of long-term loans.

821% increase in contract liabilities – noncurrent
Attributable to increase in reservation fees and collection of down payments from sale of real estate lots.

9% increase in pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary.

66% increase in deferred tax liabilities-net
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

14% decrease in unrealized gain on fair value of available-for-sale financial assets
Decrease was due to the decline in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.

26% decrease in unrealized gain on pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary.

Material Changes in the Income Statement (+/- 5%) for the year ended December 31, 2019 versus the Income Statement for the year ended December 31, 2018

142% increase in real estate sales
With the growing demand for real estate, the group achieved another milestone as a result of 142% surge in revenue for year 2019. The Group seized the strong demand by aggressive project development and launching of new projects to offer to the market.

5% increase in rental income
Slight increase was due to the minimal escalation rate in lease contract.

115% increase in interest income
Increase in sales significantly increased the recognized interest income during the year as more buyers opted to choose installment payment scheme.

48% decrease in commission income
The Group's marketing subsidiary focused on selling parent company's properties due to bulk increase from expansions and launching of new projects.

21% decrease in dividend income
Decrease is due to lower dividend declared from the Group's investment in Philippine Racing Inc. and Manila Jockey Club Inc.

15% increase in other income
Increase is a result of booking of surcharges / penalties from customer's default on payment, income from hotel operations and gains from repossession.

180% increase in cost of real estate sales
Attributed to the revenue surge from real estate sales.

112% increase in commissions
Commission of 12% of the contract price is paid to marketing arms for every sale made, thus, commission also increase relative to revenue surge.

41% increase in taxes, licenses and fees
Attributed to increase in real property taxes due to additions of new projects to the Group's real estate portfolio and increase in documentary stamp tax from execution of loan agreements. Procurement of permits and licenses also contributed to the increase.

81% increase in advertising
In the effort of the Group to increase real estate sales and seize the growing demand, the Group spends a considerable amount to market its existing products and introduce new projects.

27% increase in salaries, wages and other benefits
Due to growing and expanding operation, the Group hires additional employees to cater increased volume of transactions.

295% decrease in representation
Attributed to increase in transaction costs incurred in the growing operations of the Group.
87% increase in repairs and maintenance
Mainly attributable to increase in costs incurred for maintenance and further upkeep of condominiums, completed projects not yet turned over to home owners association and mall buildings.

103% increase in professional fees
The increase was mainly due to fees paid for property valuation, legal fees for the planned follow-on-offering and fees for actuarial valuation.

36% increase in depreciation and amortization
Increase was due to additions in property plant and equipment during the year.

100% increase in utilities
Increase is due to whole year recognition of utility expenses mainly for mall operation and comprised mostly of security, light, water and communication expenses

23% decrease in provision for expected credit losses
Reduction in management's estimate for expected credit losses is due to improved collectivity of receivables as observed from payment behavior of customers.

32% increase in miscellaneous expense
Increase is attributable to surcharges and penalties incurred in permits and license procurement, insurance, legal, office supplies, software maintenance and transportation expenses.

25% increase in interest expense

To maximize its operating capacity, the Group availed short and long terms loans during the year which consequently increased interest expense.

803% increase in provision for income tax
The increase is relative to revenue surge for year 2019 and increase in deferred tax liabilities.

Five (5) Key Performance Indicators

On Sales

The Registrant's marketing arms include:
1. Orchard Property Marketing Corp.
2. Royal Homes Marketing Corp
3. Asian Pacific Realty & Brokerage Corp.
4. Fil-Estate Group of Companies
5. Mega East Properties Inc.
6. Sta. Lucia Global Inc.
7. SantaLucia Ventures, Inc.

These marketing companies have been proven to be effective in carrying out the business plans of the Sta. Lucia Group. The combined sales force of these marketing units totals over 120,000, 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 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 2,197 hectares of residential, commercial and mixed use properties from the 26 properties infused by SLRDI. Moreover, the Company has additional joint venture and land acquisition projects that are executed since the inception 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 I

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. 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, 2020 and 2019, the Group has undrawn facilities amounting nil and nil, respectively. As part of the liquidity risk management, the Group is currently transacting with local banks for a longer term corporate notes and negotiation of higher undrawn credit lines to meet the debtors', suppliers' and contractors' obligations and business expansion.

At the Special Meeting of the Board of Directors of the Group held last February 17, 2018, wherein, subject to securing all required approvals under applicable laws, rules and regulations, the Group was authorized to negotiate and avail of a 10 year Corporate Note Facility with financial institutions, with a maximum of 19 investors, for an aggregate amount of P3,000.00 million and with an overallotment option of P2,000.00 million, for the pre-payment of existing obligations of the Group, strategic land banking, capital expenditures for ongoing and new projects, and general corporate purposes.
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.

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 P5,958 million in 2021. For 2022, the Registrant allocated less than P6,500 million for its capital expenditures, including P5,250 million for project development and P1,250 million for land acquisitions.

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

ITEM 7: FINANCIAL STATEMENTS

The audited consolidated financial statements are submitted herewith and can be found in the index portion.

ITEM 8: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On June 25, 2021, at the Annual Stockholders' Meeting, the Board agreed to retain SGV and Co. as the external auditor of the Registrant for the year 2020-2021. There are no disagreements with SGV & Co. on accounting and financial disclosure.

The following table shows the fees paid by the Registrant to its external auditor for the past four years: (VAT inclusive)

Year	Audit and Audit related fees	Tax Fees	Other Fees
2021	2,541,000*		
2020	2,541,000*		
2019	2,587,200*		

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

The Registrant's Audit Committee recommends the appointment of the external auditor to the Board of Directors which, in turn, recommends to the stockholders for their approval.

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM 9: DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

9.1 Directors and Executive Officers

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review.

Pursuant to the Company's current Articles of Incorporation, as amended on June 16, 2016, the Board consists of nine members. As of the date of this Prospectus, two members of the Board are independent directors. The directors were elected at the Company's annual shareholders meeting on June 25, 2021 and will hold office for a period of one (1) year from their election and until their successors have been duly elected and qualified.

The table below sets forth each member of the Company's Board and Executive Officers as of the date:

NAME	AGE	NATIONALITY	POSITION
Vicente R. Santos.	64	Filipino	Chairman of the Board
Exequiel D. Robles	66	Filipino	Director and President
Mariza Santos- Tan	63	Filipino	Director and Treasurer
Aurora D. Robles	54	Filipino	Director and Assistant Treasurer
Antonio D. Robles	57	Filipino	Director
Simeon S. Cua	64	Filipino	Director
Orestes R. Santos	59	Filipino	Director
Renato C. Francisco	72	Filipino	Independent Director
Danilo A. Antonio	66	Filipino	Independent Director
David M. Dela Cruz	54	Filipino	Executive Vice President / Chief Financial Officer and Chief Risk Officer
Patricia A. O. Bunye	52	Filipino	Corporate Secretary
Pancho G. Umali	44	Filipino	Assistant Corporate Secretary
Crystal I. Prado	40	Filipino	Assistant Corporate Secretary
Jeremiah T. Pampolina	44	Filipino	Chief Compliance Officer
Ace Franziz D. Cuntapay	27	Filipino	Internal Auditor and Data Protection Officer

The business experience of each of the directors and advisors in the last five years or more is set forth below.

VICENTE R. SANTOS, Chairman of the Company. He is also Executive Vice President of the Sta. Lucia Realty & Development, Inc.; Chairman of the Board of Directors of Sta. Lucia East Cinema Corp, Sta. Lucia East Supermarket Corp., Santalucia Ventures, Inc. and Sta. Lucia East Bowling Center, Inc.; and member of the Board of Directors of Sta. Lucia East Commercial Corp., Sta. Lucia East Department Store, Inc., SLLI Global Marketing Inc. and Sta. Lucia Homes, Inc. Mr. Santos holds a Bachelor's degree in Management from San Sebastian College.

EXEQUIEL D. ROBLES, President and Director of the Company. He is also the President of Sta.Lucia Realty & Development, Inc., Sta. Lucia East Cinema Corp., Sta. Lucia East Commercial

Corp., Sta. Lucia East Department Store Inc., and Sta. Lucia East Supermarket Corp. He is a Director of SLLI Global Marketing Inc., Santalucia Ventures, Inc., Sta. Lucia Homes, Inc. and Sta. Lucia East Bowling Center, Inc. Mr. Robles holds a Bachelor's degree in Business Administration/Accounting from San Sebastian College.

MARIZA R. SANTOS-TAN, Director and Treasurer of the Company. She is also a Director and the Corporate Secretary of Sta. Lucia Realty & Development, Inc., Sta. Lucia East Cinema Corporation, Sta. Lucia East Commercial Corp., Sta. Lucia East Bowling Center, Inc., Sta. Lucia East Department Store Inc.; and Sta. Lucia East Supermarket Corp. Ms. Santos-Tan holds a Bachelor's degree in Management from San Sebastian College. She also completed the Strategic Business Economics Program from the University of Asia and the Pacific.

AURORA D. ROBLES, Director and Assistant Treasurer of the Company. She is also the Purchasing Manager of Sta. Lucia Realty & Development, Inc.; Chief Administrative Officer of Sta. Lucia East Cinema Corp.; Treasurer of Sta. Lucia East Supermarket Corp., and a Director of Sta. Lucia East Bowling Center, Inc, Sta. Lucia East Department Store Inc. and Sta. Lucia East Commercial Corp. Ms. Robles holds a Bachelor's degree in Management from St. Paul College.

ANTONIO D. ROBLES, Director of the Company. He is also a Director of Sta. Lucia Homes Inc. Mr. Robles holds a Bachelor's degree in Psychology from the University of Sto. Tomas.

SIMEON S. CUA, Director of the Company. He serves as the President of the Philippine Racing Club, Inc. and Cualoping Securities Corporation, and currently sits as Director of AREIT Fund Managers Inc. Mr. Cua obtained his Bachelor of Law degree from Ateneo de Manila University.

ORESTES R. SANTOS, Director of the Company. He holds a Bachelor's degree in Marketing from San Sebastian College.

RENATO C. FRANCISCO, Independent Director of the Company. He served as Associate Justice of the Court of Appeals from 2012 to 2018 and Presiding / Executive Judge of the Regional Trial Court - Malolos Bulacan from 1996 to 2012, Assistant Prosecutor - Makati City, Assistant Provincial Prosecutor – Rizal and OIC Legal Division of Metrobank. Mr. Francisco holds a Bachelor of Arts in English and Philosophy from San Beda College Manila and Bachelor of Laws from Ateneo De Manila University.

DANILO A. ANTONIO, Independent Director of the Company. He serves as CEO of Land-Excel Consulting Inc, President of West Palawan Premiere, and is a Professor of Entrepreneurship at the Ateneo De Manila Graduate School of Business. Mr. Antonio holds a Bachelor of Arts in Economics from De La Salle University (summa cum laude) and Master in Business Management from the Asian Institute of Management (with distinction). Mr. Antonio previously served as President of Eton Properties, Head of Business Development of Rockwell, Managing Director of Filinvest Malls, President BDO Realty Corp., Chairman of the Board of Tagaytay Glasssland & Canyon Resort Club, Co-Founder & COO of Landco Pacific Corp., President SM Cinemas Manpower Corporation and Senior Manager of Ayala Land Inc. He also served as undersecretary of the Office of the Presidential Assistant for Rehabilitation and Recovery (OPARR), Professor of Business Management at the Asian Institute of Management and Management Committee Member and Advisor AIM Conference Center Manila.

DAVID M. DELA CRUZ, CPA, Executive Vice President & CFO of the Company. He served as Vice President and Chief Financial Officer of Atlas Consolidated Mining and Development Corp., SAVP of Corporate Credit Risk Management – BDO– AC&D Corporate Partners; Vice President / Head of Sales of Amsteel Securities Philippines Inc; Senior Manager – Investment Banking for Deutsche Morgan Grenfell Hong Kong Limited; Acting General Manager & Marketing

Head for UBP Securities / Manager – Investment Banking for UBP Capital Corporation; and Senior Auditor for SGV & Co. Mr. Dela Cruz holds a Bachelor's Degree in Economics and BSC Accounting, and Masters in Business Administration, from De La Salle University. He attended a management program in mergers and acquisitions at Stanford University and placed 9th in the 1987 CPA board examinations.

ATTY. PATRICIA A. O. BUNYE, Corporate Secretary of the Company. She is a Senior Partner of Cruz Marcelo & Tenefrancia; the Founding President / Trustee of Diwata-Women in Resource Development, Inc. and the Corporate Secretary of PTFC Redevelopment Corporation. She served as President of the Integrated Bar of the Philippines (Pasay, Parañaque, Las Piñas & Muntinlupa Chapter) and Licensing Executives Society Philippines; and Secretary, 15th House of Delegates National Convention, IBP. Atty. Bunye holds a Bachelor's degree in Legal Management from Ateneo de Manila University, and obtained her Juris Doctor degree from Ateneo de Manila University School of Law.

ATTY. PANCHO G. UMALI, Assistant Corporate Secretary of the Company. He is a Senior Partner in Cruz Marcelo & Tenefrancia. He has served as First Vice President of The Law Foundation of Makati, Inc.; Treasurer of Taguig Lawyers League and Junabejo Food Corporation; Corporate Secretary of Philippine Equity Partners, Inc., Haw Par Tiger Balm (Philippines), Inc., China Systems Technology Corporation, Junabejo Trading Corporation, Junabejo Food Corporation, IAMSPA, Inc., Sincere Façade Philippines, Inc., Sincere Façade Innovations, Inc. and Vicar Mining Corporation; Assistant Corporate Secretary of La Golondrina, Inc., Lawphil Investments, Inc., Baesa Redevelopment Corporation, PTFC Redevelopment Corporation, and CVCLAW Center Condominium Corporation. He has held directorship roles at China Systems Technology Corporation, Haw Par Tiger Balm (Philippines), Inc., Catania Property Holdings, Inc., Cosmo System Corporation; Junabejo Trading Corporation, Junabejo Food Corporation, Loscano Holdings, Inc.; IAMSPA, Inc., Sun East Asia Corporation, Sincere Façade Philippines, Inc., Sincere Façade Innovations, Inc., Synchrogenix Philippines, Inc., Union Earn Holdings, Inc., Wooloomooloo Steakhouse Philippines, Inc., and Mantaray Resorts, Inc. Atty. Umali Bunye holds a Bachelor's degree in Philosophy, and obtained his Bachelor of Laws degree, fromt the University of the Philippines.

ATTY. CRYSTAL I. PRADO, Assistant Corporate Secretary and Vice President for Legal Affairs of the Company. She serves as Legal Counsel of Sta.Lucia Realty & Development, Inc.; Corporate Secretary of Santalucia Ventures, Inc. and Sta. Lucia Homes, Inc.; Assistant Corporate Secretary of The Mills Country Club, Inc.; College Instructor of St. Joseph's College of Quezon City; Program Coordinator and Director for Education of Sta. Lucia Foundation, Inc.; and Consultant for Sta. Lucia Leisure, Inc., Sta. Lucia Volleyball Club, Firestarters Productions, Inc. and Siddharta Techwork. Atty. Prado holds a Bachelor's degree in Secondary Education from the University of Santo Tomas, and Bachelor of Laws degree from the University of the East.

JEREMIAH T. PAMPOLINA, Chief Compliance Officer and Vice President for Investor Relations & Corporate Planning of the Company. He previously served as Junior Bank Officer of Union Bank of the Philippines, Business Development Manager of P. J. Lhuillier Group of Companies, Supply Chain and Operations Manager of Technomarine Philippines and Business Development & Operations Manager of Aboitiz-Jebsen. He was also an Associate Lecturer at De La Salle University teaching Strategic Management. Graduate of AB Management Economics at the Ateneo De Manila University and MBA Graduate with Distinction (Silver Medal), Top 6% of Graduating MBA batch and Dean's Honors List at the De La Salle Graduate School of Business.

ACE FRANZIZ D. CUNTAPAY, CPA, Internal Auditor and Data Protection Officer of the Company. Mr. Cuntapay previously worked with SGV and Co. where he gained 2 years of meaningful experience in audit of banking and specialized industries. Mr. Cuntapay holds a Bachelor of Science degree in Accountancy from University of Saint Louis Tuguegarao.

9.2 Significant Employees

The entire workforce of the Company is considered significant as each of its employees has his own responsibilities which are supposed to achieve the Company's goals and objectives. While the Company values the contribution of each of its employees, the Company believes that it is not dependent on any single employee. The Company believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

9.3 Family Relationships

As of December 31, 2021, family relationships (by consanguinity or affinity up to fourth civil degree) between Directors and members of the Company's senior management are as follows:

1. Exequiel D. Robles, Antonio D. Robles and Aurora D. Robles are siblings ("Robles Siblings").
2. Vicente R. Santos, Mariza R. Santos-Tan and Orestes R. Santos are siblings ("Santos Siblings").
3. The Robles Siblings and Santos Siblings are first cousins.

Other than as disclosed above, there are no other family relationships either by consanguinity or affinity up to fourth civil degree among the Directors, executive officers and members of the Company's senior management known to the Company.

9.4 Involvement in Certain Legal Proceedings

In the past 5 years, the following proceedings were filed against the directors and executive officers of the Company in the course of the performance of their duties as directors and officers:

1. VISTA VERDE COUNTRY HOMES VS. EXEQUIEL D. ROBLES, JOHNIELLE KEITH NIETO, OMB-L-C-15-0169. On March 2, 2015, a complaint for violation of Section 3(a) of the Anti-Graft and Corrupt Practices Act was filed against Exequiel Robles, as President of SLRDI, for donating the areas reserved for roads and open spaces in its development plans for Vista Verde Country Homes in favor of the Local Government of Cainta. In its defense, SLRDI alleged lack of jurisdiction, laches, and that the company merely exercised its legal to option to donate the lots in accordance with PD 957. On October 15, 2016, the Ombudsman issued a resolution ruling that the charges could not be sustained against all respondents for lack of sufficient evidence and probable cause. With the dismissal of the case, complainants filed a Petition for Certiorari before the Supreme Court. SLRDI filed its Comment on April 11, 2018 claiming, among others, improper venue since the case should have been filed with the HLURB. The Supreme Court issued a Resolution on July 31, 2018 requiring petitioner to submit a consolidated reply. There has been no development since the July 31, 2018 Resolution.

2. TIMOTHY JASON PERALEJO VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS, MARIZA SANTOS-TAN, EXALTACION R. JOSEPH, LIBERATO D. ROBLES, FELIZARDO R. SANTOS, IGMIDIO D. ROBLES, LEODEGARIO R. SANTOS, AURORA D. ROBLES, ORESTES R. SANTOS, ROBERTO D. ROBLES, DOMINGA R. ROBLES, ANTONIO D. ROBLES, and ANDREA R. ANDRES, NPS XV-03-INV-17K-11187. A criminal complaint was filed on November 27, 2017 for fraudulent

transactions under Section 8(c) and unsound business practice under Section 8(f) in relation to the penal provision of PD 957 or the Subdivision and Condominium Buyers' Protective Decree. Petitioner alleged that when he bought the 245 sqm lot in Quezon City, he was assured of unimpeded access and possession of property. Four years later and despite having clear title to the property, the occupants continue to use the property and has even built a structure over the lot. Petitioner argued that he was made to purchase the property under the pretense that the occupants will be removed. The accused, in defense, maintained that the developer took steps to ensure that the subject property will be free from occupants. On June 26, 2018, the Office of the City Prosecutor of Quezon City dismissed the case on the ground that the acts complained of do not fall within the penal provision of PD 957 and there was no proof of any act of fraud and misrepresentation. Complainant filed a petition for review with the Department of Justice on October 16, 2018, which remains pending as of this date. Complainant signified his interest to settle and requested for lot replacement instead. Said request was approved and the parties are in the process of preparing the compromise.

3. DEPT. OF AGRARIAN REFORM/PROVINCIAL TASK FORCE VS. EXEQUIEL D. ROBLES, IGMIDIO D. ROBLES, ET. AL. XV-01-INV-18F-00688. Instituted last June 20, 2018 involving Bluemountain Antipolo, the DAR filed a criminal case for illegal conversion of land under Section 73 of Republic Act No. 6657, as amended by Republic Act No. 9700. Section 73 applies to landowners who convert their agricultural lands into non-agricultural purposes without any order of conversion issued by the DAR. On October 5, 2018, the case was dismissed for failure to show that the landowner caused its conversion. Moreover, the offense of conversion does not extend to the directors of the developer. DAR filed a motion for reconsideration on December 17, 2018, which remains pending as of this date.

4. RUSSEL MIRAFLOR VS. EXEQUIEL D. ROBLES, ET., AL., NPS-IV-16-INV-12E-00232. A complaint for Estafa was filed on June 13, 2018 on the ground of failure to develop the Vista Verde Residential Estate in Quezon. Complainant Miraflor argued that he stopped paying after he discovered that the period for development of VistaVerde was about to expire. SLRDI, in its Counter-Affidavit, claim that the case of estafa cannot prosper since the subdivision was completed and is already existing. The filing of the criminal case was merely an afterthought by the complainant after demand letters were sent to Miraflor due to delinquent payments. The Counter-Affidavit was filed in August 2018, and the case remains pending as of this date.

5. MANUEL MORATO ET. AL. VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS AND LIBERATO D. ROBLES, ET., AL. XV-03-INV-18F-05949. This case involves a complaint for syndicated estafa filed against these directors for entering into a joint venture agreement with Jose L. Morato for the development of a property in Quezon City knowing fully well that the latter was not the owner of the subject properties. Respondents filed their counter-affidavit claiming that (i) they had been given clearance by the HLURB to proceed with the development of the project; (ii) they are innocent third parties who dealt with registered parcels of land; (iii) the elements of syndicated estafa are unfounded and non-existent; and (iv) they entered into an agreement with Jose Morato in good faith. On November 13, 2018, the case was dismissed for insufficiency of evidence. Complainant filed a Petition for Review with the DOJ, which was denied. Undeterred, the Complainant filed a Special Civil Action for Certiorari and Mandamus under Rule 65 (the "Petition") before the Court of Appeals (CA). The CA, in its Resolution dated March 24, 2021 dismissed outright the Petition for being filed out of time. The Complainant filed a Motion for Reconsideration on 26 May 2021, which remains pending as of date.

6. NELSON ZAPEDA VS. EXEQUIEL D. ROBLES NBI-CCN-C-18-06295. This involves a complaint for estafa filed on the premise that the person who supposedly signed the

Special Power of Attorney authorizing a certain John Roldan to enter into a joint venture agreement with SLI was dead when the SPA was signed. The case is still under investigation with a possibility of settling amicably.

7. ROSALINA HONRADO VS. EXEQUIEL D. ROBLES NPS Docket No. IV-28-INV-14H-0707. A criminal case for estafa and falsification or estafa through falsification was filed against respondents for allowing the sale of a property in Orchard Residential Estate Gold and Club, Dasmarinas Cavite with an area that is 100 sqm more than the actual lot. Complainant argued that out of the 759 sqm area specified in the certificate of title, 100sqm was actually a creek. In his counter-affidavit, Robles explained that complainant purchased the property from the previous owner, that he was well aware of the discrepancy and that the refund has been made by SLI in favor of the previous owner. This case was dismissed in 2015.

8. RENATO CABILZO VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS, MARIZA SANTOS-TAN, EXALTACION R. JOSEPH, FELIZARDO R. SANTOS, ANTONIO D. ROBLES and LIBERATO D. ROBLES. A case for Other Deceits, Syndicated Estafa, Large -Scale Estafa was instituted last September 18, 2015 on the ground that respondents allegedly duped complainants into purchasing a 217 sqm lot in Acropolis even if the joint venture agreement between SLRDI and Surfield had been cancelled. Respondents, in turn, presented copies of their license to sell as issued by the HLURB. They also alleged that complainants failed to present evidence that the transaction took place in Pasig City, warranting the dismissal due to improper venue. Also, complainant failed to prove the elements of estafa since the dispute arising out of the transaction was purely contractual. Complainant appealed the case before the DOJ and the case remains pending.

9. LORENZO E. VELOSO VS. EXEQUIEL D. ROBLES, MARIZA SANTOS-TAN, VICENTE R. SANTOS ET.AL. involving violation of PD 957 and Art. 318 of the Revised Penal Code ("RPC"). The case was filed in light of the alleged failure of SLI to deliver the certificates of title over the subject property. The defense argued that the processing was stalled due to the complainant's refusal to pay the assessed transfer fees. The case was dismissed for lack of probable cause. Complainant appealed the case before the DOJ in 2018 and the case remains pending.

10. DOMINADOR TAN VS. EXEQUIEL D. ROBLES AND STA. LUCIA REALTY AND DEVELOPMENT, INC. Civil Case No. B-9022. On March 25, 2013, Plaintiff Dominador Tan ("Tan") filed a Complaint for recovery of possession with application for the issuance of a Temporary Restraining Order ("TRO") and/or Preliminary Injunction, for alleged encroachment on his lot, made by personnel of SLRDI who have commenced construction works on the property. Mr. Exequiel Robles was impleaded in his capacity as President/Chief Executive Officer of SLRDI. In its Answer, SLRDI alleged that all developments done in the area were confined within the boundaries provided for in the technical descriptions of the certificates of title, which have already been approved by the Bureau of Lands. At this point, SLRDI also offered a Joint Venture Agreement ("JVA") with plaintiff to develop the subject property. On April 5, 2013, the court issued a TRO enjoining SLRDI from continuing with the construction over the property. There is an ongoing negotiation between the wife of Dominador Tan, Mrs. Edith Tan (as Dominador Tan was substituted by his wife after his death) and SLRDI to enter into a JVA to develop the subject property. Pending negotiations, Mrs. Tan requested that she be given a right of way over the subject property. To date, SLRDI has not acted upon the request of Mrs. Tan vis-à-vis the JVA.

11. LA MIRADA ROYALE HOMEOWNER'S ASSOCIATION VS VICENTO R. SANTOS AND LA MIRADA HOMEOWNERS HLURB Case No. NTR-HOA – 082213-575. On August 19, 2013, complainants La Mirada Homeowners' Association ("La Mirada HOA")

filed a case with the HLURB for the cancellation of the other five HOA Certificate of Registrations it issued and prayed that it be declared the only HOA of La Mirada Royale. Respondents, in their Answer dated September 22, 2013, alleged that they are lot owners of La Mirada Royale, and as owner/developer of the subdivision, they have the obligation to initiate the organization of a homeowner's association among the buyers and residents of the projects. On April 30, 2014, HLURB ruled in favor of La Mirada HOA and ordered the revocation of respondents' Certificate of Registration, on the ground that La Mirada HOA registered their HOA with HLURB ahead of the five other HOAs. The Decision also stated that the Respondents were not bona fide homeowners of La Mirada. On April 1, 2015, Respondents' filed their Appeal Memorandum with the OP, alleging that 1) respondent's homeowners' association was first to be duly registered with the HLURB; 2) the Magna Carta for Homeowners and Homeowners' association was not yet in effect when they were registered as the Homeowner's Association, thus, cannot be used as basis in revoking the registration of the respondent associations; 3) the fact that complainant homeowners' association is composed of 58 homeowners (13 directors) as opposed to five directors of respondent association is not ground for the revocation of respondent association. There has been no development since the filing of the Appeal Memorandum.

12. BAYBREEZE EXECUTIVE VILLAGE HOMEOWNERS ASS. VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI HLURB CASE NO. NCRHOA-112613-1932. Homeowners of Baybreeze Executive Village ("Baybreeze") filed a complaint with the HLURB against SLRDI on the alleged mismanagement of the Baybreeze Executive Village. Exequiel D. Robles, Vicente R. Santos and other respondents were sued both in their personal capacities and as responsible officers of SLRDI. Baybreeze prayed that respondents repair the drainage system, low level roads and complete the unmaintained clubhouse. On October 7, 2014, HLURB ordered the respondents to complete the development of the village within one year, as well as to complete the construction of the clubhouse, to upgrade the road network, and fix the streetlights. In the order, HLURB also cancelled the license to sell issued for Bavbreeze. Respondents' appeal was denied by HLURB on the ground that SLRDI still has the obligation to provide and maintain the facilities as there is yet no certificate of completion. SLRDI filed its appeal memorandum with the Office of the President on June 5, 2015. Baybreeze filed its comment/opposition to the appeal memorandum on July 15, 2015. There has been no development since then.

13. GRACE PENDON ET., AL. VS. EXEQUIEL D. ROBLES ET., AL. CHR NO. 2015-0217. On June 19, 2015, Grace Pendon et. al. ("Complainants") filed a complaint with the Commission on Human Rights ("CHR") against Sta. Lucia Realty and Development Corp. Inc. ("SLRDI") for alleged acts of violence committed by their security guards and certain policemen against complainants during the demolition of illegally built structures found inside Rizal Technopark. Exequiel D. Robles and SLRDI were impleaded because of their ownership of Rizal Techno Park. In their counter-affidavit, SLRDI alleged that there was no mention of specific acts committed by Robles or SLRDI in the complaint. SLRDI filed its counter-affidavit with the CHR on July 30, 2015 and alleged that all titles are all in the name of SLRDI. Thus, as developers and registered owners, they were only exercising their right to protect and secure the subdivision from illegal settlers and "professional squatters". On the issue of the acts of violence supposedly committed by the security guards, SLRDI argued that the security guards were only doing their duty from preventing the mob from committing further acts of violence and handling the riots inside SLRDI property. There has been no development since the counter-affidavit was filed.

14. JERRY GALOPE VS. EXEQUIEL D. ROBLES, SLRDI, ET., AL. BSC-2016-04. On March 31, 2016, Jerry Galope ("Galope") filed a complaint against SLRDI, Exequiel D. Robles and several other persons (actual occupants) for quieting of title involving a lot in

Meadowood Executive Village, Cavite. In his complaint, Galope alleged that he purchased a parcel of land in Cavite (2,961 sqm) through a Deed of Sale between him and its original owners on February 1, 1990. When he returned to the location in 2012, he was surprised to see that it was already located inside a gated subdivision known as Meadowood Executive Village. Galope believes that the titles were simulated in the subdivision plans used by respondents. SLRDI filed its Answer on July 6, 2018. The case remains pending before the RTC Branch 19 of Bacoor, Cavite.

15. MEGATOP REALTY V. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS. XV-03-INV-20A-00819. Complainant filed a case for estafa against the respondents before the Office of the City Prosecutor of Quezon City (OCP Quezon City) for the alleged failure (i) to account the ₱ 93 million they provided pursuant to their joint venture agreement with SLRDI and (ii) to deliver the titles of the subdivisions lots subject of the agreement. Respondents, in turn, argued that (i) the ₱ 93 million pertains to the 517,997 sqm raw land that Complainant purchased from SLRDI; and that (ii) they have no obligation to deliver all the titles of the subdivision lots in favor of the complainant. In fact, complainant has the obligation to assign 55% of the subdivision lots in favor of SLRDI. On January 6, 2021, OCP Quezon City found probable cause to indict respondents for estafa. Prior to the expiration of the respondents' right to seek reconsideration, OCP Quezon City filed the corresponding Information with the RTC of Quezon City. This prompted respondents to file a Motion for Reconsideration with the Department of Justice on February 22, 2021, which remains pending as of date.

16. MANUEL MORATO ET., AL. VS. LIBERATO D. ROBLES, R-QZN-19-17722-CV. Plaintiffs filed a case for annulment of title with prayer for issuance of preliminary injunction and/or temporary restraining order ("TRO") before the RTC of Quezon City. Instead of filing an Answer, respondent filed a Motion to Dismiss on February 7, 2019, which was granted by the RTC. Plaintiffs filed a Motion for Reconsideration on February 24, 2020. The hearing for the prayer for preliminary injunction and/or TRO was scheduled on 22 June 2021, which was rescheduled in view of the demise of one of the Plaintiffs. One of the defendants requested for suspension of all hearings scheduled from August 5, 2021 to September 19, 2021 in order to allow the parties to hold a dialogue among themselves to rethink their respective position on all family issues.

The Company believes that the pending proceedings disclosed above arose out of the ordinary course of business. As such, the Company is of the opinion that they are not material to an evaluation of the ability or integrity of any of the directors or executive officers involved.

Apart from the pending criminal proceedings disclosed above, to the best of the Company's knowledge and belief, none of the Company's directors, nominees for election as director, or executive officers have in the five-year period prior to the date of this Prospectus:(1) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) have been the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (4) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, such judgment having not been reversed, suspended, or vacated.

ITEM 10: EXECUTIVE COMPENSATION

10.1 Compensation Summary

For each of the years ended December 31, 2021, 2020 and 2019, the total salaries and allowances and bonuses paid to the five most highly compensated executive officers are as follows:

SUMMARY ANNUAL COMPENSATION TABLE			
Name and Principal Position	**Period**	**Salary (in thousands)**	**Bonus (in thousands)**
Five most highly compensated executive officers Vicente R. Santos (Chairman) Exequiel D. Robles (President) Mariza Santos – Tan (Treasurer) Aurora D. Robles (Assistant Treasurer) David M. Dela Cruz (Executive Vice President)	2021	7,450	2,580
	2020	7,450	2,580
	2019	7,450	2,580

For each of the years ended December 31, 2021, 2020 and 2019, the total salaries and allowances and bonuses paid to all other officers as a Company unnamed are as follows:

SUMMARY ANNUAL COMPENSATION TABLE			
Name and Principal Position	**Period**	**Salary (in thousands)**	**Bonus (in thousands)**
All other officers and directors as a Company unnamed	2021	2,130	365
	2020	2,130	365
	2019	2,130	365

10.2 Standard Arrangements

Other than payment of reasonable gross per diem for every meeting, there are no standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or indirectly, for any services provided as director.

ITEM 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

11.1 Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Company's voting securities as of December 31, 2021:

Name and Address of Record Owners	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	% of Total Outstanding Shares
Sta. Lucia Realty & Development, Inc. *Bldg. II, Sta. Lucia East Grand Mall, Marcos Highway corner Felix Avenue, Cainta, Rizal*	-same-	Filipino	6,701,005,767	81.7550%
PCD Nominee Corporation (Filipino) *Tower I, The Enterprise Center, 6766 Ayala Ave. corner Paseo de Roxas, Makati City*	-same-	Filipino	1,464,962,606	17.8731%

As of December 31, 2021, foreign shareholders owned 0.03%, of the outstanding capital stock of the Company.

11.2 Security Ownership of Directors and Officers

The following table sets forth security ownership of the Company's Directors, and Officers, as of December 31, 2021:

Name of Beneficial Owner	Title of Class	Number of shares	Nature of ownership	Citizenship	%
Exequiel D. Robles	Common	712,500	D	Filipino	0.008%
	Common	230,000	I	Filipino	0.003%
Vicente R. Santos	Common	712,494	D	Filipino	0.008%
	Common	233,000	I	Filipino	0.003%
Simeon S. Cua	Common	999	D	Filipino	-
Antonio D. Robles	Common	1	D	Filipino	-
Aurora D. Robles	Common	1	D	Filipino	-
Mariza Santos-Tan	Common	1	D	Filipino	-
Orestes R. Santos	Common	1	D	Filipino	-
Jose Ferdinand R. Guiang	Common	1	D	Filipino	-
Osmundo C. De Guzman	Common	1	D	Filipino	-
TOTAL	**Common**	**1,424,999**	**D**		**0.017%**
		463,000	**I**		**0.006%**

Notes: (D) refers to direct ownership and (I) refers to indirect ownership.

As of December 31 2021, the security ownership of the following recently elected Directors of the Company is as follows:

Name of Beneficial Owner	Title of Class	Number of shares	Nature of ownership	Citizenship	%
Renato C. Francisco	Common	1,000	D	Filipino	-
	Common	1,000	D	Filipino	-
TOTAL	**Common**	**2,000**	**D**		**-**

There is no director or key officer of the Company that owns at least 10% of its issued and outstanding shares of common or preferred stock.

11.3 Voting Trust Holders of 5% or More

No shareholder of the Company holds more than 5% of the outstanding capital stock of the Company under a voting trust or similar agreement as of December 31, 2021.

11.4 Change in Control

As of December 31, 2021, there are no arrangements which may result in a change in control of the Company.

ITEM 12: 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. As of December 31, 2021, there 2,600,000 treasury shares which arise from the settlement of intercompany advances between SLI and SLRDI which provides assignment of certain number of shareholdings of SLRDI to SLI be assigned to 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, president and chief executive officer of Philippine Racing Club Inc. and president of Cualoping Securities Corporation, namely SIMEON S. CUA is also a director of the Registrant.

PART IV – CORPORATE GOVERNANCE

ITEM 13: COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The Company submitted its Manual on Corporate Governance (the "Manual") to the SEC on May 31, 2017 in compliance with SEC Memorandum Circular No. 19, series of 2016. The Company and its respective directors, officers and employees have complied with the best practices and principles on good corporate governance as embodied in its Manual. An evaluation system has been established by the Company to measure or determine the level of compliance of the Board of Directors and management with its Manual.

As part of its system for monitoring and assessing compliance with the Manual and the SEC Code of Corporate Governance, each committee is required to report regularly to the Board of Directors and the Manual is subject to quarterly review, unless the Board decides otherwise. The Compliance Officer is responsible for determining and measuring compliance with the Manual and the SEC Code of Corporate Governance. Any violation of the Company's Manual shall subject the responsible officer or employee to such penalties that will be provided in the rules and regulations that will be adopted by the Board.

PART V – EXHIBITS AND SCHEDULES

ITEM 14: EXHIBITS AND REPORTS ON SEC FORM 17-C

14.1 Exhibits

The Registrant has attached hereto as Annex "A" its Consolidated Audited Financial Statements for the year ended 31 December 2021 together with the Registrant's Annual Report on SEC Form 17-A.

The Registrant has not entered into any material contracts.

14.2 Reports on SEC Form 17-C

The following current reports have been reported by the Registrant during the year 2021 through official letters dated:

February 10, 2021
"Sta. Lucia Land optimistic on the prospects of residential estates."

March 3, 2021
"Purchase of land by the Corporation's parent company, Sta. Lucia Realty and Dev. Inc."

March 12, 2021
"Results of the Special Meeting of the Board of Directors held on 12 March 2021."
"Setting the date of the 2021 Annual Stockholders' Meeting."

May 20, 2021
"Amendments to By-Laws of Sta. Lucia Land, Inc. (the "Corporation")."

June 17, 2021
"Setting the date of the 2021 Annual Stockholders' Meeting."

June 25, 2021
"Results of the 2021 Annual Stockholders' Meeting."
"Results of the 2021 Organizational Meeting of the Board of Directors."
"Amendments to By-Laws of Sta. Lucia Land, Inc. (the "Corporation")."

July 12, 2021
"Registration Statement of Sta. Lucia Land, Inc."
"Registration Statement of Sta. Lucia Land, Inc."

August 24, 2021
"Sta Lucia Land Inc.'s 1st Half Profits Up By 90%."

September 3, 2021
"Results of the Special Meeting of the Board of Directors held on 02 September 2021."

October 14, 2021
"The Manila Bulletin news article entitled: SEC approves Medilines, Sta. Lucia stock offerings"

November 5, 2021
"Deferral of the Follow-on Offering."

December 9, 2021
"Results of the Special Meeting of the Board of Directors held on 09 December 2021."
"Declaration of Cash Dividends."

STA. LUCIA LAND, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

CONSOLIDATED FINANCIAL STATEMENTS

SUPPLEMENTARY SCHEDULES

FINANCIAL RATIOS

	31-Dec-21	31-Dec-20
Current Ratio	**2.03**	**2.01**
Debt to Equity	**0.96**	**0.97**
Interest Coverage Ratio	**333.99%**	**341.52%**
Return on Asset	**5.46%**	**3.73%**
Return on Equity	**14.15%**	**9.65%**

SIGNATURES

Pursuant to the requirement of Section 17 of the Securities Regulation Code and Section 141 of the Corporate Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in ____________ on _____________.

STA. LUCIA LAND, INC.
Issuer

VICENTE R. SANTOS
Chairman of the Board

EXEQUIEL D. ROBLES
President/CEO

MARIZA R. SANTOS-TAN
Treasurer

CRYSTAL I. PRADO
Assistant Corporate Secretary

1 9 MAY 2022 MANDALUYONG CITY

SUBSCRIBED AND SWORN to before me this _________________ in __________, affiants exhibiting to me their government issued IDs, to wit:

Name	**Government I.D.**	**Date/Place Issued**
VICENTE R. SANTOS	P7782826A	03 Jul 2018/DFA NCR EAST
EXEQUIEL D. ROBLES	P5067324A	17 Nov 2017/DFA NCR EAST
MARIZA R. SANTOS-TAN	P7993345B	26 Oct 2021/DFA NCR EAST
CRYSTAL I. PRADO	Roll of Attorneys No. 57242	May 2009/Ortigas, Pasig City

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

Doc. No. 173;
Page No. 36;
Book No. LXII;
Series 2022

STA.LUCIA LAND INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **STA. LUCIA LAND, INC. and its subsidiaries** (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the year ended **December 31, 2021 and December 31, 2020,** in accordance with the prescribed financial reporting framework indicated therein, and such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group of to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

VICENTE R. SANTOS
Chairman of the Board

EXEQUIEL D. ROBLES
President & Chief Executive Officer

DAVID M. DELA CRUZ
EVP Chief Financial Officer

MANDALUYONG CITY

SUBSCRIBE AND SWORN to before me this 19 day of MAY 2022,
affiant exhibiting to me their community tax certificates.

Doc. No. 176:
Page 37:
Book No. LXII:
Series of 2022

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179509/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0026921/04.29.2018
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

STA.LUCIA LAND INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **Sta. Lucia Land, Inc.** is responsible for all information and representations in the Annual Income Tax Return for the year ended December 31, 2021. Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax Return or Annual Information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and information contained in all other tax returns filed for the reporting period , including but not limited to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2021 and the accompanying Annual Income Tax Return are in accordance with the books and records of **Sta. Lucia Land, Inc.**, complete and correct in all material aspects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations
No. 8-2007 and other relevant issuances;
(c) the **Sta. Lucia Land, Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for in the reporting period , except those contested in good faith.

VICENTE R. SANTOS
Chairman of the Board

EXEQUIEL D. ROBLES
President and Chief Executive Officer

DAVID M. DELA CRUZ
Chief Financial Officer

MANDALUYONG CITY

19 MAY 2022

SUBSCRIBED AND SWORN to before me, this ____ day of _______ 2022, affiant exhibiting to me their community tax certificates.

Doc. No. 175 :
Page No. 34 :
Book No. LXII :
Series of 2022

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179508/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	3	1	0	5	0				

C O M P A N Y   N A M E

STA. LUCIA LAND, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

Penthouse Bldg. 3, Sta. Lucia Mall, Marcos Highway cor. Imelda Avenue, Cainta, Rizal

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
www.stalucialand.com.ph	8681-7322	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
265	Third Friday of June	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
David M. Dela Cruz	dmdelacruz@stalucialand.com.ph	8681-7322	N/A

CONTACT PERSON's ADDRESS

Penthouse Bldg. 3, Sta. Lucia Mall, Marcos Highway cor. Imelda Avenue, Cainta, Rizal

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Sta. Lucia Land, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2021 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) application of the output method as the measure of progress in determining real estate revenue; (3) determination of the actual costs incurred as cost of sales; and (4) recognition of cost to obtain a contract.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (buyer's equity). Collectability is also assessed by considering factors such as past history with buyers, age of installment contracts receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's project development engineers and project managers. This is based on the quarterly project accomplishment report prepared by the Group's project development engineers as approved by the project managers which integrates the surveys of performance as of quarter end of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

The disclosures related to real estate revenue are included in Note 4 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the coronavirus pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as deed of cancellation.

For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, and performed tests of the relevant controls. We obtained the certified POC reports prepared by the project development engineers and assessed their competence and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, including inquiries on how the COVID-19 pandemic affected the POC during the period and obtained the supporting details of POC reports showing the completion of the major activities of project construction.

For the cost of sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and the portion recognized in profit or loss, particularly: (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (i.e., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

Other Information

Management is responsible for the Other Information. Other Information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael C. Sabado.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0664-AR-4 (Group A)
November 11, 2019, valid until November 10, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8854360, January 3, 2022, Makati City

May 20, 2022

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

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 27)	**₱1,946,959,536**	₱942,820,503
Receivables (Notes 6, 19 and 27)	**3,023,669,438**	3,494,595,518
Contract assets (Notes 4 and 6)	**1,464,882,887**	1,880,380,969
Real estate inventories (Note 7)	**28,905,439,207**	24,931,122,564
Other current assets (Note 8)	**4,782,876,249**	5,400,988,661
Total Current Assets	**40,123,827,317**	36,649,908,215
Noncurrent Assets		
Installment contracts receivables - net of current portion (Notes 6 & 27)	**1,860,897,262**	1,014,073,112
Contract assets - net of current portion (Notes 4 and 6)	**2,651,443,660**	967,495,032
Investment properties (Note 10)	**5,868,209,371**	5,712,412,564
Property and equipment (Note 11)	**49,687,977**	54,853,789
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 9 and 27)	**682,616,263**	821,448,225
Pension asset (Note 20)	**1,076,788**	328,530
Other noncurrent assets (Note 8)	**755,524,767**	565,280,118
Total Noncurrent Assets	**11,869,456,088**	9,135,891,370
	₱51,993,283,405	₱45,785,799,585

LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 14 and 27)	**₱8,525,270,554**	₱6,148,970,554
Accounts and other payables (Notes 12, 19 and 27)	**6,752,999,214**	5,407,788,319
Income tax payable	**98,572,462**	87,348,124
Contract liabilities - current portion (Notes 4, 6 and 13)	**2,577,522,263**	3,569,804,302
Long-term debt - current portion (Note 14)	**1,812,179,326**	3,027,518,421
Total Current Liabilities	**19,766,543,819**	18,241,429,720
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 14 and 27)	**9,014,844,974**	8,002,309,255
Contract liabilities - net of current portion (Notes 4, 6 and 13)	**1,238,959,224**	401,374,560
Deferred tax liabilities - net (Note 24)	**1,901,405,581**	1,442,870,704
Total Noncurrent Liabilities	**12,155,209,779**	9,846,554,519
Total Liabilities	**31,921,753,598**	28,087,984,239
Equity		
Capital stock (Note 15)	**10,796,450,000**	10,796,450,000
Additional paid-in capital	**330,004,284**	330,004,284
Retained earnings (Note 15)	**10,358,490,331**	7,846,506,131
Treasury shares (Note 15)	**(1,640,000,000)**	(1,640,000,000)
Net unrealized gain on fair value of financial assets at FVOCI (Note 9)	**225,860,515**	364,692,477
Remeasurement gains on pension - net of tax (Note 20)	**724,677**	162,454
Total Equity	**20,071,529,807**	17,697,815,346
	₱51,993,283,405	₱45,785,799,585

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2021	2020	2019
REVENUE			
Real estate sales (Notes 4, 21 and 22)	**₱6,827,172,459**	₱5,383,079,540	₱5,871,496,779
Rental income (Notes 2,22 and 23)	**465,863,634**	447,539,287	747,799,859
Interest income (Note 16)	**519,772,018**	479,793,372	647,009,860
Commission income	**141,640,278**	91,526,979	93,579,168
Dividend income (Note 9)	**8,720,000**	9,202,279	5,662,941
Others (Note 17)	**407,559,357**	354,844,435	294,247,077
	8,370,727,746	6,765,985,892	7,659,795,684
COSTS OF SALES AND SERVICES			
Cost of real estate sales (Notes 7, 21 and 22)	**1,953,692,295**	2,025,251,641	2,680,779,445
Cost of rental income (Notes 2,10, 17 and 22)	**371,408,626**	281,203,056	399,679,693
	2,325,100,921	2,306,454,697	3,080,459,138
SELLING AND ADMINISTRATIVE EXPENSES			
Commissions	**797,478,931**	622,045,846	687,847,930
Taxes, licenses and fees	**183,093,613**	99,410,726	100,089,878
Salaries and wages and other benefits (Notes 19 and 20)	**99,464,784**	85,024,174	82,484,066
Repairs and maintenance	**85,772,220**	41,053,548	62,952,804
Representation	**73,655,533**	48,995,547	71,117,895
Advertising	**62,878,315**	68,721,678	107,850,974
Professional fees	**28,878,031**	16,403,046	42,787,122
Surcharges and penalties	**23,562,299**	3,649,063	18,483,441
Depreciation and amortization (Note 11)	**17,438,644**	21,661,127	23,054,735
Legal expense	**9,875,222**	11,066,548	5,584,797
Utilities	**9,334,825**	6,925,050	14,926,519
Software maintenance	**9,308,042**	4,453,482	1,229,800
Expected credit loss (Note 6)	**8,144,996**	1,350,074	1,066,676
Insurance expense	**6,111,778**	6,125,347	6,087,079
Transportation, travel, office supplies and miscellaneous	**68,652,913**	30,322,764	36,940,096
	1,483,650,146	1,067,208,020	1,262,503,812
INTEREST EXPENSE (Notes 14 and 18)	**1,051,174,591**	993,299,139	886,019,509
INCOME BEFORE INCOME TAX	**3,510,802,088**	2,399,024,036	2,430,813,225
PROVISION FOR INCOME TAX (Note 24)	**670,959,888**	691,077,749	694,616,305
NET INCOME	**2,839,842,200**	1,707,946,287	1,736,196,920
OTHER COMPREHENSIVE INCOME			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Unrealized losses on fair value of financial assets at FVOCI (Note 9)	**(138,831,962)**	(126,727,310)	(77,348,407)
Remeasurement gains on pension - net of tax (Note 20)	**562,223**	2,601,260	839,569
	(138,269,739)	(124,126,050)	(76,508,838)
TOTAL COMPREHENSIVE INCOME	**₱2,701,572,461**	₱1,583,820,237	₱1,659,688,082
Basic/Diluted Earnings Per Share (Note 25)	**₱0.35**	₱0.21	₱0.21

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 shares (Note 15)	Retained earnings (Note 15)	Net unrealized gain (loss) on fair value of financial assets at FVOCI (Note 9)	Remeasurement gains (losses) on pension - net of tax (Note 20)	Total
				For the Year Ended December 31, 2021			
Balances as of January 1, 2021	**₱10,796,450,000**	**₱330,004,284**	**(₱1,640,000,000)**	**₱7,846,506,131**	**₱364,692,477**	**₱162,454**	**₱17,697,815,346**
Comprehensive income (loss)							
Net income	–	–	–	**2,839,842,200**	–	–	**2,839,842,200**
Other comprehensive income (loss)	–	–	–	–	**(138,831,962)**	**562,223**	**(138,269,739)**
Total comprehensive income (loss)	–	–	–	**2,839,842,200**	**(138,831,962)**	**562,223**	**2,701,572,461**
Dividend declaration	–	–	–	**(327,858,000)**	–	–	**(327,858,000)**
Balances as of December 31, 2021	**₱10,796,450,000**	**₱330,004,284**	**(₱1,640,000,000)**	**₱10,358,490,331**	**₱225,860,515**	**₱724,677**	**₱20,071,529,807**
				For the Year Ended December 31, 2020			
Balances as of January 1, 2020	₱10,796,450,000	₱330,004,284	(₱1,640,000,000)	₱6,138,559,844	₱491,419,787	(₱2,438,806)	₱16,113,995,109
Comprehensive income (loss)							
Net income	–	–	–	1,707,946,287	–	–	1,707,946,287
Other comprehensive income (loss)	–	–	–	–	(126,727,310)	2,601,260	(124,126,050)
Total comprehensive income (loss)	–	–	–	1,707,946,287	(126,727,310)	2,601,260	1,583,820,237
Balances as of December 31, 2020	₱10,796,450,000	₱330,004,284	(₱1,640,000,000)	₱7,846,506,131	₱364,692,477	₱162,454	₱17,697,815,346
				For the Year Ended December 31, 2019			
Balances as of January 1, 2019	₱10,796,450,000	₱330,004,284	(₱1,640,000,000)	₱4,402,362,924	₱568,768,194	(₱3,278,375)	₱14,454,307,027
Comprehensive income (loss)							
Net income	–	–	–	1,736,196,920	–	–	1,736,196,920
Other comprehensive income (loss)	–	–	–	–	(77,348,407)	839,569	(76,508,838)
Total comprehensive income (loss)	–	–	–	1,736,196,920	(77,348,407)	839,569	1,659,688,082
Balances as of December 31, 2019	₱10,796,450,000	₱330,004,284	(₱1,640,000,000)	₱6,138,559,844	₱491,419,787	(₱2,438,806)	₱16,113,995,109

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱3,510,802,088**	₱2,399,024,036	₱2,430,813,225
Adjustments for:			
Interest expense (Notes 14 and 18)	**1,051,174,591**	993,299,139	886,019,509
Depreciation and amortization (Notes 10, 11 and 17)	**154,695,755**	145,761,856	153,025,592
Pension expense (Note 20)	**1,001,372**	1,371,671	1,719,109
Dividend income (Note 9)	**(8,720,000)**	(9,202,279)	(5,662,941)
Gain on repossession of inventories (Notes 7 and 17)	**(136,347,823)**	(94,277,405)	(29,602,737)
Interest income (Notes 5, 6 and 16)	**(519,772,018)**	(479,793,372)	(647,009,860)
Operating income before changes in working capital	**4,052,833,965**	2,956,183,646	2,789,301,897
Changes in working capital:			
Decrease (increase) in:			
Receivables (Notes 6, 27 and 28)	**(329,419,722)**	(1,453,947,443)	(222,547,038)
Contract assets (Notes 4, 6 and 27)	**(1,268,450,546)**	12,659,106	(1,485,973,801)
Real estate inventories (Notes 7, 27 and 28)	**(3,699,615,464)**	(2,859,722,128)	(984,884,383)
Other current assets (Notes 8 and 28)	**618,112,412**	(564,952,240)	(1,510,394,463)
Increase (decrease) in:			
Accounts and other payables (Notes 12 and 28)	**1,462,217,384**	607,865,921	(43,988,087)
Contract liabilities (Notes 4 and 6)	**(154,697,375)**	513,563,202	1,394,544,936
Net cash generated from (used in) operations	**680,980,654**	(788,349,936)	(63,940,939)
Interest received	**473,293,670**	346,632,468	324,267,244
Income taxes paid	**(201,388,081)**	(166,197,515)	(286,437,381)
Net cash provided by (used in) operating activities	**952,886,243**	(607,914,983)	(26,111,076)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties (Notes 10 and 28)	**(281,250,768)**	(229,565,126)	(198,719,870)
Financial assets at FVOCI(Notes 9 and 28)	**–**	–	(40,487,342)
Property and equipment (Notes 11 and 28)	**(13,726,041)**	(17,917,382)	(48,305,973)
Increase in other noncurrent assets	**(190,244,649)**	(203,550,912)	(182,311,994)
Proceeds from sale of property and equipment (Notes 10 and 17)	**–**	–	3,599,064
Contribution to plan asset (Note 20)	**(1,000,000)**	(4,000,000)	–
Dividends received	**8,720,000**	3,686,939	3,704,544
Net cash used in investing activities	**(477,501,458)**	(451,346,481)	(462,521,571)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans, net of transaction costs (Note 14)	**17,736,499,998**	6,503,481,687	7,422,038,200
Payment of loans (Note 14)	**(15,615,950,000)**	(4,342,699,333)	(6,082,100,000)
Payment of interest (including capitalized borrowing costs)	**(1,210,874,190)**	(1,079,781,564)	(1,012,405,178)
Dividend paid (Note 15)	**(327,858,000)**	–	–
Increase (decrease) in payable to related parties	**(53,063,561)**	17,713,026	(65,190)
Net cash provided by financing activities	**528,754,248**	1,098,713,816	327,467,832
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,004,139,033**	39,452,352	(161,164,815)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**942,820,503**	903,368,151	1,064,532,966
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱1,946,959,536**	₱942,820,503	₱903,368,151

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Sta. Lucia Land, Inc. (SLLI or 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. On August 14, 1996, the Parent Company's Articles of Incorporation was amended.

Under the amendment, it changed the corporate name to Zipporah Realty Holdings, Inc. and it transferred the original primary purpose to secondary purpose from being a mining firm to a real estate company with the amended primary purpose to acquire by purchase, lease, and to own and develop and hold for investment and/or disposal, real estate of all kinds 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.

Prior to expiration of its corporate life, the Parent Company filed for a new 50-year corporate life which was approved by the SEC on June 16, 2016. The corporate life of the Parent Company expired on December 5, 2016. The approved new 50-year corporate life is until December 5, 2066.

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 Mall, Marcos Highway cor. Imelda Avenue, Cainta, Rizal.

The Group is 81.75% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company).

Approval of Consolidated Financial Statements
As delegated by the Board of Directors (BOD), the accompanying consolidated financial statements were approved and authorized for issue by the Executive Committee and Audit Committee on May 20, 2022.

2. Basis of Preparation and Other Significant Accounting Policies

Basis of Preparation
The consolidated financial statements of the Group have been prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency and all values are rounded to the nearest Philippine peso except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic.

Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

a. Exclusion of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
c. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (Philippine Accounting Standards 23, Borrowing Cost) for Real Estate industry

The exclusion of land in the determination of POC is not applicable to the Group.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the section below under Adoption of New and Amended Accounting Standards and Interpretation.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by PIC.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021.

A subsidiary is an entity which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following wholly-owned subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	% of Ownership
Sta. Lucia Homes, Inc. (SLHI)	100.00%
Santalucia Ventures, Inc. (SVI)	100.00%

Adoption of New and Amended Accounting Standards and Interpretation

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS and PAS which became effective beginning January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The nature and impact of each new standard and amendment are disclosed below.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

  The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
  - There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

The amendment is not applicable to the Group as there are no rent concessions granted to the Group as a lessee.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:

  - The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

  The Group adopted the amendments beginning January 1, 2021.

- *Adoption of PIC Q&A 2018-12-H, PFRS 15 - Accounting for Common Usage Service (CUSA) Charges*

  On February 14, 2018, PIC Q&A 2018-12-H was issued providing guidance on accounting for common usage service which concludes that real estate developers are generally acting as principal for CUSA charges. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-12-H was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-12-H and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  The Group assessed itself as principal for CUSA and air-conditioning charges, and as an agent for electricity and water usage.

  The adoption of this PIC Q&A did not impact the presentation of CUSA and air-conditioning charges as the Group currently presents it at gross amounts and the related costs as part of the cost of rental income. However, the Group presented the revenue and related costs from electricity and water usage on a net basis which were previously presented on a gross basis as part of “Rental income” and “Cost of rental income”, respectively.

As a result of the adoption, cost from electricity and water usage amounting to ₱40.70 million, ₱151.54 million and ₱256.86 million for the years ended December 31, 2021, 2020 and 2019, respectively are presented net of its related revenue amounting to ₱25.48 million, ₱87.16 million and ₱150.49 million for the years ended December 31, 2021, 2020 and 2019 in the consolidated statements of comprehensive income. Comparative consolidated statements of comprehensive income for December 31, 2020 and 2019 have been presented similarly to conform with the December 31, 2021 presentation.

The adoption did not impact the consolidated statements of financial position and consolidated statements of cash flows.

- *Adoption of Q&A 2018-12-E (as amended by PIC Q&A 2020-02) - Treatment of Uninstalled Materials in the Calculation of the POC*

  PIC Q&A 2020-02 was issued by the PIC on October 29, 2020. The latter aims to provide conclusion on the treatment of materials delivered on site but not yet installed in measuring performance obligation in accordance with PFRS 15, *Revenue from Contracts with Customers* in the real estate industry.

  The Group does not engage in supply contracts with suppliers for the provision and installation of materials, thus, the adoption of this PIC Q&A did not impact the consolidated financial statements of the Group.

- *Adoption of PIC Q&A 2018-14, Accounting for Cancellation of Real Estate Sales (as amended by PIC Q&A 2020-05)*

  On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively from approval date of the Financial Reporting Standards Council which was November 11, 2020.

  The adoption of this PIC Q&A did not impact the consolidated financial statements of the Group as it records the repossessed inventory at its fair value less cost to sell and recognize any difference between the carrying amount of the derecognized receivable and the repossessed property in profit or loss. As the Group has been reporting repossessed inventories at fair value as allowed under approach 1, there is no change in accounting upon adoption of the PIC Q&A as at January 1, 2021.

Future Changes in Accounting Policies
The Group will adopt the following standards and interpretations when these become effective. Except as otherwise stated, the Group does not expect the adoption of these standards to have a significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

    An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

  The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  The Group is currently assessing the impact of adopting these amendments.

- *Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC MC Nos. 14-2018 and 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

  The PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

	Deferral Period
a. Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
b. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (Philippine Accounting Standards 23, Borrowing Cost) for Real Estate industry	Until December 31, 2023

  The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

  a. The accounting policies applied.
  b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
  c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
  d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

  After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021.

  The Group availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Group assessed that the impact would have been as follows:

  Assessing if the transaction price includes a significant financing component
  The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied using full retrospective approach or modified retrospective approach. The Group elected to adopt the PIC Q&A using the modified retrospective approach. Under this approach, the cumulative effect of initially applying the PIC Q&A is recognized at the date of the initial application as an adjustment to the opening balance of retained earnings

therefore the comparative information will not be restated. The Group has yet to assess if the mismatch constitutes a significant financing component for its contracts to sell.

The above would have impacted the cash flows from operations and cash flows from financing activities for the year of initial application.

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)*

  In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under paragraph 35(c) of PFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23, *Borrowing Costs*, considering that these inventories are ready for their intended sale in their current condition.

  The IFRIC Agenda Decision would change the Group's current practice of capitalizing borrowing costs on real estate projects with pre-selling activities.

  On February 11, 2020, the Philippine SEC issued MC No. 4-2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Further, on December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023. Effective January 1, 2024, the Real Estate Industry will adopt the IFRIC Agenda Decision and any subsequent amendments thereto applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC Agenda Decision.

  For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

  The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC Agenda Decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred.

  The related adjustment on borrowing costs can be applied using either full retrospective approach or modified retrospective approach. The Group elected to adopt the IFRIC Agenda Decision using the modified retrospective approach. Under this approach, the cumulative effect of initially applying the IFRIC Agenda Decision is recognized at the date of the initial application as an adjustment to the opening balance of retained earnings therefore the comparative information will not be restated.

  The above would have impacted the cash flows from operations and cash flows from financing activities for the year of initial application.

Significant Accounting Policies

Current versus Noncurrent Classification
The Group presents assets and liabilities in consolidated statement of financial position based on current and noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve (12) months after the reporting period; or
- cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve (12) months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, 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.

For purposes of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy.

Financial Instruments
Date of recognition
The Group recognizes financial assets and liabilities in the consolidated statement of financial position when, and only 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 trade date.

Recognition and Measurement of Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition of financial instruments
Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at FVOCI, or at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or at FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the 'SPPI test' and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

As of December 31, 2021 and 2020, the Group's financial assets comprise of financial assets at amortized cost and financial assets at FVOCI.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost
Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as interest income in the consolidated statement of comprehensive income.

The Group classified cash and cash equivalents, installment contracts receivables and other receivables, advances to agents and brokers under "Other current assets", and deposits in escrow and refundable security deposits under "Other noncurrent assets" as financial assets at amortized cost (see Notes 5, 6 and 8).

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not have debt instruments at fair value through OCI.

Financial assets at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets at fair value through OCI includes investments in quoted and unquoted equity instruments (see Note 9).

Dividends earned on holding these equity instruments are recognized in the consolidated statement of comprehensive income when the Group's right to receive the dividends is established in accordance with PFRS 15, unless the dividends clearly represent recovery of a part of the cost of the investment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

As of December 31, 2021 and 2020, the Group does not have financial assets at FVTPL.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Reclassification of financial assets
The Group can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Group is required to reclassify the following financial assets:

- from amortized cost to FVTPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- from FVTPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVTPL at initial recognition is not permitted. A change in the objective of the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of comprehensive income.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For installment contracts receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a vintage analysis for installment contracts receivables and contract assets that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Group uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the Group determines the ratings by reference to a comparable bank.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Write-off of financial assets
A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows (e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the Group has effectively exhausted all collection efforts).

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fee and other fees.

As of December 31, 2021 and 2020, the Group's other financial liabilities consist of accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income.

Only if the criteria in PFRS 9 are satisfied, the designation of financial liabilities at fair value through profit or loss at the initial date of recognition is allowed. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

This category generally applies to the Group's accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an

exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

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. This is not generally the case with master netting agreements, where the related assets and liabilities are presented at gross in the consolidated statement of financial position.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to insignificant risk of changes in value.

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 or will be occupied by the Group, is held as inventory and is measured at the lower of cost and net realizable value (NRV). In few cases of buyer defaults, the Group can repossess the properties and held it for sale in the ordinary course of business at the prevailing market price. The repossessed properties are included in the "Real Estate Inventories" account in the consolidated statement of financial position. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts unless these exceed the recoverable values.

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.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Inventories that are temporarily leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as real estate inventories. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

Transfers are made from real estate inventories to investment properties or owner-occupied properties when the intent to sell in the ordinary course of business has permanently changed, as evidenced by commencement of an operating lease to another party or owner occupation. Transfers between investment properties, owner-occupied property and real estate 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.

Prepaid Expenses
Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, and insurance.

With the exception of commission, which is amortized using POC, other prepaid expenses are amortized as incurred.

Refundable Deposits
Refundable deposits are measured initially at fair value. After initial recognition, refundable deposits are subsequently measured at amortized cost using the effective interest method.

The difference between the cash received and its fair value is deferred and amortized using the straight-line method under the "Real estate sales" account in the consolidated statement of comprehensive income.

Non-refundable deposits that are applicable against costs of services incurred or goods delivered are measured at fair value.

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. These include advances to contractors and lot owners which are carried at costs less impairment losses, if any.

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.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

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 and included under "Costs of Rental Income" in the consolidated statement of comprehensive income. 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	5 to 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 properties 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 properties, 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.

The Group discloses the fair values of its investment properties in accordance with PAS 40. The Group engages independent valuation specialist to assess the fair values as at December 31, 2019. The Group's investment properties consist of land and building pertaining to properties, mall and office properties. These were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

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 to 5

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

Fully depreciated and amortized property and equipment are retained in the accounts until they are no longer in use. No further depreciation and amortization is charged against current operations.

Interests in Joint Development Projects
Interests in joint development projects represent one or more assets, usually in the form of real estate development, contributed to, or acquired for the purpose of the joint development and dedicated to the purposes of the joint operations. The assets are used to obtain benefits for the operators. Each operator may take a share of the output from the assets and each bears an agreed share of the expenses incurred. These joint operations do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the operators themselves. Each operator has control over its share of future economic benefits through its share of the jointly operations. Contribution of the Group to the joint operations are included in real estate inventories.

Impairment of Nonfinancial Assets
This accounting policy relates to the other assets, inventories, interests in joint development projects, investment properties and property and equipment.

The Group assesses at each reporting date whether there is an indication that an asset 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 POC 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' Deposits" 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 POC. Subsequently, customers' deposits are applied against receivable from customers as a result of the recognition of sales through completion of the project.

Value-added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statement of financial position.

Pension
The Group has a funded, noncontributory defined benefit pension plan covering substantially all of its qualified employees. The Group's pension liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Defined benefit costs comprise the following:

(a) service cost;
(b) net interest on the net defined benefit liability or asset; and
(c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

<u>Equity</u>
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 and charged to "Additional Paid-in Capital" (APIC) account. If APIC is not sufficient, the excess is charged against retained earnings.

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.

<u>Treasury Shares</u>
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 Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them. 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.

Retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

<u>Revenue from Contract with Customers</u>
The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its mall retail spaces and office leasing activities, wherein it is acting as agent.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or POC) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's project development engineers and project managers. This is based on the quarterly project accomplishment report prepared by the Group's project development engineers as approved by the project managers which integrates the surveys of performance as of quarter end of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contracts receivables, under trade receivables, is included in the “contract asset” account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contracts receivables is included in the “contract liabilities” account in the liabilities section of the consolidated statement of financial position.

In case of sales cancellation due to the default of the buyers, the Group derecognizes the outstanding balance of contract asset or installment contracts receivable and recognize the repossessed property at fair value less cost to repossess, with any difference taken to profit or loss.

Cost of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which changes are determined.

In addition, the Group recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Costs to obtain contract (Commission expense)
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Selling and administrative expense” account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

<u>Contract Balances</u>
Installment contracts receivables
Installment contracts receivables represent the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Contract fulfillment assets
Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable. The Group's contract fulfillment assets pertain to land acquisition costs.

Amortization, de-recognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

The Group amortizes contract fulfillment assets and capitalized costs to obtain a contract over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization of contract fulfillment assets and cost to obtain a contract is included within "Cost of real estate sales" and "Selling and administrative expense", respectively.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that the contract fulfillment asset or capitalized cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

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 effective interest method.

Commission income

Commission income is recognized when services are rendered.

Dividend income

Dividend income is recognized when the Group’s right to receive the payment is established.

Others

Other income is derived from processing the registration of properties of buyers, collection from surcharges and penalties for late payments which are recognized when services are rendered.

Other income also includes profit share in hotel operations which is derived from the Group’s share in service 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 when earned.

Costs 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.

Cost of real estate sales
Cost of real estate sales includes all direct materials, labor costs and incidental costs related to the construction of housing units.

Cost of rental income
Cost of rental income is mostly coming from depreciation, utilities and management fees. These are recognized as cost when incurred, except for depreciation which is recognized on a straight-line basis.

Cost of hotel operations
Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Selling and administrative expenses
Selling and administrative expenses are expenses that are incurred in the course of the ordinary operations of the Group. These usually take the form of an outflow or depletion of assets such as cash and cash equivalents, property and equipment and investment properties. Selling and administrative expenses are costs incurred to sell real estate inventories, which include commissions, advertising and promotions, among others and costs of administering the business.

Expenses are recognized in the consolidated statement of comprehensive income as incurred based on the amounts paid or payable.

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 "Investment Properties" account in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

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 Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee - Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted on a straight-line basis over the lease term and is included in revenue in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease e.g., addition or termination of the right to use one or more underlying assets, or the extension or shortening of the contractual lease term. In case of a lease modification, the lessor shall account for any such modification by recognizing a new lease from the effective date of the modification, considering any prepaid or accrued lease payments

relating to the original lease as part of the lease payments for the new lease and the remaining lease payments will be recognized as income on a straight-line basis over the remaining lease term.

In case of change in lease payments for an operating lease that does not meet the definition of a lease modification, the lessor shall account for any such change as a negative variable lease payment and recognize lower lease income.

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.

Deferred tax
Deferred tax is provided, using the liability method, 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, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefits 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 benefits 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 is 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. As of December 31, 2021 and 2020, the Group has no potential diluted common shares.

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 to the consolidated financial statements.

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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks

specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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 financial 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 PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic, 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:

Real estate revenue recognition
Existence of a contract
The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation application, buyer's ledger and official receipts evidencing collections from buyer, would contain all the criteria to qualify as a contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the buyer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as past history with buyers, age of installment contracts receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 20% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation (i.e. POC) faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Definition of default and credit-impaired financial assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria - for installment contracts receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria
The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial assets has disappeared because of financial difficulties
d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's ECL calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The Group has considered the impact of COVID-19 pandemic and to the extent applicable revised its assumptions in determining macroeconomic variables and loss rates in the ECL computation. The changes in the gross carrying amounts of installment contracts receivables and contract assets during the year and impact of COVID-19 did not materially affect the Group's allowance for ECLs.

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. Transfers are made to investment properties 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.

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.

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.

Recognizing 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 future 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.

Determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements
Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

Assessment on whether lease concessions granted constitute a lease modification
In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees qualify as lease modifications since the terms and conditions under the corresponding lease contracts have been modified by the waiver and therefore, is a lease modification under PFRS 16. The Group accounted these lease concessions as a new lease from the effective date of the modification and recognized remaining lease payments on a straight-line basis over the remaining lease term in the consolidated statement of comprehensive income for the years ended December 31, 2021 and 2020.

The rent concessions granted by the Group for the years ended December 31, 2021 and 2020 amounted to ₱149.87 million and ₱166.54 million, respectively.

Principal versus agent considerations
The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the real estate developer, are primary responsible for the provisioning of the utilities while the Group, administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For the provision of CUSA and air conditioning, the Group acts as a principal because it retains the right to direct the service provider of air conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air conditioning charges.

For the years ended December 31, 2021, 2020 and 2019, the Group reported the gross amounts of CUSA and air-conditioning amounting to ₱63.39 million, ₱61.31 million and ₱82.52 million, respectively, as “Rental income” in the consolidated statements of comprehensive income.

Management's Use of Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition and measure of progress for real estate sales
The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group concluded that revenue from real estate sales is to be recognized over time using the output method. The Group's revenue from real estate sales recognized is based on physical proportion of work done on the real estate project which requires technical determination by the Group's project development engineers and project managers. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by project development engineers.

Following the pattern of real estate revenue recognition, the cost to obtain a contract (e.g. commission), is determined using the POC. In view of the continuing community quarantines and restricted mobility, the progress of the Group's performance obligation is adversely affected which resulted to lower POC in 2021 and 2020 as compared to previous years.

Real estate sales amounted to ₱6,827.17 million, ₱5,383.08 million and ₱5,871.50 million and for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 4).

Evaluation of impairment of receivables and contract assets
The Group uses a provision matrix to calculate ECLs for trade receivables other than installment contracts receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for installment contracts receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (e.g., foreign exchange growth rate and bank lending rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has considered the impact of COVID-19 pandemic and to the extent applicable revised its assumptions in determining macroeconomic variables and loss rates in the ECL computation. The changes in the gross carrying amounts of installment contracts receivables and contract assets during the year and impact of COVID-19 did not materially affect the Group's allowance for ECLs.

The information about the ECLs on the Group's installment contracts receivables and contract assets is disclosed in Note 6.

The carrying values of installment contracts receivables and contract assets amounted to ₱3,072.34 million and ₱4,116.33 million, respectively, as of December 31, 2021 and ₱2,612.15 million and ₱2,847.88 million, respectively, as of December 31, 2020 (see Notes 4 and 6).

The Group recognized provision for expected credit losses on trade receivables amounting to ₱8.14 million, ₱1.35 million and ₱1.07 million in 2021, 2020 and 2019, respectively.

Evaluation of net realizable value of inventories
Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether those inventories are slow or non-moving or if their selling prices have declined in comparison to the cost. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered. Refer to Note 7 for the related balances.

There was no provision for impairment nor reversal of impairment in 2021, 2020 and 2019.

Evaluation of impairment of other nonfinancial assets (except inventories)
The Group reviews other assets, investment properties and property and equipment for impairment in 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 fair value less costs to sell, except for assets where value in use computation is applied.

The fair value less costs to sell 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 (Notes 8, 10 and 11).

The carrying values of the Group's nonfinancial assets as of December 31, 2021 and 2020 are disclosed below.

	2021	2020
Investment properties (Note 10)	**₱5,868,209,371**	₱5,712,412,564
Property and equipment (Note 11)	**49,687,977**	54,853,789
Other current assets* (Note 8)	**4,781,636,590**	5,399,332,516
Other noncurrent assets** (Note 8)	**622,449,317**	443,556,896
	₱11,321,983,255	₱11,610,155,765

**excluding advances to agents and brokers.*
***excluding deposits in escrow and refundable security deposits.*

The Group has determined that COVID-19 pandemic has no impact and is not considered as an impairment indicator in the impairment assessment of nonfinancial assets. There was no provision for impairment nor reversal of impairment in 2021, 2020 and 2019 (see Notes 8, 10 and 11).

Estimating pension liabilities and other retirement benefits
The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 20 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect pension obligations. Refer to Note 20 for the related balances.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statements 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 for the related balances.

4. Revenue from Contracts with Customers

Disaggregated Revenue Information
The Group derives revenue from the transfer of goods and services over time and at a point in time, respectively, in different product types. The Group's disaggregation of each source of revenue from contracts with customers are presented below:

	2021	2020	2019
Real estate sales by product			
Lot only	**₱5,919,389,376**	₱4,362,693,042	₱5,322,051,158
Condominium units	**907,783,083**	1,020,386,498	549,445,621
Total revenue from contracts with customers	**₱6,827,172,459**	₱5,383,079,540	₱5,871,496,779
Geographical Location			
Luzon	**₱5,614,983,703**	₱4,587,867,726	₱4,676,128,465
Visayas	**582,330,732**	412,114,351	758,037,244
Mindanao	**629,858,024**	383,097,463	437,331,070
Total	**₱6,827,172,459**	₱5,383,079,540	₱5,871,496,779

The Group's real estate sales are revenue from contracts with customers which are recognized over time.

Contract balances are as follows:

December 31, 2021

	Current	**Noncurrent**	**Total**
Installment contracts receivables (Note 6)	**₱1,211,442,135**	**₱1,860,897,262**	**₱3,072,339,397**
Contract assets (Note 6)	**1,464,882,887**	**2,651,443,660**	**4,116,326,547**
Contract liabilities (Notes 6 and 13)	**2,577,522,263**	**1,238,959,224**	**3,816,481,487**

December 31, 2020

	Current	Noncurrent	Total
Installment contracts receivables (Note 6)	₱1,598,080,782	₱1,014,073,112	₱2,612,153,894
Contract assets (Note 6)	1,880,380,969	967,495,032	2,847,876,001
Contract liabilities (Notes 6 and 13)	3,569,804,302	401,374,560	3,971,178,862

In September 2019, the PIC issued additional guidance to the real estate industry on the implementation of PFRS 15, including guidance on the recording of the difference between the consideration received from the customer and the transferred goods to the customer (i.e., measured based on POC). The PIC allowed real estate companies to recognize the difference as either a contract asset or unbilled receivable. If presented as a contract asset, the disclosures required under PFRS 15 should be complied with. Otherwise, the disclosures required under PFRS 9 should be provided.

The Group opted to retain its existing policy of recording the difference between the consideration received from the customer and the transferred goods to the customer as contract assets or contract liabilities.

Installment contracts receivables from real estate sales are collectible in equal monthly principal installments with various terms up to ten (10) years. Interest rates range from 14% to 16% per annum. Titles to the residential units sold are transferred to customers upon full payment of the contract price.

Contract assets represent the right to consideration for assets already delivered by the Group in excess of the amount recognized as installment contracts receivables. Contract assets is reclassified to installment contracts receivables when monthly amortization of the customer is already due for collection.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the services transferred by the Group based on POC. The movement in contract liabilities arise mainly from revenue recognition of completed performance obligations.

Set-out below is the amount of revenue recognized from:

	2021	2020
Amounts included in contract liabilities at the beginning of the year	**₱370,593,672**	₱159,808,171
Performance obligation satisfied in previous years	**1,229,696,819**	1,582,120,704

Performance obligations
Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of a real estate unit may cover either (a) a lot; or (b) condominium unit. There is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the reservation application and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include down payment of 10% to 20% of the contract price spread over a certain period (e.g., one to three months) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from one (1) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2021 and 2020 follows:

	2021	2020
Within one year	**₱2,151,940,252**	₱2,188,930,153
More than one year	**1,868,451,013**	1,634,642,231
	₱4,020,391,265	₱3,823,572,384

The remaining performance obligations expected to be recognized within one year and in more than one year relate to continuous development of the Group's real estate projects. The Group's subdivision lots are expected to be completed within 2 to 3 years, while the condominium units are expected to be completed within 1 year.

Rental agreements
The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space, (b) provisioning of water and electricity, (c) provision of air conditioning and CUSA services and (d) administration fee.

Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within 7 to 20 days upon receipt of the bill. In case of delay in payments, a penalty of 3% to 36% per annum is charged for the amount due for the duration of delay. The lease arrangement would typically require a tenant to pay a security deposit equivalent to six (6) months rental to cover any defaults in payments, with the excess returned to the tenant.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group granted lease concession to its lessees amounting to ₱149.87 million and ₱166.54 million for the years ended December 31, 2021 and 2020, respectively. The concession varies depending on the type of the lessees that are either forced to close and those that remained operational and essential during the quarantine period. Likewise, common area usage and other charges were waived.

Cost to Obtain Contract
As at December 31, 2021 and 2020, the rollforward of the cost to obtain contract included in the other current assets as follows (see Note 8):

	2021	2020
Balance at beginning of year	**₱197,036,847**	₱183,845,963
Additions	**844,461,379**	687,455,976
Amortization	**(846,023,002)**	(674,265,092)
Balance at end of year	**₱195,475,224**	₱197,036,847

It is the Group's accounting policy, as set out in Note 2, that if a contract or specific performance obligation has exhibited marginal profitability or other indicators of impairment, judgement is applied to ascertain whether the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

5. Cash and Cash Equivalents

This account consists of:

	2021	2020
Cash on hand	**₱1,445,500**	₱1,217,500
Cash in banks	**1,945,514,036**	911,066,883
Cash equivalents	**–**	30,536,120
	₱1,946,959,536	₱942,820,503

Cash in banks earns interest at the prevailing bank deposit rates.

Cash equivalents include short-term placement made during the year for period of three months based on the immediate cash requirements of the Group, and earn annual interest of 1.00% and 0.15% to 0.25% in 2021 and 2020, respectively.

Interest income earned from cash in banks and cash equivalents amounted to ₱2.18 million, ₱4.25 million and ₱3.61 million in 2021, 2020, and 2019, respectively (Note 16).

The Group has restricted cash in bank amounting ₱56.82 million and ₱39.05 million as of December 31, 2021 and 2020, respectively. This pertains to the cash deposited in an escrow trust account for socialized housing compliance and recorded under "Other noncurrent asset" in the statements of the financial position (see Note 8).

6. Receivables and Contract Assets

This account consists of:

	2021	2020
Installment contracts receivable (ICR):		
Subdivision land	**₱1,975,029,571**	₱1,880,601,124
Condominium units	**1,097,309,826**	731,552,770
Receivable from related parties (Note 19):		
Trade	**543,452,716**	659,175,564
Non-trade	**921,832**	921,832
Accrued interest receivable	**664,489,761**	618,011,413
Advances to joint development operations (Note 21)	**326,773,576**	356,151,516
Advances to officers, employees and agents (Note 19)	**179,179,518**	116,992,148
Receivable from tenants	**125,256,860**	97,254,072
Dividend receivable (Note 9)	**20,082,111**	20,082,111
Commission receivable	**19,676,384**	74,038,309
Others	**25,242,854**	22,169,773
	4,977,415,009	4,576,950,632
Less unamortized discount	**66,450,600**	50,029,289
	4,910,964,409	4,526,921,343
Less allowance for expected credit losses (ECL)	**26,397,709**	18,252,713
	4,884,566,700	4,508,668,630
Less noncurrent ICR	**1,860,897,262**	1,014,073,112
	₱3,023,669,438	₱3,494,595,518

Contract balances as of December 31 are as follows:

2021

	Current	**Noncurrent**	**Total**
Installment contracts receivables	**₱1,211,442,135**	**₱1,860,897,262**	**₱3,072,339,397**
Contract assets	**1,464,882,887**	**2,651,443,660**	**4,116,326,547**
Contract liabilities	**2,577,522,263**	**1,238,959,224**	**3,816,481,487**

2020

	Current	Noncurrent	Total
Installment contracts receivables	₱1,598,080,782	₱1,014,073,112	₱2,612,153,894
Contract assets	1,880,380,969	967,495,032	2,847,876,001
Contract liabilities	3,569,804,302	401,374,560	3,971,178,862

Installment contracts receivables represent the buyer's outstanding balance arising from real estate sales. These are collectible in equal monthly installments with various terms up to 10 years. These are carried at amortized cost. The corresponding titles to the subdivision land or condominium units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Annual interest rates on installment contracts receivables ranged from 14% to 16%. The total interest income recognized on these interest-bearing installment contracts receivables and contract assets amounted to ₱388.71 million, ₱360.19 million and ₱518.10 million in 2021, 2020 and 2019, respectively (Note 16).

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

In 2020, the Group, provided reliefs under Bayanihan 1 Act and Bayanihan 2 Act, which offered financial reliefs to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. These relief measures included the restructuring of existing receivables including extension of payment terms.

Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

As of December 31, 2021 and 2020, receivables from sales of subdivision land and condominium units with a nominal amount aggregated ₱3,439.20 million and ₱2,034.60 million, respectively. The fair value of the receivables was obtained by discounting future cash flows using the applicable annual rates of similar types of instruments ranging from 3.56% to 6.45% and 5.08% to 7.54% and 6.25% to 8.16% in 2021 and 2020, respectively.

Movement in the unamortized discount arising from noninterest-bearing ICR follows:

	2021	2020
Balance at beginning of year	**₱50,029,289**	₱62,824,592
Additions	**145,301,865**	102,556,784
Accretion from unamortized discount (Note 16)	**(128,880,554)**	(115,352,087)
Balance at end of year	**₱66,450,600**	₱50,029,289

Allowance for ECL pertain to trade receivables. Movement follows:

	2021	2020
Balance at beginning of year	**₱18,252,713**	₱16,902,639
Provisions	**8,144,996**	1,350,074
Balance at end of year	**₱26,397,709**	₱18,252,713

In the evaluation of the ECL under installment contracts receivables, the Group takes into account that the title to the property passes to the buyer only upon full settlement. For rental receivables, these are secured by security deposits and advanced rentals.

Trade receivables from related parties include advances and uncollected rental income from related parties (Note 19). These are noninterest-bearing, due and demandable.

Non-trade receivables from related parties include a rescission of the assignment of land rights (Note 15), sale of lots and assumption of loan of the Ultimate Parent Company (Note 19). These are noninterest-bearing, due and demandable.

Accrued interest receivable pertains to interest on installment contracts receivables and contract assets already earned but not yet received.

Advances to joint development operations pertain to cash advances to land owners or joint development operators for the property or land that will be developed. These advances are liquidated by the joint development operators once the purpose for which the advances were made had been accomplished and accordingly will be offset to the related liability to joint development operators. These are noninterest-bearing, due and demandable.

Advances to officers, employees and agents pertain to loans granted to the Group's employees which are collectible through salary deduction, are noninterest-bearing and have various maturity dates. This also includes advances for liquidation pertaining to cash advances to custodians for site costs and administrative expenses and advances to sales agents for marketing activities which are replenished upon liquidation.

Receivable from tenants represent the outstanding receivable arising from the lease of commercial spaces relating to the Group's mall operations and are collectible within 30 days from billing date.

Dividend receivable pertains to cash dividend declared from FVOCI which are not yet received as of date.

Commission receivable represents the uncollected and unbilled commission revenue for real estate sales services rendered to outside parties. This is equivalent to a certain percentage of the total contract price of properties sold.

Other receivables primarily represent the Group's uncollected development income from the Summerhill Executive Phase 4 project located in Antipolo, Rizal.

7. Real Estate Inventories

A summary of the movement in inventory is set out below:

	2021	2020
Balance at January 1	**₱24,931,122,564**	₱21,870,084,999
Construction and development costs incurred	**4,370,696,788**	2,922,110,458
Land acquired during the year	**1,113,557,536**	1,906,903,486
Repossessed real estate inventories	**305,401,258**	150,237,230
Capitalized borrowing costs	**138,353,356**	107,038,032
Costs of real estate sales	**(1,953,692,295)**	(2,025,251,641)
Balance at December 31	**₱28,905,439,207**	₱24,931,122,564

The real estate inventories are carried at lower of cost and net realizable value (NRV). There are no inventories recorded at lower than cost.

The Group acquired various lands for development amounting ₱1,113.56 million and ₱1,906.90 million in 2021 and 2020, respectively. Initial stages of development are underway on these properties with a view to sell as subdivision, condominium or commercial space.

Repossessed real estate inventories arising from cancellation of sales due to buyers' default in payment represent previously sold lot inventories which are recorded back to inventories. These are recorded at fair value less cost to sell and cost to complete at the time of transfer and are held for sale in the ordinary course of business. Gain on repossession of real estate inventories amounted to ₱136.35 million, ₱94.28 million and ₱29.60 million in 2021, 2020 and 2019, respectively (Note 17).

Real estate inventories include units which are being used temporarily in condotel operation as managed by third parties. The Group has recognized profit share in this operation amounting to ₱5.00 million, ₱7.90 million and ₱54.53 million in 2021, 2020 and 2019, respectively (Note 17).

Borrowing costs capitalized as part of real estate inventories, where activities necessary to prepare it for its intended use is ongoing, amounted to ₱138.35 million, ₱107.04 million and ₱147.24 million for the years ended December 31, 2021, 2020 and 2019, respectively (Note 18). The capitalization rate used to determine the borrowing cost eligible for capitalization is 5.51%, 6.73% and 7.36% in 2021, 2020 and 2019, respectively.

Real estate inventories recognized as cost of sales amounted to ₱1,953.69 million in 2021, ₱2,025.25 million in 2020 and ₱2,680.78 million in 2019 and are included as "Costs of real estate sales" in the consolidated statements of comprehensive income. Cost of real estate sales includes acquisition cost of land, amount paid to contractors, development costs and other costs attributable to bringing the real estate inventories to its intended condition.

There was no provision for nor reversal of impairment on real estate inventories in 2021, 2020 and 2019.

No inventories were pledged as collateral to borrowings of the Group as of December 31, 2021 and 2020.

8. Other Assets

This account consists of:

	2021	2020
Advances to contractors	**₱3,046,670,777**	₱3,681,779,492
Advances to lot owners	**661,580,660**	491,350,734
Prepaid commission (Note 4)	**947,854,679**	964,410,638
Input VAT – net	**424,236,964**	343,404,146
Prepaid taxes	**75,527,926**	233,929,351
Security deposits	**76,252,280**	82,676,019
Advances to agents and brokers	**1,239,659**	1,656,145
Others	**305,038,071**	167,062,254
	5,538,401,016	5,966,268,779
Less noncurrent portion of:		
Advances to contractors	**476,572,014**	316,988,273
Prepaid commission	**109,642,064**	126,568,623
Security deposits	**76,252,280**	82,676,019
Deposits in escrow (Note 5)	**56,823,170**	39,047,203
Others	**36,235,239**	–
	₱4,782,876,249	₱5,400,988,661

Advances to contractors represent payments made for the development and construction of real estate inventories and investment properties. The advances will be recouped against contractors' billings.

Advances to lot owners consist of advance payments to land owners which will be applied against the selling price of the real properties that will be acquired. The application is expected to occur within 12 months after the reporting date.

Prepaid commission pertains to payments to agents for sales commission on inventories that are not yet recognized as sales during the year. These are recorded as contract cost when paid. Contract cost is amortized using the POC method consistent with the measure of progress for revenue recognition.

Input VAT represents VAT on purchase of goods and services. This is presented net of output VAT. The remaining balance is recoverable in future periods.

Prepaid taxes pertain to creditable withholding taxes to be applied against future income tax payable and prepayments for registration of acquired lots.

Security deposits pertain to refundable deposits for the electrical services or upgrade of electrical structures as necessary for every new project of the Group.

Advances to agents and brokers pertain to unliquidated advances to operate branch offices within and outside the Philippines. These advances are liquidated within one year from the dates the advances were made.

Others consist mainly of deposits in escrow, prepayments related to mall operations and security deposits for short-term leases, among others.

9. **Financial Assets at FVOCI**

Financial assets at FVOCI consists of investments in:

	2021	2020
Investment at cost	**₱456,755,748**	₱456,755,748
Net unrealized gain	**225,860,515**	364,692,477
At end of year	**₱682,616,263**	₱821,448,225

Movement in unrealized gain reflected in the other comprehensive income follows:

	2021	2020
Balance at beginning of year	**₱364,692,477**	₱491,419,787
Fair value change during the year	**(138,831,962)**	(126,727,310)
Balance at end of year	**₱225,860,515**	₱364,692,477

The following table provides the fair value hierarchy of the Group's financial assets at FVOCI which are measured at fair value as of December 31, 2021 and 2020:

December 31, 2021

	Date of Valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Quoted					
Gaming	December 31, 2021	**₱458,601,004**	**₱458,601,004**	**₱–**	**₱–**
Unquoted					
Real estate	December 31, 2021	**224,015,259**	**–**	**–**	**224,015,259**
		₱682,616,263	**₱458,601,004**	**₱–**	**₱224,015,259**

December 31, 2020

	Date of Valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Quoted					
Gaming	December 31, 2020	₱592,171,231	₱592,171,231	₱–	₱–
Unquoted					
Real estate	December 31, 2020	229,276,994	–	–	229,276,994
		₱821,448,225	₱592,171,231	₱–	₱229,276,994

The valuation of unquoted shares of stock is categorized as Level 3 in the fair value hierarchy since valuation is based on unobservable inputs. The significant unobservable inputs used in the valuation pertains to latest available financial information. The fair value used by the Group is based on the adjusted net asset value amounting to ₱1,488.65 million and ₱1,855.48 million as of December 31, 2021 and 2020, respectively.

Significant increases (decreases) in the net asset value would result in a significantly higher (lower) fair value of the unquoted shares.

Generally, a change in the assumption made for the adjusted net asset value is accompanied by a directionally similar change in the growth per annum of the unquoted shares for the period.

Dividends earned from financial assets at FVOCI amounted to ₱8.72 million, ₱9.20 million and ₱5.66 million in 2021, 2020 and 2019, respectively.

10. **Investment Properties**

The rollforward analyses of this account follow:

	2021					
	Land	**Land Improvements**	**Buildings and Improvements**	**Machinery and Equipment**	**Construction in Progress**	**Total**
Cost						
Balances at January 1	**₱1,802,529,188**	**₱44,259,000**	**₱5,005,832,506**	**₱412,409,000**	**₱26,894,476**	**₱7,291,924,170**
Additions	**–**	**–**	**5,985,996**	**–**	**285,614,713**	**291,600,709**
Balances at December 31	**1,802,529,188**	**44,259,000**	**5,011,818,502**	**412,409,000**	**312,509,189**	**7,583,524,879**
Accumulated Depreciation						
Balances at January 1	**–**	**14,384,177**	**1,152,718,429**	**412,409,000**	**–**	**1,579,511,606**
Depreciation (Note 17)	**–**	**1,106,475**	**134,697,427**	**–**	**–**	**135,803,902**
Balances at December 31	**–**	**15,490,652**	**1,287,415,856**	**412,409,000**	**–**	**1,715,315,508**
Net Book Value	**₱1,802,529,188**	**₱28,768,348**	**₱3,724,402,646**	**₱–**	**₱312,509,189**	**₱5,868,209,371**

	2020					
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Total
Cost						
Balances at January 1	₱1,802,529,188	₱44,259,000	₱4,096,405,938	₱412,409,000	₱697,531,959	₱7,053,135,085
Additions	–	–	13,255,943	–	225,533,142	238,789,085
Transfer	–	–	896,170,625	–	(896,170,625)	–
Balances at December 31	1,802,529,188	44,259,000	5,005,832,506	412,409,000	26,894,476	7,291,924,170
Accumulated Depreciation						
Balances at January 1	–	13,277,702	1,030,030,541	412,409,000	–	1,455,717,243
Depreciation (Note 17)	–	1,106,475	122,687,888	–	–	123,794,363
Balances at December 31	–	14,384,177	1,152,718,429	412,409,000	–	1,579,511,606
Net Book Value	₱1,802,529,188	₱29,874,823	₱3,853,114,077	₱–	₱26,894,476	₱5,712,412,564

The construction in progress represents capitalized costs arising from the construction of the Parent Company's mall project that is located in Panacan, Davao City. The expected completion date of Ponte Verde Mall is on July 31, 2024. In 2020, the transfer from construction in progress to building and improvements represents the completion of the Sta. Lucia Business Center that is located in Cainta, Rizal. Capital commitments amounted to ₱244.57 million and ₱401.40 million as of December 31, 2021 and 2020, respectively.

Depreciation expense recognized as costs of rental income amounted to ₱135.80 million, ₱123.79 million and ₱122.69 million in 2021, 2020 and 2019, respectively (Note 17).

The aggregate fair value of the Group's investment properties amounted to ₱9,342.61 million and ₱7,671.80 million as of December 31, 2021 and 2020, respectively.

The latest valuation was obtained on December 31, 2020. The fair values were determined by independent professionally qualified appraisers and were updated using current and year-end values and assumptions. The fair value of the investment properties disclosed in the financial statements is categorized within Level 3 of the fair value hierarchy.

The values of the land and building were arrived using the market data approach and income approach using discounted cash flow method, respectively. Market data approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For market data approach, the higher the price per square meter, the higher the fair value. The significant unobservable input to valuation of the land is the price per square meter ranging from ₱40,000 to ₱100,000.

Under income approach, all expected cash flow from the use of the asset were projected and discounted using the appropriate discount rate reflective of the market expectations. The significant unobservable inputs used in the valuation pertains to lease income growth and discount rate.

Significant increases (decreases) in estimated rental value and rent growth per annum would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum, and an opposite change in the long-term vacancy rate and discount rate.

Borrowing cost capitalized to investment properties in 2021, 2020 and 2019 amounted to ₱10.35 million, ₱9.22 million and ₱18.76 million, respectively (Note 18). Capitalization rate used to determine the borrowing cost eligible for capitalization is 5.51%, 6.73% and 7.36% in 2021, 2020 and 2019, respectively.

Rental income from investment properties amounted to ₱465.86 million, ₱447.54 million and ₱747.80 million in 2021, 2020 and 2019, respectively (Note 23). Cost of rental income from investment properties amounted to ₱371.41 million, ₱281.20 million and ₱399.68 million in 2021, 2020 and 2019, respectively.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

There are no investment properties as of December 31, 2021 and 2020 that are pledged as security for liabilities of the Group.

11. Property and Equipment

The rollforward analysis of this account follow:

	2021				
	Office Tools and Equipment	**Transportation Equipment**	**Furniture and Fixtures**	**Software**	**Total**
Cost					
Balances at January 1	**₱58,767,831**	**₱112,419,754**	**₱12,006,599**	**₱38,333,814**	**₱221,527,998**
Additions	**4,139,620**	**8,368,861**	**1,217,560**	**–**	**13,726,041**
Balances at December 31	**62,907,451**	**120,788,615**	**13,224,159**	**38,333,814**	**235,254,039**
Accumulated Depreciation and Amortization					
Balances at January 1	**27,479,150**	**91,330,243**	**9,531,002**	**38,333,814**	**166,674,209**
Depreciation and amortization	**7,455,806**	**9,598,643**	**1,837,404**	**–**	**18,891,853**
Balances at December 31	**34,934,956**	**100,928,886**	**11,368,406**	**38,333,814**	**185,566,062**
Net Book Value	**₱27,972,495**	**₱19,859,729**	**₱1,855,753**	**₱–**	**₱49,687,977**

	2020				
	Office Tools and Equipment	Transportation Equipment	Furniture and Fixtures	Software	Total
Cost					
Balances at January 1	₱52,310,560	₱101,051,518	₱11,914,724	₱38,333,814	₱203,610,616
Additions	6,457,271	11,368,236	91,875	–	17,917,382
Balances at December 31	58,767,831	112,419,754	12,006,599	38,333,814	221,527,998
Accumulated Depreciation and Amortization					
Balances at January 1	19,670,414	78,229,515	8,495,604	38,311,183	144,706,716
Depreciation and amortization	7,808,736	13,100,728	1,035,398	22,631	21,967,493
Balances at December 31	27,479,150	91,330,243	9,531,002	38,333,814	166,674,209
Net Book Value	₱31,288,681	₱21,089,511	₱2,475,597	₱–	₱54,853,789

Depreciation expense pertaining to mall operations recognized as costs of rental income amounted to ₱0.16 million, ₱0.16 million and ₱0.42 million in 2021, 2020 and 2019, respectively (Note 17).

The Group has no restrictions on the realizability of its property and equipment and no contractual obligations to purchase, construct or develop property and equipment or for repairs, maintenance and enhancements.

As of December 31, 2021 and 2020, there are no property and equipment items pledged to secure obligations of the Group.

12. Accounts and Other Payables

This account consists of:

	2021	2020
Contractors payable	**₱3,440,666,960**	₱2,492,284,878
Accounts payable	**1,095,716,218**	965,359,014
Payable to joint development operators	**1,086,899,888**	810,780,367
Unearned income	**476,434,626**	307,496,448

(Forward)

	2021	2020
Retentions payable	**₱144,507,817**	₱137,391,169
Security deposit	**90,990,236**	154,569,146
Taxes and licenses payable	**82,927,188**	64,065,257
Interest payable (Note 14)	**81,382,474**	145,325,402
Commission payable	**80,812,576**	51,766,285
Withholding tax payable	**39,297,738**	92,138,519
Advances from shareholders (Note 19)	**14,711,492**	16,346,102
Payable to related parties (Note 19)	**3,254,988**	56,318,549
Others	**115,397,013**	113,947,183
	₱6,752,999,214	₱5,407,788,319

Contractors payable arises from progress billings received from contractors' 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 fair value of materials and services received to date is recorded under "Accounts Payable" until the criteria for revenue recognition are met. These liabilities under offsetting arrangements amounted to ₱933.10 million and ₱773.10 million as of December 31, 2021 and 2020, respectively. Revenue recognized on offsetting arrangements amounted to ₱133.77 million and ₱102.77 million for December 31, 2021 and December 31, 2020, respectively.

Accounts payable also include amounts due to suppliers which are noninterest-bearing and are normally settled on 15 to 60-day terms.

Payable to joint development operators pertains to the share of the joint operators collected by the Group and is normally remitted within 90 days from the date of collection.

Unearned income refers to advanced collections from buyers for the processing of transfer of title that is to be performed upon full payment of the contract price and advanced collection from tenants of various investment properties.

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, generally within one year.

Security deposit pertains to the security deposit from tenants of the Group's leased properties.

Taxes and licenses payable are amounts due to local government units for the processing of registration fees and licenses related to the Group's land acquisitions.

Interest payable pertains to interest incurred on bank loans (Note 14). These are settled on a quarterly basis.

Commission payable represents amount payable and accrued to the Group's marketing arms and brokers agents.

Withholding tax payable consists of taxes withheld for remittance to the government.

Advances from shareholders are advances for the working capital on the Group's administrative expenses related to selling properties.

Other payables primarily consist of accrued payables, professional fees, documentary stamp tax, unearned rent and mandatory employer's contributions which are noninterest-bearing and are normally settled within one year.

13. Contract Liabilities

This account consists of customers' reservation fees, down payments and excess of collections over the installment contracts receivables recognized under the POC method. The excess of collections is applied against the installment contracts receivables that will be recognized in the succeeding years while collections below equity threshold are expected to be realized within a year.

The amount of revenue from real estate sales includes amount previously included in contract liabilities amounting to ₱370.59 million, ₱159.81 million and ₱205.20 million for the years ended December 31, 2021, 2020 and 2019, respectively.

As of December 31, 2021 and 2020, the contract liabilities account amounted to ₱3,816.48 million and ₱3,971.18 million, respectively. Details follow:

	2021	2020
Collections below equity threshold	**₱2,464,143,973**	₱3,258,186,456
Excess of collections over POC	**1,352,337,514**	712,992,406
	₱3,816,481,487	₱3,971,178,862

The Group requires buyers of the residential condominium units and subdivision lots to pay a minimum percentage of the total selling price before revenue recognition. These reservation fees and down payments will be applied against the installment contracts receivables when revenue recognition is met.

14. Short-term and Long-term Debt

Short-term debt

Below are the details of the short-term debt:

	2021	2020
Loans under revolving credit facility	**₱6,689,782,354**	₱4,311,482,354
Single payment short-term loan	**1,475,488,200**	1,477,488,200
Loans under notes facility agreement	**360,000,000**	360,000,000
	₱8,525,270,554	₱6,148,970,554

Loans under revolving credit facility agreement follow:

	2021	2020
Beginning balance	**₱4,311,482,354**	₱2,202,700,000
Availments	**10,259,750,000**	5,418,481,687
Payments	**(7,881,450,000)**	(3,309,699,333)
Ending balance	**₱6,689,782,354**	₱4,311,482,354

In 2021, the Group obtained various unsecured short-term loans amounting to ₱3,503.40 million from various financial institutions and qualified institutional buyers of securities arranged by Multinational Investment Bancorporation (MIB). These loans have maturity periods ranging from 2 to 6 months, with annual interest rates ranging from 3.50% to 4.75%. Of the total ₱3,503.40 million, ₱1,520.80 million were outstanding as of December 31, 2021.

In 2021, the Group also obtained unsecured short-term loans amounting to ₱4,781.50 million from RCBC Trust and Investment Group for refinancing purposes. These loans have maturity period of 6 months with annual interest rates ranging from 3.50% to 3.63%. Of the total ₱4,781.50 million, ₱2,350.00 million were outstanding as of December 31, 2021.

In 2021, the Group also obtained unsecured short-term loans amounting to ₱959.85 million from Philippine Commercial Capital, Inc.- Trust and Investment Group. These loans have a maturity period ranging from 2 to 3 months with annual interest rate of 4.00%. Of the total ₱959.85 million, ₱300.00 million were outstanding as of December 31, 2021.

In March and December 2021, the Group obtained unsecured short-term loans amounting to ₱65.00 million and ₱250.00 million from Bank of Commerce. These loans have maturity period of 2 months with an annual interest rate of 5.26%. Of the total ₱315.00 million availed, ₱65.00 million were settled in 2021.

In May 2021, the Group obtained unsecured short-term loans from SLRDI amounting to ₱300.00 million with an annual interest rates ranging from 3.75 to 4.25%.
In December 2021, unsecured-short term loans were borrowed from Maybank Inc. and Unicapital amounting to ₱100.00 million and ₱300.00 million, respectively. These loans have maturity periods ranging from 2 to 6 months, with annual interest rates ranging from 3.75% to 5.00%.

In 2020, the Group obtained various unsecured short-term loans amounting to ₱2,309.98 million from various financial institutions and qualified institutional buyers of securities arranged by MIB. These loans have maturity periods ranging from 3 to 6 months, with annual interest rates ranging from 3.25% to 5.92%. Of the total ₱2,309.98 million loans availed, ₱1,100.20 million and ₱1,110.20 million were settled in 2021 and 2020, respectively. As of December 31, 2021, the outstanding principal balance from these loans amounted to ₱97.70 million.

In March 2020, unsecured 3-months loans were borrowed from SLRDI amounting to ₱1,200.00 million with 5% annual interest rates (Note 19). Total outstanding loans amounted to ₱1,200.00 million in 2021 and 2020, respectively.

On June 29, 2020, the Group availed the credit facility from Maybank Philippines, Inc. - Trust Department amounting to ₱50.00 million with an annual interest rate of 5% for the initial period of ninety-one (91) days from the date hereof. This loan was renewed on December 28, 2020 and was subsequently settled on March 10, 2021.

In August and November 2020, the Group obtained unsecured short-term loans amounting to ₱720.00 million and ₱788.50 million, respectively from RCBC Trust and Investments Group for working capital purposes. These loans have maturity periods ranging from 3 to 6 months with annual interest rate of 3.25%. Of the total ₱1,508.50 million loans availed, ₱1,000.00 million and ₱508.50 million were settled in 2021 and 2020, respectively.

In August and December 2020, unsecured 3-months loans were borrowed from Bank of Commerce (BOC) amounting ₱100.00 million and ₱250.00 million, respectively, with 5.75% annual interest rates. Of the total ₱350.00 million loans availed, ₱250.00 million and ₱100.00 million were settled in 2021 and 2020, respectively.

In 2019, the Group obtained various unsecured short-term loans amounting to ₱4,704.80 million from various financial institutions and qualified institutional buyers of securities arranged by MIB. These have maturity periods ranging from 3 to 6 months, with annual interest rates ranging from 5.00% to 7.00%. Of the total ₱4,704.80 million loans availed, ₱334.30 million and ₱1,290.00 million were settled in 2021 and 2020, respectively. The remaining balance on these loans amounted to ₱215.90 million and ₱548.70 million as of December 31, 2021 and 2020, respectively.

In November and December 2019, unsecured 3-months loans were borrowed from BOC amounting to ₱100.00 million and ₱150.00 million, respectively. These loans bear interest rates per annum of 5.75%. These loans were fully settled in 2020.

In 2018, the Group obtained various unsecured short-term loans amounting to ₱1,423.00 million from various financial institutions and qualified institutional buyers of securities arranged by MIB. These have maturity periods ranging from 3 to 6 months, with annual interest rates ranging from 3.75% to 6.00%. Of the total ₱1,423.00 million loans availed, ₱8.00 million and ₱10.00 million were settled in 2021 and 2020, respectively. Total outstanding loans amounted to ₱35.24 million and ₱43.24 million as of December 31, 2021 and 2020, respectively.

In 2017, various unsecured short-term loans amounting to ₱2,194.00 million were obtained from various financial institutions and qualified institutional buyers of securities arranged by MIB. These have maturity periods ranging from 3 to 6 months, with annual interest rates ranging from 3.75% to 6.75%. Of the total ₱2,194.00 million loans availed, ₱41.00 million was settled in 2020. No outstanding loan as of December 31, 2020.

Upon maturity, all outstanding loans under revolving credit facility agreements are continuously rolled over for another 3 to 6 months until fully paid.

Single payment short-term loan

The rollforward analyses of single payment short-term loan follow:

	2021	2020
Beginning balance	**₱1,477,488,200**	₱978,488,200
Availments	**200,000,000**	725,000,000
Payments	**(202,000,000)**	(226,000,000)
Ending balance	**₱1,475,488,200**	₱1,477,488,200

On May 20, 2021, the Group borrowed 3-months unsecured loan from China Bank Corporation amounting to ₱200.00 million with an annual interest rate of 4.75%. This loan was settled in full in 2021.

On March 13 and August 20, 2020, the Group borrowed 3-months unsecured loan from China Bank Corporation-Trust and Asset Management Group amounting to ₱500.00 million and ₱225.00 million, respectively, with an annual interest rate of 3.25%. Of the total ₱725.00 million loans availed, ₱1.00 million and ₱225.00 million were settled in 2021 and 2020, respectively. Total outstanding loan principal amounted to ₱499.00 million and ₱500.00 million as of December 31, 2021 and 2020.

On March 29, 2019, the Group borrowed a one-year unsecured loan from China Bank Corporation (CBC) amounting ₱978.49 million with annual interest rate of 7.63%. Of the total ₱978.49 million loan availed, ₱1.00 million was settled in 2021 and 2020.

Upon maturity, all outstanding single payment short-term loan are continuously rolled over for another 3 months to 1 year until fully paid.

Loans under notes facility agreement

Movement in the account follows:

	2021	2020
Beginning balance	**₱360,000,000**	₱340,000,000
Availments	**360,000,000**	360,000,000
Payments	**(360,000,000)**	(340,000,000)
Ending balance	**₱360,000,000**	₱360,000,000

On March 5, 2021, the Group availed a 3-month unsecured loans from Banco De Oro (BDO) amounting to ₱360.00 million with interest rates ranging from 5.00% to 5.38% per annum. These loans were outstanding as of December 31, 2021.

On March 13, 2020, the Group availed 3-month unsecured loans from BDO amounting to ₱360.00 million, with an interest rates ranging from 5.00% to 5.38% per annum. These loans were renewed upon maturity and were paid in full in 2021.

In December 2018, the Group availed a 3-month unsecured loans from BDO amounting to ₱260.00 million, with interest rates ranging from 4.88% to 6.50% per annum. Upon maturity, this loan is continuously rolled over for another 3 to 6 months until fully paid. Of the total ₱260.00 million loans availed, ₱240 million and ₱20.00 million were settled in 2020 and 2019, respectively.

In August 2018, the Group availed a 3-month unsecured loan from BDO amounting ₱100.00 million. Upon maturity, this loan was renewed and was paid in full in 2020.

Long-term debt

Below are the details of the long-term debt:

	2021	2020
Bonds		
Series B Bonds	**₱–**	₱2,000,000,000
Loans under term facility agreement	**10,898,500,000**	9,071,000,000
	10,898,500,000	11,071,000,000
Less current portion of:		
Bonds	**–**	1,997,838,544
Loans under term facility agreement	**1,812,179,326**	1,029,679,877
	9,086,320,674	8,043,481,579
Less: unamortized debt issuance cost	**71,475,700**	41,172,324
	₱9,014,844,974	₱8,002,309,255

The rollforward analyses of the long-term debt follows:

	2021	2020
Beginning balance	**₱11,071,000,000**	₱11,538,000,000
Availments	**7,000,000,000**	–
Payments	**(7,172,500,000)**	(467,000,000)
Ending balance	**₱10,898,500,000**	₱11,071,000,000

Corporate Notes Facility
On March 15, 2021, the Group signed an Unsecured Corporate Notes Facility Agreement to raise ₱7,000.00 million. The Group was able to raise ₱1,800.00 million Tranche A Notes Facility due in 2024 and ₱2,300.00 million Tranche B Notes Facility due in 2026.

The net proceeds will be used to refinance maturing and existing debt and for general corporate purposes.

On March 18, 2021, the Group made an initial drawdown for Tranche A due in 2024 at a fixed rate of 4.90% from Bank of the Philippine Islands (BPI), BDO and Robinsons Bank Corporation (RBC) totaling ₱341.46 million, ₱341.46 million and ₱195.13 million, respectively, and for Tranche B due in 2026 at a fixed rate of 6.04% from BPI and Rizal Commercial Banking Corporation (RCBC) totaling ₱146.34 million and ₱975.61 million, respectively.

On March 30, 2021, the Group and Noteholders signed an Accession Agreement to allow Unionbank of the Philippines (UBP) to participate in the amount of ₱1,000.00 million.

On May 26, 2021, the Group and Noteholders of the Corporate Notes Facility Agreement signed an Accession Agreement allowing DBP to participate in the amount of ₱1,900.00 million.

On June 28, 2021, the Group made the second drawdown for Tranche A due in 2024 at a fixed rate of 4.34% per annum from BPI, BDO, Robinsons Bank and Development Bank of the Philippines (DBP) totaling ₱358.54 million, ₱358.54 million, ₱204.88 million and ₱1,900.00 million, respectively, and for Tranche B due in 2026 at a fixed rate of 5.58% from BPI, RCBC and UBP totaling ₱153.66 million, ₱1,024.39 million and ₱1,000.00 million, respectively. Total drawdown in 2021 amounted to ₱3,700.00 million for Tranche A and ₱3,300.00 million for Tranche B.

In July and September 2019, 5-year unsecured loans were borrowed from Bank of the Philippines Islands amounting ₱1,000.00 million and ₱500.00 million, respectively. These loans bear interest a rate of 6.15% per annum. Of the total ₱1,500.00 million loans availed, ₱112.50 million was settled in 2021. As of December 31, 2021 and 2020, the remaining balance amounted to ₱1,387.50 million and ₱1,500.00 million, respectively.

In 2018, unsecured one (1) 7-year Corporate Notes Facility was drawn by the Group from CBC, DBP, China Bank Savings (CBS) and Maybank Philippines, Inc. (MPI) totaling ₱2,000.00 million, ₱2,000.00 million, ₱500.00 million and ₱500.00 million, respectively. The 7-year Corporate Notes Facility bears annual interest rates of 6.85% for the 1st to 2nd year and 7.80% for the 3rd to 7th year. Of the total ₱5,000.00 million corporates notes facility availed, ₱4,750.00 million was settled in 2020 and the remaining ₱250.00 million was settled in 2021.

On October 27, 2017, the remaining unsecured ₱1,000.00 million of the ten (10) year Corporate Note Facility was drawn by the Group. The ten (10) year Corporate Note Facilities bear annual interest rates at 6.85% for the 1st to 5th year and 7.14% for the 6th to 10th year. Of the ₱3,100.00 million loans availed, ₱310.00 million and ₱217.00 million were settled in 2021 and 2020, respectively. As of December 31, 2021 and 2020, the remaining balance amounted to ₱2,511.00 million and ₱2,821.00 million, respectively.

Fixed-rate Peso Bonds
On December 22, 2015, the Group issued a total of ₱4,000.00 million Unsecured Fixed-Rated Peso bonds, broken down into ₱2,000.00 million Series A Bonds due in 2018 at a fixed rate equivalent to 6.73% per annum and a ₱2,000.00 million Series B Bonds due in 2021 at a fixed rate equivalent to 6.72% per annum. The bonds is repaid at par (or 100% of face value), plus any outstanding interest, on the relevant maturity date of each series or on December 22, 2018 for the Series A Bonds and on March 22, 2021 for the Series B Bonds.

Interest on the bonds is payable quarterly in arrears every March 22, June 22, September 22 and December 22 of each year, starting on March 22, 2016.

The Group is required to maintain a maximum of debt-to-equity ratio of 1.50:1:00, a minimum current ratio of 2.00:1.00 and a minimum debt service coverage ratio of 1.25. The Group has complied with the debt covenants as of December 31, 2021 and 2020.

Movement in unamortized debt issuance cost for long-term debt follows:

	2021	2020
Beginning balance	**₱41,172,324**	₱72,969,349
Additions	**83,250,002**	–
Amortization	**(52,946,626)**	(31,797,025)
Ending balance	**₱71,475,700**	₱41,172,324

Interest expense on short-term and long-term debts amounted to ₱1,068.86 million, ₱1,090.23 million and ₱1,047.40 million in 2021, 2020 and 2019, respectively (Note 18). Of the total interest expense, amortization of transaction cost on short-term and long-term loans amounted to ₱52.95 million, ₱31.80 million and ₱39.51 million in 2021, 2020 and 2019, respectively, and included under "Interest expense" in the consolidated statements of comprehensive income (Note 18).

Borrowing costs capitalized as part of real estate inventories and investment properties in 2021, 2020 and 2019 amounted to ₱148.70 million, ₱116.26 million and ₱166.00 million, respectively (Notes 7, 10 and 18).

15. **Equity**

The capital stock as of December 31, 2021 and 2020 consists of:

	Shares	Amount
Par value per share – ₱1.00		
Authorized common shares	**16,000,000,000**	**₱16,000,000,000**
Issued shares	**10,796,450,000**	**10,796,450,000**
Treasury shares	**2,600,000,000**	**1,640,000,000**
Outstanding shares	**8,196,450,000**	**8,196,450,000**

Registration Track Record:

a) The Parent Company was incorporated as Zipporah Mining and Industrial Corporation (‘Zipporah Mining’) on December 6, 1966 as a mining firm which was amended to a real estate developer.

b) On September 14, 1987, the Parent Company launched its Initial Public Offering where a total of 20,000.00 million 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 1,000.00 million 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 eleven;
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 2,000.00 million shares to ₱16,000.00 million divided into 16,000.00 million 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 10,000.00 million shares out of the increase in the Parent Company’s authorized capital stock; and
4. Subscription of the Ultimate Parent Company 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 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 assignment of various properties, net of mortgage assumed, were issued with shares of stock totaling ₱10,000.00 million.

   The Group has 265 existing certified shareholders as at December 31, 2021 and 2020, respectively.

<u>Treasury Shares</u>
In 2010, the Parent Company had intercompany receivables from the Ultimate Parent Company amounting ₱1,029.88 million. The receivables ballooned to ₱1,358.69 million as of December 31, 2011. As full settlement of the receivables amounting to ₱1,358.69 million, the Ultimate Parent Company assigned shares of stocks of "Saddles and Clubs Leisure Park" to the Parent Company.

Also, the Parent Company accumulated ₱442.42 million receivables from Sta. Lucia East Commercial Corporation (SLECC) arising from uncollected rental income.

As of March 31, 2014, the Parent Company's recognized assets consisting of the "Saddles and Clubs Leisure Park" amounted to ₱1,358.69 million and receivables from SLECC amounted to ₱442.42 million. In aggregate, the assets amounted to ₱1,801.11 million.

In July 2014, the Parent Company agreed to enter into an agreement with the Ultimate Parent Company to convert portion of the Ultimate Parent Company's investments into treasury shares as settlement of the assets recognized by the Parent Company aggregating ₱1,801.11 million. Accordingly, on July 8, 2014, the Ultimate Parent Company and the Parent Company executed a deed of assignment.

Under the deed of assignment, the parties agreed to rescind its previous arrangement with respect to the assignment of the "Saddles and Clubs Leisure Park" project which resulted in the reversion of the assignment and the reinstatement of the receivables from the Ultimate Parent Company amounting ₱1,358.69 million. The parties also agreed to assign the SLECC receivables of ₱442.42 million to the Ultimate Parent Company. As a result, the total amount of receivables from the Ultimate Parent Company amounted to ₱1,801.11 million.

In order to fully settle the receivables from the Ultimate Parent Company amounting ₱1,801.11 million as of March 31, 2014, the Ultimate Parent Company agreed to assign, convey and transfer in favor of the Parent Company 3,000.00 million shares out of the Ultimate Parent Company's total shareholdings in the Parent Company. Upon exercise, the shares will become treasury shares.

The parties agreed to execute the assignment of the 3,000.00 million of the Parent Company shares in 2 tranches:

- Tranche 1 - 2,250.00 million shares, which covered ₱900.00 million of the advances, were transferred within 30 days from the signing of the Deed of Assignment. The Parent Company successfully executed Tranche 1 in September 2014.

- Tranche 2 - 750.00 million shares, which shall cover the remaining ₱901.11 million of the advances, to be transferred within 1 year from the date of the Deed of Assignment, or when the Parent Company accumulates more than ₱901.11 million in unrestricted retained earnings, whichever is earlier.

On December 27, 2018, pursuant to the Deed of Assignment, the Ultimate Parent Company and the Parent Company executed Tranche 2 in the Deed of Assignment. The Parent Company acquired 750.00 million treasury shares at a price of ₱1.20 per share to settle the ₱900.00 million advances under Tranche 2.

On December 22, 2015, the Group's 400.00 million treasury shares costing ₱0.40 per share were reissued at ₱0.75 per share, thus increasing the outstanding shares to 8,946.45 million.

<u>Retained Earnings</u>
On December 9, 2021, the Parent Company's BOD approved the declaration of its first special cash dividend of ₱0.04 per outstanding common share. The cash dividend was paid on December 27, 2021 to stockholders of common shares as of record date of December 23, 2021.

In accordance with Revised Securities Regulation Code Rule 68, Annex 68-D, after reconciling items, the Group's retained earnings available for dividend declaration as of December 31, 2021 amounted to ₱8,006.36 million. The retained earnings are restricted to dividends to the extent of shares held in treasury amounting ₱1,640.00 million.

<u>Capital Management</u>
The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its credit rating and allows it the financial flexibility, while providing sufficient cushion to absorb cyclical industry risks. The Group manages 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 ₱20,071.53 million and ₱17,697.82 million as of December 31, 2021 and 2020, respectively.

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, 2021 and 2020:

	2021	2020
Debt (Note 14)	**₱19,352,294,854**	₱17,178,798,230
Less: Cash and cash equivalent (Note 5)	**1,946,959,536**	942,820,503
Net debt	**17,405,335,318**	16,235,977,727
Equity	**20,071,529,807**	17,697,815,346
Net debt-to-equity ratio	**0.87:1**	0.92:1

16. **Interest Income**

This account consists of:

	2021	2020	2019
Interest income from:			
Installment contracts receivables and contract assets (Note 6)	**₱388,708,043**	₱360,186,578	₱518,104,433
Accretion from unamortized discount (Note 6)	**128,880,554**	115,352,087	125,295,915
Cash in banks and cash equivalents (Note 5)	**2,183,421**	4,254,707	3,609,512
	₱519,772,018	₱479,793,372	₱647,009,860

17. **Cost of Rental Income and Other Revenue**

Cost of rental income consists of:

	2021	2020	2019
Utilities - net	**₱141,356,595**	₱65,933,460	₱215,832,689
Depreciation (Notes 10 and 11)	**135,963,511**	124,107,731	123,109,844
Management fee (Note 19)	**49,609,558**	17,779,160	42,856,491
Carpark maintenance	**29,434,597**	45,749,904	8,728,119
Manpower	**14,705,882**	27,595,993	7,219,336
Others	**338,483**	36,808	1,933,214
	₱371,408,626	₱281,203,056	₱399,679,693

Other revenue consists of:

	2021	2020	2019
Surcharges and penalties	**₱145,470,946**	₱144,762,046	₱93,357,906
Gain on repossession of inventories (Note 7)	**136,347,823**	94,277,405	29,602,737
Processing and registration fee	**66,751,624**	90,436,685	84,899,543
Gain from forfeited deposits	**32,992,807**	12,401,549	27,741,788
Profit share in hotel operations	**5,000,000**	7,899,001	54,533,185
Others	**20,996,157**	5,067,749	4,111,918
	₱407,559,357	₱354,844,435	₱294,247,077

Others mainly consists of income from nonrefundable collection from delinquent buyers and foreign exchange gains and losses.

18. Interest Expense

Interest expense consists of:

	2021	2020	2019
Interest expense on loans (Note 14)	**₱1,038,572,566**	₱957,053,856	₱904,427,702
Interest expense on bonds (Note 14)	**30,284,650**	133,180,833	142,974,758
Other financing charges	**131,020,672**	19,326,441	4,622,015
	1,199,877,888	1,109,561,130	1,052,024,475
Less capitalized borrowing costs (Notes 7, 10 and 14)	**148,703,297**	116,261,991	166,004,966
	₱1,051,174,591	₱993,299,139	₱886,019,509

19. Related Party Transactions

The related amounts and outstanding balances from related party transactions (RPT) in 2021 and 2020 follow:

	2021			
	Volume	**Outstanding**	**Terms**	**Conditions**
Trade receivables (Note 6)				
Ultimate Parent Company (SLRDI)				
Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee	**(₱129,315,548)**	**₱456,143,593**	Due and demandable; noninterest-bearing	Unsecured; no impairment (Note 15)
Affiliate (SLECC)				
Rental and management fee (Note 15) (d)	**7,976,670**	**45,196,667**	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliate (Mall Tenants)				
Rental income (d)	**5,616,030**	**42,112,456**	Due and demandable; noninterest-bearing	Unsecured; no impairment
		₱543,452,716		
Non-trade receivables (Note 6)				
Affiliate (Marketing Arm)				
Advances (e)	**₱–**	**₱921,832**	Due and demandable; noninterest-bearing	Unsecured; no impairment
Key officers and directors (Note 6) (f)	**₱12,997,779**	**₱86,128,195**	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables (Note 12)				
Ultimate Parent Company (SLRDI)				
Advances	**(₱53,063,561)**	**₱3,254,988**	Payable on demand; noninterest bearing	Unsecured
Advances from shareholders				
Advances	**(1,634,610)**	**14,711,492**	Payable on demand; noninterest bearing	Unsecured
		₱17,966,480		

	2020			
	Volume	Outstanding	Terms	Conditions
Trade receivables (Note 6)				
Ultimate Parent Company (SLRDI)				
Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee	₱137,234,705	₱585,459,141	Due and demandable; noninterest-bearing	Unsecured; no impairment (Note 15)
Affiliate (SLECC)				
Rental and management fee (Note 15) (d)	(7,142,523)	37,219,997	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliate (Mall Tenants)				
Rental income (d)	(20,776,640)	36,496,426	Due and demandable; noninterest-bearing	Unsecured; no impairment
		₱659,175,564		
Non-trade receivables (Note 6)				
Affiliate (Marketing Arm)				
Advances (e)	₱200,000	₱921,832	Due and demandable; noninterest-bearing	Unsecured; no impairment
Key officers and directors (Note 6) (f)	₱8,607,794	₱73,130,416	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables (Note 12)				
Ultimate Parent Company (SLRDI)				
Advances	₱17,713,026	₱56,318,549	Payable on demand; noninterest bearing	Unsecured
Advances from shareholders				
Advances	–	16,346,102	Payable on demand; noninterest bearing	Unsecured
		₱72,664,651		

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 expressly disclosed, these accounts are noninterest-bearing and are generally unsecured. Unless otherwise indicated, the outstanding accounts with related parties are generally 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 the Ultimate Parent Company consisting of non-interest bearing advances for working capital requirements with no fixed repayment terms.

   Other transactions with the Ultimate Parent Company include noninterest-bearing cash advances for various charges for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies, rentals for project exhibits and advertising/marketing costs. This pertains to the monthly amortization payment from the buyers of the Parent Company collected by the Ultimate Parent Company due to be remitted to the Parent Company.

   In 2014, SLLI and SLRDI entered into several memorandums of agreements wherein SLLI 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 SLLI, SLRDI has agreed to the following:

   - Colinas Verdes Bulacan Project - SLRDI has entered into a joint arrangement with Araneta Properties, Inc. (API) for a proceed sharing agreement of 60% - LRDI - 40% API share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement 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 arrangement with AFP-Retirement and Separation Benefits System (ARSBS) for a lot sharing agreement of 55% -LRDI - 45% ARSBS share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement 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 arrangement with Green Sphere Realty Corporation (GSRC) for a lot sharing agreement of 60% - LRDI - 40% GSRC share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement 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 arrangement with GSRC for a lot sharing agreement of 60% - LRDI - 40% GSRC share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project.

Total share from the proceeds of SLRDI from the joint operations amounted to ₱144.48 million, ₱152.58 million and ₱180.71 million in 2021, 2020 and 2019, respectively. The share amounting ₱28.61 million, ₱38.14 million and ₱45.18 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2021, 2020 and 2019, respectively.

b. Effective October 1, 2014, SLLI directly entered into lease agreements with mall tenants. SLECC and SLLI, 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, SLLI shall pay SLECC a management fee equivalent to 5% of the gross rental revenue for managing mall operations including, repairs and maintenance and collection of space rental from storeowners or tenants.

   In addition, the Parent Company has receivables from affiliate mall tenants. This pertains to accrued rental income amounting to ₱42.11 million and ₱36.50 million in 2021 and 2020, respectively.

c. The Parent Company made cash advances for pre-operating costs for various expenses like registration fees, taxes and licenses fees to its marketing arm. The advances amounted to ₱0.20 million in 2020 (nil in 2021).

d. The Parent Company made noninterest-bearing cash advances to officers and directors which is subject to liquidation. These advances amounted to ₱76.5 million and ₱73.1 million in 2021 and 2020, respectively.

As of December 31, 2021 and 2020, the Group has not made any provision for ECL relating to amounts owed by related parties. There have been no guarantees and collaterals provided or received for any related party receivables or payables. This assessment of the Group 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:

	2021	2020
Short-term employee benefits	**₱15,403,500**	₱14,670,000
Post-employment benefits (Note 20)	**582,482**	554,745
	₱15,985,982	₱15,224,745

Approval requirements and limits on the amount and extent of related party transactions
Material related party transaction (MRPT) are transactions amounting to ten percent (10%) or more of the total consolidated assets of the Group and shall be identified taking into account the related party registry. The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement.

All individual MRPTs shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a twelve (12)-month period that breaches the materiality threshold shall be required when the aggregate RPT transactions meets and exceeds the materiality threshold covering the same related party.

20. Pension

The Group has a funded, noncontributory, defined benefit pension plan covering all employees having regular employment status starting 2017. The plan provides a retirement benefit equal to 22.5 days pay for every year of credited service in accordance with the Retirement Pay Law (Republic Act No. 7641). 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 pension expense and net interest expense recognized in the consolidated statements of comprehensive income, remeasurements recognized in other comprehensive income and the funded status and amounts recognized in the consolidated statements of financial position for the existing pension plan.

Components of pension expense included in "Salaries and wages and other benefits" in the statements of comprehensive income follow:

	2021	2020	2019
Current service cost	**₱1,035,466**	₱1,149,191	₱1,295,905
Interest cost (income)	**(34,094)**	222,480	423,204
	₱1,001,372	₱1,371,671	₱1,719,109

The remeasurements recognized in OCI for the years ended December 31, 2021, 2020 and 2019 follows:

	2021	2020	2019
Actuarial losses (gains) due to:			
Experience adjustments	**₱128,119**	(₱6,062,141)	(₱266,739)
Changes in financial assumptions	**(1,001,953)**	1,143,224	889,787
Changes in demographic assumptions	**(39,351)**	397,984	(2,325,849)
Asset return in net interest cost	**113,798**	791,542	503,417
Change in the effect of the asset ceiling	**49,757**	13,305	–
	(₱749,630)	(₱3,716,086)	(₱1,199,384)

Changes in the present value of the defined benefit obligation follow:

	2021	2020
Balances at beginning of year	**₱6,992,780**	₱9,820,468
Current service cost	**1,035,466**	1,149,191
Interest cost	**283,208**	544,054
Actuarial losses (gains) due to:		
Changes in financial assumptions	**(1,001,953)**	1,143,224
Changes in demographic assumptions	**(39,351)**	397,984
Experience adjustments	**128,119**	(6,062,141)
Balances at end of year	**₱7,398,269**	₱6,992,780

Changes in the fair value of the plan asset which are in the form of cash follow:

	2021	2020
Balances at beginning of year	**₱7,334,615**	₱3,804,583
Interest income	**317,302**	321,574
Contributions	**1,000,000**	4,000,000
Return on plan assets	**(113,798)**	(791,542)
Balances at end of year (Pension Asset)	**₱8,538,119**	₱7,334,615

The plan surplus follow:

	2021	2020
Defined benefit obligation, ending	**₱7,398,269**	₱6,992,780
Fair value of plan assets, ending	**(8,538,119)**	(7,334,615)
Effect of the asset ceiling	**63,062**	13,305
Balances at end of year	**(₱1,076,788)**	(₱328,530)

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:

	2021	2020
Discount rate	**5.14%**	4.05%
Salary increase rate	**3.00%**	3.00%

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 all other assumptions were held constant.

	2021		
		Impact on defined benefit obligation	
	Increase/ decrease in rate	**Increase**	**Decrease**
Salary increase rate	**+/-1%**	**₱921,634**	**(₱769,557)**
Discount rate	**+/-1%**	**910,595**	**(748,680)**

	2020		
	Increase/ decrease in rate	Impact on defined benefit obligation Increase	Decrease
Salary increase rate	+/-1%	₱987,703	(₱818,322)
Discount rate	+/-1%	987,177	(803,767)

Shown below is the maturity analysis of the undiscounted benefit payments:

	2021	2020
2021	**₱697,825**	₱–
2022	**610,945**	589,260
2023	**–**	–
2024	**–**	–
2025	**4,987,120**	5,881,296
2026 - 2030	**1,033,060**	

There was no plan amendment, curtailment, or settlement recognized in 2021 and 2020.

21. Interest in Joint Project Development Operations

The Group has entered into joint project development operations with various landowners and other companies, which include related parties. The interests in these joint operations range from 32% to 80% of the value of the whole project depending on the value of the land or investment of the other party against the estimated development costs. These joint project development operations 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 operations. The Group's joint project development operations typically require the parties 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.

For the years ended December 31, 2021, 2020 and 2019, the real estate sales and cost of real estate sales related to interest in joint project development operations amounted are as follows:

	2021	2020	2019
Real estate sales	**₱774,507,423**	₱391,471,203	₱429,702,423
Cost of real estate sales	**229,476,554**	61,054,125	158,656,792

Sales and marketing costs are allocated to participating parties. The projects covering the joint operations are expected to be completed in various dates. Capital commitments amounted to ₱ 6,000.00 million and ₱5,261.31 million as of December 31, 2021 and 2020, 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 makers 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.

For the years ended December 31, 2021, 2020 and 2019, there are no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

The following tables regarding business segments present assets and liabilities as of December 31, 2021, 2020 and 2019 and revenue and income information for each of the three years ended December 31, 2021.

		2021	
	Leasing	**Residential Development**	**Total**
Rental income	**₱465,863,634**	**₱–**	**₱465,863,634**
Cost of rental income	**(371,408,626)**	**–**	**(371,408,626)**
Real estate sales	**–**	**6,827,172,459**	**6,827,172,459**
Cost of real estate sales	**–**	**(1,953,692,295)**	**(1,953,692,295)**
Segment gross profit	**94,455,008**	**4,873,480,164**	**4,967,935,172**
Selling and administrative expense	**(49,651,376)**	**(1,433,998,770)**	**(1,483,650,146)**
Interest income	**337,331**	**519,434,687**	**519,772,018**
Interest expense	**–**	**(1,051,174,591)**	**(1,051,174,591)**
Commission income	**–**	**141,640,278**	**141,640,278**
Dividend income	**–**	**8,720,000**	**8,720,000**
Other income	**–**	**407,559,357**	**407,559,357**
Provision for income tax	**(11,285,241)**	**(659,674,647)**	**(670,959,888)**
Net income	**₱33,855,722**	**₱2,805,986,478**	**₱2,839,842,200**
Total segment assets	**₱6,173,863,958**	**₱45,819,419,447**	**₱51,993,283,405**
Segment liabilities	**₱385,061,372**	**₱29,536,714,183**	**₱29,921,775,555**
Income tax payable	**–**	**98,572,462**	**98,572,462**
Deferred tax liabilities	**–**	**1,901,405,581**	**1,901,405,581**
Total liabilities	**₱385,061,372**	**₱31,536,692,226**	**₱31,921,753,598**

	2021		
	Leasing	**Residential Development**	**Total**
Cash flows arising from:			
Operating activities	**(₱13,720,181)**	**₱966,606,424**	**₱952,886,243**
Investing activities	**(311,318,348)**	**(166,183,110)**	**(477,501,458)**
Financing activities	**–**	**528,754,248**	**528,754,248**

	2020		
	Leasing	Residential Development	Total
Rental income	₱447,539,287	₱–	₱447,539,287
Cost of rental income	(281,203,056)	–	(281,203,056)
Real estate sales	–	5,383,079,540	5,383,079,540
Cost of real estate sales	–	(2,025,251,641)	(2,025,251,641)
Segment gross profit	166,336,231	3,357,827,899	3,524,164,130
Selling and administrative expense	(34,983,144)	(1,032,224,876)	(1,067,208,020)
Interest income	569,443	479,223,929	479,793,372
Interest expense	–	(993,299,139)	(993,299,139)
Commission income	–	91,526,979	91,526,979
Dividend income	–	9,202,279	9,202,279
Other income	–	354,844,435	354,844,435
Provision for income tax	(43,169,947)	(647,907,802)	(691,077,749)
Net income	₱88,752,583	₱1,619,193,704	₱1,707,946,287
Total segment assets	₱5,985,389,368	₱39,800,410,217	₱45,785,799,585
Segment liabilities	₱426,154,489	₱26,131,610,922	₱26,557,765,411
Income tax payable	–	87,348,124	87,348,124
Deferred tax liabilities	–	1,442,870,704	1,442,870,704
Total liabilities	₱426,154,489	₱27,661,829,750	₱28,087,984,239
Cash flows arising from:			
Operating activities	₱124,927,203	(₱732,842,186)	(₱607,914,983)
Investing activities	(254,368,249)	(196,978,232)	(451,346,481)
Financing activities	–	1,098,713,816	1,098,713,816

	2019		
	Leasing	Residential Development	Total
Rental income	₱747,799,859	₱–	₱747,799,859
Cost of rental income	(399,679,693)	–	(399,679,693)
Real estate sales	–	5,871,496,779	5,871,496,779
Cost of real estate sales	–	(2,680,779,445)	(2,680,779,445)
Segment gross profit	348,120,166	3,190,717,334	3,538,837,500
Selling and administrative expense	(45,474,603)	(1,217,029,209)	(1,262,503,812)
Interest income	38,268	646,971,592	647,009,860
Interest expense	–	(886,019,509)	(886,019,509)
Commission income	–	93,579,168	93,579,168
Dividend income	–	5,662,941	5,662,941
Other income	65,324,860	228,922,217	294,247,077
Provision for income tax	(98,812,416)	(595,803,889)	(694,616,305)
Net income	₱269,196,275	₱1,467,000,645	₱1,736,196,920
Total segment assets	₱5,832,924,364	₱34,519,371,740	₱40,352,296,104
Segment liabilities	₱441,000,395	₱22,793,076,832	₱23,234,077,227
Income tax payable	–	49,578,644	49,578,644
Deferred tax liabilities	–	954,645,124	954,645,124
Total liabilities	₱441,000,395	₱23,797,300,600	₱24,238,300,995
Cash flows arising from:			
Operating activities	₱340,686,850	(₱366,797,926)	(₱26,111,076)
Investing activities	(196,671,284)	(265,850,287)	(462,521,571)
Financing activities	–	327,467,832	327,467,832

Capital expenditures consist of additions to investment property amounted to ₱291.60 million and ₱238.79 million in 2021 and 2020, respectively (see Note 10).

23. **Operating Lease**

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment property portfolio. These leases pertain to Sta. Lucia East Grand Mall, Orchard Tower 1, and Stradella. For Sta. Lucia East Grand Mall lease agreement generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. These leases have an average life of one (1) to two (2) years with renewal option included in the contracts. There are no restrictions place upon the lessee by entering into the contract.

Future minimum rentals receivable under cancellable operating leases of the Group follows:

	2021	2020
Within one year	**₱239,579,755**	₱271,094,472
After one year but not more than five years	**310,843,374**	109,690,975
	₱550,423,129	₱380,785,447

Monthly rental from mall tenants was subject to escalation clause of 10% per renewal while for Orchard Tower 1 and Stradella is subject to 5% escalation clause per year.

Rent income recognized amounted to ₱465.86 million, ₱447.54 million and ₱747.80 million in 2021, 2020 and 2019, respectively.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Parent Company granted lease concessions to its mall tenants which ranges from 50% to 100% of monthly rent depending on the nature of the tenant's operations. Rent concessions provided amounted to ₱149.87 million and ₱166.54 million for the years ended December 31, 2021 and 2020, respectively. These rent concessions qualified as a lease modification, thus, were accounted for as a new lease from the effective date of the modification and recognized remaining lease payments on a straight-line basis over the remaining lease term.

Parent Company

On October 1, 2014, SLLI directly entered into lease agreements with mall tenants. SLECC and SLLI, on the other hand, entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management business development services for a fee equivalent to 5% of the gross rental revenue (see Note 19).

24. **Income Tax**

Provision for income tax consists of:

	2021	2020	2019
Current - RCIT	**₱212,180,978**	₱203,139,529	₱315,523,294
Deferred	**458,347,469**	487,110,754	378,494,712
Final	**431,441**	827,466	598,299
	₱670,959,888	₱691,077,749	₱694,616,305

The Group recognized deferred tax asset from remeasurement gain on pension recognized in OCI for the years ended December 31, 2021, 2020 and 2019 amounting to ₱0.19 million, ₱1.11 million and ₱0.36 million.

The reconciliation of the statutory income tax rate to the effective income tax rate follows:

	2021	2020	2019
Statutory income tax rate	**25.00%**	30.00%	30.00%
Tax effect of:			
Nondeductible expenses	–	0.01	0.01
Income subjected to final taxes	**(0.01)**	(0.01)	(0.01)
Nontaxable income	**(0.06)**	(1.19)	(1.42)
Others	**(5.83)**	–	–
Effective income tax rate	**19.11%**	28.81%	28.58%

The components of net deferred tax liabilities as of December 31, 2021 and 2020 are as follows:

	2021	2020
Deferred tax assets on allowance for doubtful accounts	**₱6,599,427**	₱5,475,814
Deferred tax liabilities on:		
Excess of realized gross profit over taxable realized gross profit on real estate sales and difference in tax base and accounting base on rental income	**1,327,174,983**	790,994,300
Prepaid commission	**195,668,184**	235,270,308
Unamortized discount on receivables	**167,867,460**	192,423,840
Capitalized borrowing cost	**133,716,662**	139,822,527
Fair value gain on repossessed inventory	**58,014,879**	67,115,881
Unamortized transaction cost	**12,151,235**	12,351,697
Lease modification on rental income	**12,014,756**	9,141,003
Accrued pension asset	**1,374,543**	1,200,085
Others	**22,306**	26,877
	1,908,005,008	1,448,346,518
Net deferred tax liabilities	**(₱1,901,405,581)**	(₱1,442,870,704)

Corporate Recovery and Tax Incentives for Enterprises ('CREATE') Act
On March 26, 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems.

As a result of reduction in RCIT rate, the provision for current income tax for the year ended December 31, 2020 and income tax payable as of December 31, 2020 decreased by ₱16.93 million. In addition, the provision for deferred tax for the year then ended December 31, 2020 decreased by ₱40.59 million and deferred tax liabilities decreased by ₱240.54 million as of December 31, 2020. For financial reporting purposes, these changes are recognized in the consolidated financial statements as of and for the year ended December 31, 2021 in accordance with PIC Q&A 2020-07, *Accounting for the Proposed Changes in Income Tax Rates under the CREATE bill* dated January 27, 2021.

As of December 31, 2021, provision for current income tax and deferred tax are recognized based on the effective income tax rate of 25%.

The Group did not recognize deferred tax asset on NOLCO of SLHI amounting to ₱0.08 million and ₱0.06 million in 2021 and 2020, respectively, since management believes that the tax benefit related will not reverse through income tax deductions in the near future.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2021, the Group has incurred NOLCO before taxable year 2020 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Year	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2019	2020-2022	₱65,190	₱–	₱–	₱–	₱65,190
2018	2019-2021	36,696	36,696	–	–	–
		₱101,886	₱36,696	₱–	₱–	₱65,190

As of December 31, 2021, the Group has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next 5 consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Year	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2021	2022-2026	₱79,552	₱–	₱–	₱–	₱79,552
2020	2021-2025	87,500	–	–	–	87,500
		₱167,052	₱–	₱–	₱–	₱167,052

25. Earnings per Share

The basic earnings per share for the years ended December 31, 2021, 2020 and 2019 were computed as follows:

	2021	2020	2019
Net income	**₱2,839,842,200**	₱1,707,946,287	₱1,736,196,920
Weighted average number of shares outstanding	**8,196,450,000**	8,196,450,000	8,196,450,000
Earnings per share	**₱0.35**	₱0.21	₱0.21

There were no potential dilutive shares in 2021, 2020 and 2019.

26. **Fair Value Determination**

The methods and assumptions used by the Group in estimating fair value of the financial instruments are as follows:

Cash and cash equivalents, receivables and accounts and other payables
Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

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 2021 and 2020 ranges from 3.56% to 6.45% and 5.08% to 7.54%, respectively. The carrying value and fair value of the receivables amounted to ₱3,005.89 million and ₱3,072.34 million, respectively, in 2021 and ₱2,560.15 million and ₱2,612.15 million, respectively, in 2020.

Financial assets at FVOCI quoted equity securities
In 2021 and 2020, the fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities
In 2021 and 2020, the fair values are based on the adjusted net asset value.

Short term debt
Carrying amounts approximate the fair values because they carry interest rates which are the prevailing market rates for similar instruments.

Long term debt
The fair values of loans payable 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 2021 and 2020 ranges from 4.34 % to 6.85%. The carrying value and fair value of the loans payable amounted to ₱10,898.50 million and ₱9,086.32 million, respectively in 2021 and ₱8,043.48 million and ₱11,071.00 million, respectively in 2020.

The quantitative disclosures on fair value measurement hierarchy for assets as of December 31, 2021 and 2020 follow:

		2021			
		Fair value measurements using			
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Quoted equity securities	**₱458,601,004**	**₱458,601,004**	**₱458,601,004**	**₱–**	**₱–**
Unquoted equity securities	**224,015,259**	**224,015,259**	–	–	**224,015,259**
Assets for which fair value are disclosed					
Installment contracts receivables	**3,005,888,797**	**3,072,339,397**	–	–	**3,072,339,397**
Investment properties	**5,868,209,371**	**9,342,605,953**	–	–	**9,342,605,953**
Liabilities for which fair value are disclosed					
Short-term debt	**8,525,270,554**	**8,525,270,554**	–	–	**8,525,270,554**
Long-term debt*	**10,827,024,300**	**10,898,500,000**	–	–	**10,898,500,000**

**Includes current portion of long-term debt*

		2020			
		Fair value measurements using			
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Quoted equity securities	₱592,171,231	₱592,171,231	₱592,171,231	₱–	₱–
Unquoted equity securities	229,276,994	229,276,994	–	–	229,276,994
Assets for which fair value are disclosed				–	
Installment contracts receivables	2,562,124,605	2,612,153,894	–	–	2,612,153,894
Investment properties	5,712,412,564	7,671,803,309	–	–	7,671,803,309
Liabilities for which fair value are disclosed					
Short-term debt	6,148,970,554	6,148,970,554	–	–	6,148,970,554
Long-term debt*	11,029,827,676	11,071,000,000	–	–	11,071,000,000

**Includes current portion of long-term debt*

As at December 31, 2021, the Group's financial assets at FVOCI amounting to ₱458.60 million is carried at fair value based on Level 1 while the fair value for the investment amounting ₱224.02 million is based on Level 3 (Note 9). The fair value for noncurrent receivables is based on Level 3. There have been no transfers between Level 1 and Level 2 during 2021 and 2020.

27. Financial Asset and Liabilities

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position where the Group currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the net asset settles the liability simultaneously.

The following table represents the recognized financial instruments that are offset as of December 31, 2021 and 2020, and shows in the 'Net' column what the net impact would be on the Group's consolidated statements of financial position as a result of the offsetting rights.

	December 31, 2021		
	Gross Amount	**Offsetting**	**Net Amount**
Due from related parties	**₱456,143,593**	**₱–**	**₱456,143,593**
Due to related parties	**–**	**(3,254,988)**	**(3,254,988)**
	₱456,143,593	**(₱3,254,988)**	**₱452,888,605**

	December 31, 2020		
	Gross Amount	Offsetting	Net Amount
Due from related parties	₱585,459,141	₱–	₱585,459,141
Due to related parties	–	(3,254,988)	(3,254,988)
	₱585,459,141	(₱3,254,988)	₱582,204,153

SLLI's payable to SLRDI arising from SLRDI's unremitted share in the development and sale of the several projects of the latter is offset against the total receivable from SLRDI.

Financial Risk Management Objectives and Policies
The Group's principal financial instruments comprise of cash and cash equivalents, receivables, financial assets at FVOCI, accounts and other payables, short-term debt and long-term debt.

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, 2021 and 2020, the Group has no undrawn facilities. As part of the liquidity risk management, the Group is currently transacting with local banks for a longer term corporate notes and negotiation of higher undrawn credit lines to meet the debtors', suppliers' and contractors' obligations and business expansion.

At the Special Meeting of the Board of Directors of the Group held last March 12, 2021, wherein, subject to securing all required approvals under applicable laws, rules and regulations, the Group was authorized to negotiate and avail of a Corporate Note Facility with financial institutions, with a maximum of 19 investors, for an aggregate amount of up to ₱7,000.00 million, with maturity dates of three (3) years from the issue date for Tranche A and five (5) years from the issue date for Tranche B, for the purpose of refinancing maturing and existing debts and for general corporate purposes.

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:

	2021			
	< 1 year	**>1 to < 5 years**	**> 5 years**	**Total**
Financial assets				
Cash in banks and cash equivalents	**₱1,945,514,036**	**₱–**	**₱–**	**₱1,945,514,036**
Receivables:				
Installment contracts receivables:				
Subdivision land	**783,875,282**	**1,145,088,549**	**46,065,740**	**1,975,029,571**
Condominium units	**427,566,853**	**643,841,874**	**25,901,099**	**1,097,309,826**
Receivable from related parties	**544,374,548**	**–**	**–**	**544,374,548**
Advances to joint development operations	**326,773,576**	**–**	**–**	**326,773,576**
Advances to officers and employees	**179,179,518**	**–**	**–**	**179,179,518**
Commission receivable	**19,676,384**	**–**	**–**	**19,676,384**
Accrued interest receivable	**664,489,761**	**–**	**–**	**664,489,761**
Receivable from tenants	**125,256,860**	**–**	**–**	**125,256,860**
Dividend receivable	**20,082,111**	**–**	**–**	**20,082,111**
Others	**25,242,854**	**–**	**–**	**25,242,854**
Financial assets at FVOCI	**–**	**–**	**682,616,263**	**682,616,263**
Total financial assets	**5,062,031,783**	**1,788,930,423**	**754,583,102**	**7,605,545,308**
Contract assets	**1,464,882,887**	**2,519,630,667**	**131,812,993**	**4,116,326,547**
	₱6,526,914,670	**₱4,308,561,090**	**₱886,396,095**	**₱11,721,871,855**
Financial liabilities				
Accounts and other payables:				
Contractors payable	**₱3,440,666,960**	**₱–**	**₱–**	**₱3,440,666,960**
Payable to joint development operators	**1,086,899,888**	**–**	**–**	**1,086,899,888**
Accounts payable	**1,095,716,218**	**–**	**–**	**1,095,716,218**
Retention payable	**144,507,817**	**–**	**–**	**144,507,817**
Payable to related parties	**3,254,988**	**–**	**–**	**3,254,988**
Advances from shareholders	**14,711,492**	**–**	**–**	**14,711,492**
Interest payable	**81,382,474**	**–**	**–**	**81,382,474**
Others	**115,397,013**	**–**	**–**	**115,397,013**
Short term and long term debts	**10,337,449,880**	**8,549,850,221**	**464,994,753**	**19,352,294,854**
Total financial liabilities	**₱16,319,986,730**	**₱8,549,850,221**	**₱464,994,753**	**₱25,334,831,704**

	2020			
	< 1 year	>1 to < 5 years	> 5 years	Total
Financial assets				
Cash in banks and cash equivalents	₱941,603,003	₱–	₱–	₱941,603,003
Receivables:				
Installment contracts receivables:				
Subdivision land	1,176,925,195	672,817,143	30,858,786	1,880,601,124
Condominium units	421,155,587	298,393,133	12,004,050	731,552,770
Receivable from related parties	660,097,396	–	–	660,097,396
Advances to joint development operations	356,151,516	–	–	356,151,516
Advances to officers and employees	116,992,148	–	–	116,992,148
Commission receivable	74,038,309	–	–	74,038,309
Accrued interest receivable	618,011,413	–	–	618,011,413
Receivable from tenants	97,254,072	–	–	97,254,072
Dividend receivable	20,082,111	–	–	20,082,111
Others	22,169,773	–	–	22,169,773
Financial assets at FVOCI	–	–	821,448,225	821,448,225
Total financial assets	4,504,480,523	971,210,276	864,311,061	6,340,001,860
Contract assets	1,880,380,969	919,397,304	48,097,728	2,847,876,001
	₱6,384,861,492	₱1,890,607,580	₱912,408,789	₱9,187,877,861

(Forward)

	2020			
	< 1 year	>1 to < 5 years	> 5 years	Total
Financial liabilities				
Accounts and other payables:				
Contractors payable	₱2,492,284,878	₱–	₱–	₱2,492,284,878
Payable to joint development operators	810,780,367	–	–	810,780,367
Accounts payable	965,359,014	–	–	965,359,014
Retention payable	137,391,169	–	–	137,391,169
Payable to related parties	56,318,549	–	–	56,318,549
Advances from shareholders	16,346,102	–	–	16,346,102
Interest payable	145,325,402	–	–	145,325,402
Others	113,947,183	–	–	113,947,183
Short term and long term debts	9,176,488,975	6,886,357,022	1,115,952,233	17,178,798,230
Total financial liabilities	₱13,914,241,639	₱6,886,357,022	₱1,115,952,233	₱21,916,550,894

Short term and long-term debts include future interest payments.

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.

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. 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.

An impairment analysis is performed at each reporting date using a simplified approach to measure ECL. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating and coverage by letters of credit and other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's installment contracts receivables and contract assets using the simplified approach:

		2021	
	Total	**Vertical**	**Horizontal**
Expected credit loss rate	**0.0%**	**0.0%**	**0.0%**
Estimated total gross carrying amount at default	**₱7,811,836,799**	**₱1,462,638,901**	**₱6,349,197,898**

	Total	2020 Vertical	Horizontal
Expected credit loss rate	0.0%	0.0%	0.0%
Estimated total gross carrying amount at default	₱6,078,070,228	₱941,193,349	₱5,136,876,879

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables.

The table below shows the maximum exposure to credit risk for the components of the consolidated statements of financial position as of December 31, 2021 and 2020.

	2021	2020
Contract assets	**₱4,116,326,547**	₱2,847,876,001
Installment contracts receivables:		
Subdivision land	**1,975,029,571**	1,880,601,124
Condominium units	**1,097,309,826**	731,552,770
Receivable from related parties	**544,374,548**	660,097,396
Accrued interest receivable	**664,489,761**	618,011,413
Commission receivable	**19,676,384**	74,038,309
Receivable from tenants	**125,256,860**	97,254,072
Dividend receivable	**20,082,111**	20,082,111
	₱8,562,545,608	₱6,929,513,196

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk. As of December 31, 2021 and 2020, the aging analysis of past due but not impaired receivables presented per class, is as follows:

	2021								
	Neither Past Due nor Impaired	**Past Due but not Impaired**							
		1-30 days	**31-60 days**	**61-90 days**	**91-120 days**	**>120 days**	**Total**	**Impaired**	**Total**
Installment contracts receivables:									
Subdivision land	**₱1,810,158,498**	**₱33,021,959**	**₱30,901,084**	**₱26,631,194**	**₱24,781,483**	**₱23,137,644**	**₱138,473,364**	**₱26,397,709**	**₱1,975,029,571**
Condominium units	**1,044,035,448**	**13,451,914**	**9,631,829**	**10,165,093**	**10,286,476**	**9,739,066**	**53,274,378**	**–**	**1,097,309,826**
Accrued interest receivable	**664,489,761**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**664,489,761**
Receivable from related parties	**544,374,548**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**544,374,548**
Advances to joint development operations	**326,773,576**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**326,773,576**
Advances to officers and employees	**179,179,518**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**179,179,518**
Receivable from tenants	**125,256,860**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**125,256,860**
Dividend receivable	**20,082,111**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**20,082,111**
Commission receivable	**19,676,384**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**19,676,384**
Others	**25,242,854**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**25,242,854**
Total	**₱4,759,269,558**	**₱46,473,873**	**₱40,532,913**	**₱36,796,287**	**₱35,067,959**	**₱32,876,710**	**₱191,747,742**	**₱26,397,709**	**₱4,977,415,009**

	2020								
	Neither Past Due nor Impaired	Past Due but not Impaired							
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Installment contracts receivables:									
Subdivision land	₱1,715,279,324	₱38,203,618	₱25,634,049	₱30,560,591	₱29,391,212	₱23,279,617	₱147,069,087	₱18,252,713	₱1,880,601,124
Condominium units	672,254,998	15,585,105	9,704,510	11,635,941	11,396,731	10,975,485	59,297,772	–	731,552,770
Receivable from related parties	660,097,396	–	–	–	–	–	–	–	660,097,396
Accrued interest receivable	618,011,413	–	–	–	–	–	–	–	618,011,413
Advances to joint development operations	356,151,516	–	–	–	–	–	–	–	356,151,516
Advances to officers and employees	116,992,148	–	–	–	–	–	–	–	116,992,148
Receivable from tenants	97,254,072	–	–	–	–	–	–	–	97,254,072
Commission receivable	74,038,309	–	–	–	–	–	–	–	74,038,309
Dividend receivable	20,082,111	–	–	–	–	–	–	–	20,082,111
Others	22,169,773	–	–	–	–	–	–	–	22,169,773
Total	₱4,352,331,060	₱53,788,723	₱35,338,559	₱42,196,532	₱40,787,943	₱34,255,102	₱206,366,859	₱18,252,713	₱4,576,950,632

The table below shows the credit quality of the Group's financial assets as of December 31, 2021 and 2020.

	2021						
	Neither Past Due Nor Impaired				Past Due But		
	High Grade	**Medium Grade**	**Low Grade**	**Total**	**Not Impaired**	**Impaired**	**Total**
Cash in banks and cash equivalents	**₱1,945,514,036**	**₱–**	**₱–**	**₱1,945,514,036**	**₱–**	**₱–**	**₱1,945,514,036**
Receivables:							
Installment contracts receivables:							
Subdivision land	**1,810,158,498**	**–**	**–**	**1,810,158,498**	**138,473,364**	**26,397,709**	**1,975,029,571**
Condominium units	**1,044,035,448**	**–**	**–**	**1,044,035,448**	**53,274,378**	**–**	**1,097,309,826**
Accrued interest receivable	**664,489,761**	**–**	**–**	**664,489,761**	**–**	**–**	**664,489,761**
Receivable from related parties	**544,374,548**	**–**	**–**	**544,374,548**	**–**	**–**	**544,374,548**
Advances to joint development operations	**326,773,576**	**–**	**–**	**326,773,576**	**–**	**–**	**326,773,576**
Advances to officers and employees	**179,179,518**	**–**	**–**	**179,179,518**	**–**	**–**	**179,179,518**
Receivables from tenants	**125,256,860**	**–**	**–**	**125,256,860**	**–**	**–**	**125,256,860**
Dividend receivable	**20,082,111**	**–**	**–**	**20,082,111**	**–**	**–**	**20,082,111**
Commission receivable	**19,676,384**	**–**	**-**	**19,676,384**	**–**	**–**	**19,676,384**
Others	**25,242,854**	**–**	**–**	**25,242,854**	**–**	**–**	**25,242,854**
Financial assets at FVOCI	**682,616,263**	**–**	**–**	**682,616,263**	**–**	**–**	**682,616,263**
	₱7,387,399,857	**₱–**	**₱–**	**₱7,387,399,857**	**₱191,747,742**	**₱26,397,709**	**₱7,605,545,308**

	2020						
	Neither Past Due Nor Impaired				Past Due But		
	High Grade	Medium Grade	Low Grade	Total	Not Impaired	Impaired	Total
Cash in banks and cash equivalents	₱941,603,003	₱–	₱–	₱941,603,003	₱–	₱–	₱941,603,003
Receivables:							
Installment contracts receivables:							
Subdivision land	1,715,279,324	–	–	1,715,279,324	147,069,087	18,252,713	1,880,601,124
Condominium units	672,254,997	–	–	672,254,997	59,297,773	–	731,552,770
Receivable from related parties	660,097,396	–	–	660,097,396	–	–	660,097,396
Accrued interest receivable	618,011,413	–	–	618,011,413	–	–	618,011,413
Advances to joint development operations	356,151,516	–	–	356,151,516	–	–	356,151,516
Advances to officers and employees	116,992,148	–	–	116,992,148	–	–	116,992,148
Receivables from tenants	97,254,072	–	–	97,254,072	–	–	97,254,072
Commission receivable	74,038,309	–	-	74,038,309	–	–	74,038,309
Dividend receivable	20,082,111	–	–	20,082,111	–	–	20,082,111
Others	22,169,773	–	–	22,169,773	–	–	22,169,773
Financial assets at FVOCI	821,448,225	–	–	821,448,225	–	–	821,448,225
	₱6,115,382,287	₱–	₱–	₱6,115,382,287	₱206,366,860	₱18,252,713	₱6,340,001,860

The credit quality of the financial assets was determined as follows:

Cash - high grade pertains to cash deposited in local banks belonging to the top ten banks in the Philippines in terms of resources and profitability.

Receivables - high grade pertains to receivables with no default in payment and pertains to related parties; 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 carrying amount of financial assets at FVOCI as of December 31, 2021 and 2020 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱68.26 million and ₱82.14 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, 2021 and 2020, with all variables held constant, (through the impact on floating rate borrowings):

	Effect on income before income tax Increase (decrease)	
	2021	2020
Change in basis points:		
+100 basis points	**(₱181,784,845)**	(₱153,970,968)
-100 basis points	**181,784,845**	153,970,968

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 undiscounted interest-bearing financial assets and liabilities, at discounted values together with their corresponding nominal amounts and carrying values are shown in the following table:

	2021						
	Interest terms (p.a.)	**Rate Fixing Period**	**On Demand**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
Financial Assets							
Cash in banks and cash equivalents	Fixed at the date of investment	Various	**₱1,945,514,036**	**₱–**	**₱–**	**₱–**	**₱1,945,514,036**
Installment contracts receivables	Fixed at the date of sale	Date of sale	**191,747,741**	**254,923,598**	**764,770,797**	**1,788,930,422**	**3,000,372,558**
Receivables from related parties	N/A	N/A	**544,374,548**	**–**	**–**	**–**	**544,374,548**
Other	N/A	N/A	**25,242,854**	**–**	**–**	**–**	**25,242,854**
Financial assets at FVOCI	N/A	N/A	**–**	**–**	**–**	**682,616,263**	**682,616,263**
Total financial assets			**2,706,879,179**	**254,923,598**	**764,770,797**	**2,471,546,685**	**6,198,120,259**
Contract assets			**240,115,886**	**306,191,750**	**918,575,251**	**2,519,630,667**	**3,984,513,554**
Total undiscounted financial and contract assets			**2,946,995,065**	**561,115,348**	**1,683,346,048**	**4,991,177,352**	**10,182,633,813**
Financial Liabilities							
Loans payable	Fixed at the date of loan	Quarterly	**–**	**4,882,682,354**	**3,642,588,200**	**–**	**8,525,270,554**
Notes payable	N/A	N/A	**–**	**1,260,000,000**	**585,500,000**	**9,053,000,000**	**10,898,500,000**
Accounts and other payables	N/A	N/A	**6,752,999,214**	**–**	**–**	**–**	**6,752,999,214**
Total undiscounted financial liabilities			**6,752,999,214**	**6,142,682,354**	**4,228,088,200**	**9,053,000,000**	**26,176,769,768**
Liquidity Position (Gap)			**(₱3,806,004,149)**	**(₱5,581,567,006)**	**(₱2,544,742,152)**	**(₱4,061,822,648)**	**(₱15,994,135,955)**

	2020						
	Interest terms (p.a.)	Rate Fixing Period	On Demand	1 to 3 months	3 to 12 months	1 to 5 years	Total
Financial Assets							
Cash in banks and cash equivalents	Fixed at the date of investment	Various	₱941,603,003	₱–	₱–	₱–	₱941,603,003
Installment contracts receivables	Fixed at the date of sale	Date of sale	206,768,183	241,202,472	723,607,417	1,440,575,822	2,612,153,894
Receivables from related parties	N/A	N/A	660,097,396	–	–	–	660,097,396
Other	N/A	N/A	22,169,773	–	–	–	22,169,773
Financial assets at fair value through OCI	N/A	N/A	–	–	–	821,448,225	821,448,225
Total financial assets			1,830,638,355	241,202,472	723,607,417	2,262,024,047	5,057,472,291
Contract assets			302,147,387	287,881,900	863,645,700	1,394,201,014	2,847,876,001
Total undiscounted financial and contract assets			2,132,785,742	529,084,372	1,587,253,117	3,656,225,061	7,905,348,292
Financial Liabilities							
Bonds payable	Variable at 2.5% over 91 days PDST	Quarterly	–	2,000,000,000	–	–	2,000,000,000
Loans payable	Fixed at the date of loan	Quarterly	–	6,148,970,554	–	–	6,148,970,554
Notes payable	N/A	N/A	–	202,500,000	845,000,000	8,023,500,000	9,071,000,000
Accounts and other payables	N/A	N/A	5,407,788,319	–	–	–	5,407,788,319
Total undiscounted financial liabilities			5,407,788,319	8,351,470,554	845,000,000	8,023,500,000	22,627,758,873
Liquidity Position (Gap)			(₱-3,275,002,577)	(₱7,822,386,182)	₱742,253,117	(₱4,367,274,939)	(₱-14,722,410,581)

28. **Notes to Statements of Cash Flows**

Below are the non-cash investing and financing activities for December 31, 2021 and 2020:

a. The interest paid excludes capitalized borrowing costs and accretion of bond transaction cost. The capitalized borrowing costs in 2021, 2020, and 2019 amounted to ₱148.70 million, ₱116.26 million and ₱166.00 million, respectively. The accretion of bond transaction cost amounted to ₱52.95 million, ₱31.80 million and ₱39.51 million, for the years 2021, 2020, and 2019, respectively.

b. The Group transferred other current assets to other noncurrent assets amounting to ₱622.45 million and ₱443.56 million in 2021 and 2020, respectively.

c. Purchases of lots which remain unpaid as of December 31, 2021 and 2020 amounted ₱2,005.86 million and ₱1,082.11 million, respectively.

Details of the movement in cash flows from financing activities follow:

	December 31, 2020	**Cash flows**	**Non-cash changes**	**December 31, 2021**
Payable to related parties (Note 19)	**₱56,318,549**	**(₱53,063,561)**	**₱–**	**₱3,254,988**
Short-term and long-term debt (Note 14)	**17,178,798,230**	**2,120,549,998**	**52,946,626**	**19,352,294,854**
Interest payable	**145,325,402**	**(1,210,874,189)**	**1,146,931,261**	**81,382,474**
Total liabilities from financing activities	**₱17,380,442,181**	**₱856,612,248**	**₱1,199,877,887**	**₱19,436,932,316**

	December 31, 2019	Cash flows	Non-cash changes	December 31, 2020
Payable to related parties (Note 19)	₱38,605,523	₱17,713,026	₱–	₱56,318,549
Short-term and long-term debt (Note 14)	14,986,218,851	2,160,782,354	31,797,025	17,178,798,230
Interest payable	147,342,861	(1,079,781,564)	1,077,764,105	145,325,402
Total liabilities from financing activities	₱15,172,167,235	₱1,098,713,816	₱1,109,561,130	₱17,380,442,181

Non-cash changes pertain to accretion of bond discount from short-term and long-term debt, capitalized borrowing costs to inventories and investment properties and accrual of interest expense.

29. **Contingencies**

Contingencies
The Group has various contingent liabilities arising in the ordinary conduct of business including cases related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. No provision for any liability has been made in the consolidated financial statements.

Disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice the Group's position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

30. Other Matters

COVID-19

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Group's business activities. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

As of reporting date, all shopping malls have reopened at adjusted operating hours and construction works for commercial and residential projects have resumed while following the safety protocols mandated by the national government.

31. Events After the Reporting Date

On February 11, 2022, during the special meeting of the Board of Directors, the Board approved the resolution authorizing the Corporation to avail of loans and credit facilities from China Banking Corporation in the aggregate amount of up to Six Billion Pesos (₱6,000.00 million).

On March 16, 2022, the Company draws ₱3,500.00 million to refinance the short-term debt with China Banking Corporation amounting to ₱1,475.49 million and the balance will be used for land development, raw land acquisition and for general corporate purposes.

On May 4, 2022, the Company used the ₱2,500.00 million loan credit to refinance and amend the interest rate to 6.89% of the remaining balance of Corporate Note availed on 2017 amounting to ₱2,356.00 million.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Sta. Lucia Land, Inc. and Subsidiaries (the Group) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, included in this Form 17-A, and have issued our report thereon dated May 20, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 0664-AR-4 (Group A)
November 11, 2019, valid until November 10, 2022
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-073-2020, December 3, 2020, valid until December 2, 2023
PTR No. 8854360, January 3, 2022, Makati City

May 20, 2022

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Sta. Lucia Land Inc. and Subsidiaries (the Group) as at December 31, 2021 and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated May 20, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as at December 31, 2021 and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
Tax Identification No. 160-302-865
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PTR No. 8854360, January 3, 2022, Makati City

May 20, 2022

STA. LUCIA LAND, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

STA. LUCIA LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED

DECEMBER 31, 2021

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, 2021:

Name of Issuing entity and association of each issue	Number of Shares	Amount Shown in the Statement of Financial Position
Financial Assets at Fair Value through Other Comprehensive Income (OCI)		
Quoted:		
Philippine Racing Club, Inc.	70,786,759	404,192,394
Manila Jockey Club, Inc.	29,894,840	54,408,610
Unquoted:		
Uni-Asia Properties, Inc.	8,812,489	224,015,259
	109,494,088	₱682,616,263

The basis in determining the value of quoted equity securities is the market quotation on December 31, 2021 while unquoted security is valued at cost less any allowance for impairment.

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, 2021:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Exequiel D. Robles	₱20,854,881	₱1,560,000	₱–	₱22,414,881
Vicente R. Santos	8,602,826	1,560,000	–	10,162,826
Kristine May Robles	5,754,497	1,034,000	–	6,788,497
Aurora D. Robles	5,165,000	780,000	–	5,945,000
Antonio Robles	5,105,000	780,000	–	5,885,000
Orestes R. Santos	4,238,718	780,000	–	5,018,718
Mariza Santos Tan	3,766,618	780,000	–	4,546,618
Paul Michael Robles	3,553,963	15,536	–	3,569,499
Maria Rosario Santos	1,995,000	5,000	–	2,000,000
Michelle Robles	308,500	1,560,364	(106,950)	1,761,914

(Forward)

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Mardon Santos	₱847,105	₱195,100	₱–	₱1,042,205
Pampolina Jeremiah	424,393	5,000	–	429,393
Emerita Jingle Punzalan	270,166	5,000	–	275,166
Jose Manuel Escalante	140,600	–	–	140,600
	₱61,027,267	₱9,060,000	(₱106,950)	₱69,980,317

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.

<u>Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements</u>

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2021:

	Nature	Volume of Transactions	Receivable (Payable)	Terms
Sta. Lucia Homes, Inc. (SLHI)	Advances	₱80,850	₱3,846,840	Non-interest bearing and to be settled within one year
Santalucia Ventures Inc. (SVI)	Advances	(86,673,270)	93,471,338	Non-interest bearing and to be settled within one year

	Balance at beginning of year	Additions	Collections	Balance at end of year
SLHI	(₱3,927,690)	₱80,850		(₱3,846,840)
SVI	180,144,608		(₱86,673,270)	93,471,338
	₱176,216,918			₱89,624,498

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, 2021:

	Relationship	Nature	Balance at end of year
Sta. Lucia Realty and Development, Inc. (SLRDI)	Ultimate Parent Company	a, b, c, d, e, f, g	₱456,143,593
Sta. Lucia East Commercial Corporation (SLECC)	Affiliate	h	45,196,667
Various mall tenants	Affiliate	h	42,112,456
Others	Affiliates	a, i	86,128,195
			629,580,911

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.
i. Pertain to non-interest bearing cash advances to officers and directors.

The outstanding balances of intercompany transactions are all due and demandable as of December 31, 2021.

Schedule D. Long-term debt

The Group has long term loans amounting to ₱10,898.50 million as of December 31, 2021.

Schedule E. 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	8,196,450,000	–	6,701,005,767	1,890,997	1,493,553,236

STA. LUCIA LAND, INC.

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2021

Total Unappropriated Retained Earnings - January 1, 2021		₱5,756,877,951
Less:		
Treasury shares		(1,640,000,000)
Income closed to retained earnings and other reconciling items		1,506,378,731
TOTAL RETAINED EARNINGS, AVAILABLE FOR DIVIDEND DECLARATION, BEGINNING		5,623,256,682
Net income actually earned/realized during the period:		
Net income during the period closed to retained earnings	2,839,842,200	
Less: Non actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized actuarial gain	–	
Fair value adjustment (M2M gains)	–	
Fair value adjustment of Investment Property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP-gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		
- Accretion income	(128,880,554)	
Movement in deferred tax that reduced the amount of income tax expense	–	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustment due to deviation from PFRS/GAAP-loss	–	
Loss on fair value adjustment of investment property (after tax)	–	
Unrealized foreign exchange loss - net (except those attributable to cash)	–	
Net income actually earned during the period		2,710,961,646
Add (Less):		
Dividend declarations during the period		(327,858,000)
Appropriations of retained earnings during the period		–
Reversals of appropriations		–
Effects of prior period adjustments		–
Treasury shares - see beginning reconciliation		–
TOTAL RETAINED EARNINGS, AVAILABLE FOR DIVIDEND DECLARATION, ENDING		₱8,006,360,328

STA. LUCIA LAND, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

Financial Soundness Indicators

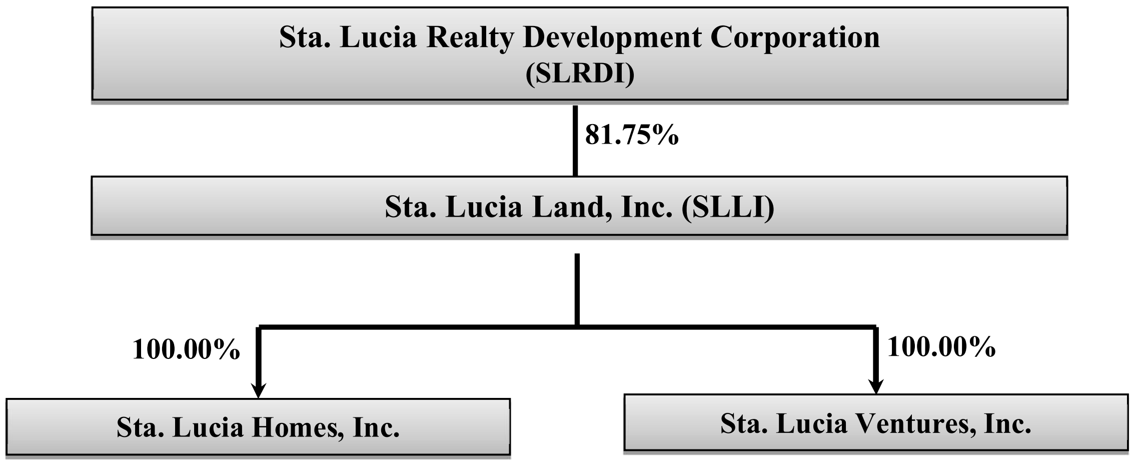
Below are the financial ratios that are relevant to the Group for the years ended December 31, 2021 and 2020:

Financial ratios		**2021**	2020
Current ratio	Current assets / Current liabilities	**2.03:1**	2.01:1
Debt to equity ratio	Total liabilities / Stockholders' Equity	**0.96:1**	0.97:1
Debt to total assets ratio	Total liabilities / Total assets	**0.61:1**	0.61:1
Return on average assets	Net income attributable to Parent Company / Average assets	**5.61%**	3.89%
Book value per share	Stockholders' equity / Total number of shares	**₱2.46**	₱2.16
Earnings per share	Net income / Total number of shares	**₱0.35**	₱0.21
Debt service coverage ratio	EBITDA / Debt Service	**4.37:1**	3.19:1

STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONGLOMERATE MAP

The following chart illustrates the Group's material shareholders and subsidiaries as of the date of this Offering Memorandum.



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) 8681-7332

(Telephone Number)

March 31, 2022

(Quarter Ended)

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, 2022**

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 UseOnly)

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) 8681-7332

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 Stock outstanding
Common	**8, 196,450,000**

11. Are any or all of the securities listed on a Stock Exchange?
    Yes [x] No [ ]

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

    __________ __________

12. Indicate by checkmark 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 [x] No [ ]

    b. has been subject to such filing requirements for the past ninety (90) days.
    Yes [x] No [ ]

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PART I - FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2022 and December 31, 2021

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**₱1,839,728,546**	₱1,946,959,536
Receivables	**2,632,737,862**	3,023,669,438
Contract assets	**2,173,525,479**	1,464,882,887
Real estate inventories	**29,168,130,700**	28,905,439,207
Other current assets	**7,179,734,734**	4,782,876,249
Total Current Assets	**42,993,857,321**	40,123,827,317
Noncurrent Assets		
Installment contracts receivables - net of current portion	**1,951,249,886**	1,860,897,262
Contract assets - net of current portion	**2,688,961,829**	2,651,443,660
Investment properties	**5,837,628,355**	5,868,209,371
Property and equipment	**45,647,234**	49,687,977
Financial assets at fair value through other comprehensive income (FVOCI)	**633,364,480**	682,616,263
Pension asset	**1,076,788**	1,076,788
Other noncurrent assets	**112,591,329**	755,524,767
Total Noncurrent Assets	**11,270,519,901**	11,869,456,088
	₱54,264,377,222	₱51,993,283,405
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	**₱7,382,550,759**	₱6,752,999,214
Short-term debt	**7,243,596,354**	8,525,270,554
Contract liabilities – current portion	**1,893,979,619**	2,577,522,263
Income tax payable	**117,678,087**	98,572,462
Long-term debt - current portion	**3,215,889,776**	1,812,179,326
Total Current Liabilities	**19,853,694,595**	19,766,543,819
Noncurrent Liabilities		
Long-term debt – net of current portion	**9,861,795,738**	9,014,844,974
Contract liabilities - net of current portion	**1,150,734,243**	1,238,959,224
Pension liabilities	**–**	–
Deferred tax liabilities - net	**2,249,216,150**	1,901,405,581
Total Noncurrent Liabilities	**13,261,746,131**	12,155,209,779
Total Liabilities	**33,115,440,726**	31,921,753,598
Equity		
Capital stock	**10,796,450,000**	10,796,450,000
Additional paid-in capital	**330,004,284**	330,004,284
Retained earnings	**11,485,148,803**	10,358,490,331
Treasury shares	**(1,640,000,000)**	(1,640,000,000)
Net unrealized gain on fair value of financial assets at FVOCI	**177,170,955**	225,860,515
Remeasurement losses on pension liabilities	**162,454**	724,677
Total Equity	**21,148,936,496**	20,071,529,807
	₱54,264,377,222	₱51,993,283,405

STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month period ended March 31, 2022 and March 31, 2021 and December 31, 2021

	March 31, 2022	March 31, 2021	December 31, 2021
REVENUE			
Real estate sales	**₱2,710,481,274**	₱1,906,171,619	₱6,827,172,459
Rental income	**111,814,454**	141,705,631	465,863,634
Interest income	**101,970,120**	112,429,446	519,772,018
Commission income	**3,278,156**	32,530,235	141,640,278
Dividend income	–	–	8,720,000
Others	**132,633,022**	96,680,100	407,559,357
	3,060,177,026	2,289,517,031	8,370,727,746
COSTS OF SALES AND SERVICES			
Cost of real estate sales	**620,283,557**	752,809,599	1,953,692,295
Cost of rental income	**100,341,904**	66,667,722	371,408,626
	720,625,461	819,477,321	2,325,100,921
SELLING AND ADMINISTRATIVE EXPENSES			
Commissions	**323,472,381**	194,327,370	797,478,931
Representation	**64,633,061**	8,948,039	73,655,533
Taxes, licenses and fees	**95,622,737**	58,403,164	183,093,613
Salaries and wages and other benefits	**18,479,062**	17,591,929	99,464,784
Advertising	**8,560,153**	10,519,291	62,878,315
Repairs and maintenance	**3,257,540**	12,902,495	85,772,220
Utilities	**2,737,528**	2,582,252	9,334,825
Professional fees	**9,019,490**	1,794,372	28,878,031
Depreciation and amortization	**3,016,320**	4,916,361	17,438,644
Expected credit loss	**–**	5,311,534	8,144,996
Surcharges and penalties	**835,374**	30,513	23,562,299
Legal expense	**2,417,686**	3,552,815	9,875,222
Software maintenance	**20,000**	6,489,042	9,308,042
Insurance expense	**1,494,246**	1,500,728	6,111,778
Transportation, travel, office supplies and miscellaneous	**9,312,327**	14,666,372	68,652,913
	542,877,905	343,536,277	1,483,650,146
INTEREST EXPENSE	**294,196,611**	257,310,172	1,051,174,591
INCOME BEFORE INCOME TAX	**1,502,477,049**	869,193,261	3,510,802,088
PROVISION FOR INCOME TAX	**375,818,577**	(54,673,008)	670,959,888
NET INCOME	**1,126,658,472**	923,866,269	2,839,842,200
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Unrealized gains on fair value of financial assets at FVOCI	**(49,251,783)**	(97,737,772)	(138,831,962)
Remeasurement gains (losses) on pension liabilities - net of tax	**–**	60,004	562,223
	(49,251,783)	(97,677,768)	(138,269,739)
TOTAL COMPREHENSIVE INCOME	**₱1,077,406,689**	₱826,188,501	₱2,701,572,461
Basic/Diluted Earnings Per Share	**₱0.13**	₱0.11	₱0.35

STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2022 and March 31, 2021

	March 31, 2022	March 31, 2021
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	**330,004,284**	330,004,284
TREASURY SHARES	**(1,640,000,000)**	(1,640,000,000)
RETAINED EARNINGS		
Balance at beginning of year	**10,358,490,331**	7,846,506,131
Net income	**1,126,658,472**	923,866,269
Balance at end of period	**11,485,148,803**	8,770,372,400
UNREALIZED GAIN ON FAIR VALUE OF AVAILABLE FOR SALE FINANCIAL ASSETS	**177,170,955**	266,954,705
REMEASUREMENT GAIN (LOSS) ON PENSION LIABILITIES- NET OF TAX	**162,454**	222,458
	₱21,148,936,496	₱18,524,003,847

STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2022 and March 31, 2021

	March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱1,502,477,049**	₱869,193,261
Adjustments for:		
Interst Expense	**294,196,611**	257,310,172
Depreciation and amortization expense	**36,650,485**	39,174,930
Gain on repossession of inventories	**–**	(19,195,600)
Interest income	**(101,970,120)**	(112,429,446)
Operating income before changes in working capital	**1,731,354,025**	1,034,053,317
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	**(970,477,330)**	(759,266,491)
Real estate inventories	**(2,175,732,089)**	(2,622,591,553)
Contract Assets	**(708,642,592)**	54,281,443
Other current assets	**1,111,428,573**	2,104,689,555
Increase (decrease) in:		
Accounts and other payables	**90,352,624**	74,136,450
Contract liabilities	**37,518,169**	25,814,383
Net cash generated from (used in) operations	**(884,198,620)**	(88,882,896)
Interest received	**101,970,120**	94,989,405
Income taxes paid	**(8,829,109)**	(13,117,234)
Net cash provided by (used in) operating activities	**(791,057,609)**	(7,010,725)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposals of (additions to):		
Property and equipment	**(2,028,730)**	(20,572,213)
Investment properties	**(35,557,099)**	(4,771,610)
Other noncurrent assets	**(103,811)**	(43,045,015)
Dividends received	**–**	–
Net cash used in investing activities	**(37,689,640)**	(68,388,838)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	**6,461,314,000**	4,873,650,000
Payment of loans	**(5,502,988,200)**	(4,628,350,000)
Interest payments	**(236,809,541)**	(239,831,494)
Net cash provided by financing activities	**721,516,259**	5,468,506
NET INCREASE (DECREASE) IN CASH	**(107,230,990)**	(69,931,057)
CASH AT BEGINNING OF YEAR	**1,946,959,536**	942,820,503
CASH AT END OF PERIOD	**₱1,839,728,546**	₱872,889,446

STA. LUCIA LAND, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Sta. Lucia Land, Inc. (SLI or 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. On August 14, 1996, the Parent Company's Articles of Incorporation was amended. Under the amendment, it changed the corporate name to Zipporah Realty Holdings, Inc. and it transferred the original primary purpose to secondary purpose from being a mining firm to a real estate company with the amended primary purpose to acquire by purchase, lease, and to own and develop and hold for investment and/or disposal, real estate of all kinds 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.

Prior to expiration of its corporate life, the Parent Company filed for a new 50-year corporate life which was approved by the SEC on June 16, 2016. The corporate life of the Parent Company expired on December 5, 2016. The approved new 50-year corporate life is until December 5, 2066.

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 Mall, Marcos Highway cor. Imelda Avenue, Cainta, Rizal.

The Group is 81.75% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company).

2. Summary of Significant Accounting Policies

<u>Basis of Preparation</u>

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

The interim consolidated financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID 19 situation will remain and recovery is going to be gradual.

Statement of Compliance
The interim condensed consolidated financial statements of the Group for the three months ended March 31, 2022 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting.*

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2019, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), and include the availment of the relief granted by the Securities and Exchange Commission (SEC) under Memorandum Circular Nos. 14-2018 and 3-2019. PFRSs include PAS and Interpretations issued by Philippine Interpretations Committee (PIC).

The interim condensed consolidated financial statements of the Group have been prepared for inclusion in the offering circular in relation to a planned capital-raising activity.

Basis of Consolidation
The interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries.

A subsidiary is an entity which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following wholly-owned subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	% of Ownership
Sta. Lucia Homes, Inc. (SLHI)	100.00%
Santalucia Ventures, Inc. (SVI)	100.00%

Adoption of New and Amended Accounting Standards and Interpretation

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS and PAS which became effective beginning January 1, 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The nature and impact of each new standard and amendment are disclosed below.

- Amendments to PFRS 3, *Definition of a Business*

  The amendments to PFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments may impact future periods should the Group enter into any business combinations.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*

  The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

  These amendments do not have a significant impact on the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

  The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

  The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

  These amendments do not have a significant impact on the Group.

- Conceptual Framework for Financial Reporting issued on March 29, 2018

  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

  The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- There is no substantive change to other terms and conditions of the lease.

  A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

  The amendments are effective for annual reporting periods beginning on or after June 1, 2020. Early adoption is permitted.

  This amendment is not applicable to the Group as there are no rent concessions granted to the Group as a lessee.

- *Adoption of PIC Q&A 2020-03, Q&A No. 2018-12-D: STEP 3- On the accounting of the difference when the percentage of completion is ahead of the buyer's payment*

  PIC Q&A 2020-03 was issued by the PIC on September 30, 2020. The latter aims to provide an additional option to the preparers of financial statements to present as receivables, the difference between the POC and the buyer's payment, with the POC being ahead. This PIC Q&A is consistent with the PIC guidance issued to the real estate industry in September 2019.

  The adoption of this PIC Q&A did not impact the consolidated financial statements of the Group since it has previously adopted the additional guidance issued by the PIC in September 2019.

<u>Future Changes in Accounting Policy</u>
The Group will adopt the following standards and interpretations when these become effective. Except as otherwise stated, the Group does not expect the adoption of these standards to have a significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2021

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform - Phase 2*

  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

    The Group shall also disclose information about:
  - The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

  The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and applied retrospectively. However, the Group is not required to restate prior periods.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

  Annual Improvements to PFRSs 2018-2020 Cycle

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  Effective beginning on or after January 1, 2023

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts. PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Group since none of the entities within the Group have activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The Group is currently assessing the impact of adopting these amendments.

- *Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC MC Nos. 14-2018 and 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2021. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

	Deferral Period
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
b. Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E	Until December 31, 2023
Treatment of uninstalled materials in the determination of the	Until December 31, 2021

	Deferral Period
POC discussed in PIC Q&A 2018-12-E (as amended by PIC Q&A 2020-02)	
Accounting for CUSA Charges discussed in PIC Q&A No. 2018-12-H	Until December 31, 2021

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

a. The accounting policies applied.
b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

In November 2020, the PIC issued the following Q&As which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

- PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component
- PIC Q&A 2020-02, which provides additional guidance on determining which uninstalled materials should not be included in calculating the POC

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

The Group availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Group assessed that the impact would have been as follows:

a. The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings. The Group has yet to assess if the mismatch constitutes a significant financing component for its contracts to sell.

b. Had the Group accounted for the revenue from air-conditioning services, CUSA and handling services as principal, this would have resulted in the gross presentation of the related revenue, costs and expenses. Currently, the related revenue is presented net of costs and expenses. There is no impact on opening retained earnings, income and expense and the related balance sheet accounts.

The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented.

- *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost)*

In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under paragraph 35(c) of PFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under PAS 23, *Borrowing Costs*, considering that these inventories are ready for their intended in their current condition.

The IFRIC Agenda Decision would change the Group's current practice of capitalizing borrowing costs on real estate projects with pre-selling activities.

On February 11, 2020, the Philippine SEC issued MC No. 4-2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2021. Further, on December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023. Effective January 1, 2024, the Real Estate Industry will adopt the IFRIC Agenda Decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC Agenda Decision.

For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC Agenda Decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred.

This adjustment should have been applied retrospectively and would have resulted in restatement of prior year financial statements. A restatement would have impacted interest expense, cost of sales, provision for deferred income tax, real estate inventories, deferred tax liability and the opening balance of retained earnings. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented.

As prescribed by SEC MC No. 34-2020, for financial reporting periods beginning on or after January 1, 2021, the availment of the above deferrals will impact the Group's financial reporting during the period of deferral as follows:

a. The financial statements are not considered to be in accordance with PFRS and should specify in the "Basis of Preparation of the Financial Statements" section of the financial statements that the accounting framework is:

PFRS, as modified by the application of the following financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic:

1) *Assessing if the transaction price includes a significant financing component (as amended by PIC Q&A 2020-04)*
2) *Application of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods under PAS 23*

b. The Auditor's report will:

   i. reflect in the Opinion paragraph that the financial statements are prepared in accordance with the compliance framework described in the notes to the financial statements; and
   ii. include an Emphasis of Matter paragraph to draw attention to the basis of accounting that has been used in the preparation of the financial statements.

Upon full adoption of the above deferred guidance, the accounting policies will have to be applied using full retrospective approach following the guidance under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

- *Deferral of PIC Q&A 2018-14, Accounting for Cancellation of Real Estate Sales (as amended by PIC Q&A 2020-05)*

On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2021. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively from approval date of the Financial Reporting Standards Council which was November 11, 2020.

The Group availed of the SEC relief to defer of adoption of this PIC Q&A until December 31, 2021. Currently, the Group records the repossessed inventory at its fair value less cost to sell and recognize any difference between the carrying amount of the derecognized receivable and the repossessed property in profit or loss. The Group has opted to implement approach 1 in its accounting for sales cancellation which is the repossessed property is recognized at its fair value less cost to repossess.

Significant Accounting Policies

Current versus Noncurrent Classification

The Group presents assets and liabilities in interim consolidated statement of financial position based on current and noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve (12) months after the reporting period; or
- cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve (12) months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and that are subject to insignificant risk of changes in value.

Fair Value Measurement

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, 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.

For purposes of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy.

<u>Financial Instruments</u>

Date of recognition

The Group recognizes financial assets and liabilities in the consolidated statement of financial position when, and only 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 trade date.

<u>Recognition and Measurement of Financial Instruments</u>

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition of financial instruments

Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at FVOCI, or at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or at FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the 'SPPI test' and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

As of March 31, 2022 and December 31, 2021, the Group's financial assets comprise of financial assets at amortized cost and financial assets at FVOCI.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
  (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

  Financial assets at amortized cost
  Financial assets are measured at amortized cost if both of the following conditions are met:
- the asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as interest income in the consolidated statement of comprehensive income.

The Group classified cash and cash equivalents, installment contracts receivables and other receivables, advances to agents and brokers under "Other current assets", and deposits in escrow and refundable security deposits under "Other noncurrent assets" as financial assets at amortized cost (see Notes 5, 6 and 8).

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not have debt instruments at fair value through OCI.

Financial assets at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets at fair value through OCI includes investments in quoted and unquoted equity instruments (see Note 9).

Dividends earned on holding these equity instruments are recognized in the consolidated statement of comprehensive income when the Group's right to receive the dividends is established in accordance with PFRS 15, unless the dividends clearly represent recovery of a part of the cost of the investment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

As of March 31, 2022 and December 31, 2021, the Group does not have financial assets at FVTPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Reclassification of financial assets
The Group can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Group is required to reclassify the following financial assets:

- from amortized cost to FVTPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- from FVTPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVTPL at initial recognition is not permitted. A change in the objective of the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

<u>Modification of financial assets</u>
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of comprehensive income.

<u>Impairment of Financial Assets</u>
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For installment contracts receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a vintage analysis for installment contracts receivables and contract assets that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group’s policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on lifetime ECL. The Group uses the ratings from the Standard and Poor’s (S&P), Moody’s and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fee and other fees.

As of December 31, 2021 and 2019, the Group's other financial liabilities consist of accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income.

Only if the criteria in PFRS 9 are satisfied, the designation of financial liabilities at fair value through profit or loss at the initial date of recognition is allowed. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

This category generally applies to the Group's accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

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. This is not generally the case with master netting agreements, where the related assets and liabilities are presented at gross in the consolidated statement of financial position.

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 or will be occupied by the Group, is held as inventory and is measured at the lower of cost and net realizable value (NRV). In few cases of buyer defaults, the Group can repossess the properties and held it for sale in the ordinary course of business at the prevailing market price. The repossessed properties are included in the "Real Estate Inventories" account in the consolidated statement of financial position. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts unless these exceed the recoverable values.

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.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Prepaid Expenses

Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, and insurance.

With the exception of commission, which is amortized using percentage of completion, other prepaid expenses are amortized as incurred.

Refundable Deposits

Refundable deposits are measured initially at fair value. After initial recognition, refundable deposits are subsequently measured at amortized cost using the effective interest method.

The difference between the cash received and its fair value is deferred and amortized using the straight-line method under the "Real estate sales" account in the consolidated statement of comprehensive income.

Non-refundable deposits that are applicable against costs of services incurred or goods delivered are measured at fair value.

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. These include advances to contractors and lot owners which are carried at costs less impairment losses, if any.

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.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

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 and included under "Costs of Rental Income" in the consolidated statement of comprehensive income. 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	5 to 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 properties 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 properties, 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.

The Group discloses the fair values of its investment properties in accordance with PAS 40. The Group engages independent valuation specialist to assess the fair values as at December 31, 2021. The Group's investment properties consist of land and building pertaining to properties, mall and office properties. These were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

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 to 5

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

Fully depreciated and amortized property and equipment are retained in the accounts until they are no longer in use. No further depreciation and amortization is charged against current operations.

Interests in Joint Development Projects

Interests in joint development projects represent one or more assets, usually in the form of real estate development, contributed to, or acquired for the purpose of the joint development and dedicated to the purposes of the joint operations. The assets are used to obtain benefits for the operators. Each operator may take a share of the output from the assets and each bears an agreed share of the expenses incurred. These joint operations do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the operators themselves. Each operator has control over its share of future economic benefits through its share of the jointly operations. Contribution of the Group to the joint operations are included in real estate inventories.

Impairment of Nonfinancial Assets

This accounting policy relates to the other assets, inventories, interests in joint development projects, investment properties and property and equipment.

The Group assesses at each reporting date whether there is an indication that an asset 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' Deposits" 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.

Value-added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statement of financial position.

Pension
The Group has a funded, noncontributory defined benefit pension plan covering substantially all of its qualified employees. The Group's pension liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Defined benefit costs comprise the following:
(a) service cost;
(b) net interest on the net defined benefit liability or asset; and
(c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

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 and charged to “Additional Paid-in Capital” (APIC) account. If APIC is not sufficient, the excess is charged against retained earnings.

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 Shares

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 Group’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them. 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.

Retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its mall retail spaces and office leasing activities, wherein it is acting as agent.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's project development engineers and project managers. This is based on the quarterly project accomplishment report prepared by the Group's project development engineers as approved by the project managers which integrates the surveys of performance as of quarter end of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contracts receivables, under trade receivables, is included in the "contract asset" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contracts receivables is included in the "contract liabilities" account in the liabilities section of the consolidated statement of financial position.

In case of sales cancellation due to the default of the buyers, the Group derecognizes the outstanding balance of contract asset or installment contracts receivable and recognize the repossessed property at fair value less cost to repossess, with any difference taken to profit or loss.

Cost of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs

are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which changes are determined.

In addition, the Group recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Costs to obtain contract (Commission expense)
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Selling and administrative expense” account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

<u>Contract Balances</u>
Installment contracts receivables
Installment contracts receivables represent the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Contract fulfillment assets
Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Group applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable. The Group's contract fulfillment assets pertain to land acquisition costs.

Amortization, de-recognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

The Group amortizes contract fulfillment assets and capitalized costs to obtain a contract over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization of contract fulfillment assets and cost to obtain a contract is included within "Cost of real estate sales" and "Selling and administrative expense", respectively.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that the contract fulfillment asset or capitalized cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

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 effective interest method.

Commission income
Commission income is recognized when services are rendered.

Dividend income
Dividend income is recognized when the Group's right to receive the payment is established.

Others
Other income is derived from processing the registration of properties of buyers, collection from surcharges and penalties for late payments which are recognized when services are rendered.

Other income also includes profit share in hotel operations which is derived from the Group's share in service 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 when earned.

Costs 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.

Cost of real estate sales

Cost of real estate sales includes all direct materials, labor costs and incidental costs related to the construction of housing units.

Cost of rental income

Cost of rental income is mostly coming from depreciation, utilities and management fees. These are recognized as cost when incurred, except for depreciation which is recognized on a straight-line basis.

Cost of hotel operations

Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Selling and administrative expenses

Selling and administrative expenses are expenses that are incurred in the course of the ordinary operations of the Group. These usually take the form of an outflow or depletion of assets such as cash and cash equivalents, property and equipment and investment properties. Selling and administrative expenses are costs incurred to sell real estate inventories, which include commissions, advertising and promotions, among others and costs of administering the business.

Expenses are recognized in the consolidated statement of comprehensive income as incurred based on the amounts paid or payable.

<u>Borrowing Costs</u>
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 “Investment Properties” account in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur.

The interest capitalized is calculated using the Group’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

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.

<u>Leases effective January 1, 2019</u>
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee - Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted on a straight-line basis over the lease term and is included in revenue in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease e.g., addition or termination of the right to use one or more underlying assets, or the extension or shortening of the contractual lease term. In case of a lease modification, the lessor shall account for any such modification by recognizing a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease and the remaining lease payments will be recognized as income on a straight-line basis over the remaining lease term.

In case of change in lease payments for an operating lease that does not meet the definition of a lease modification, the lessor shall account for any such change as a negative variable lease payment and recognize lower lease income.

<u>Leases prior to January 1, 2019</u>
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.

Deferred tax
Deferred tax is provided, using the liability method, 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, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefits 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 benefits 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 is 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. As of December 31, 2021 and 2019, the Group has no potential diluted common shares.

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 to the consolidated financial statements.

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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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 financial 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 interim 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 investment of 20% of the net contract price for real estate development and sale would demonstrate the buyer's commitment to pay. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of buyers' equity before allowing revenue recognition.

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.

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.

Recognizing 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 future 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.

Determination of significant influence on an investee company
If an investor holds, directly or indirectly, less than 20% of the voting power of the investee company, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

Since the Group only has 12.50% ownership interest in Uni-Asia, the Group determined that it does not have control or significant influence.

Management's Use of Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue and cost recognition on real estate

The Group applies the percentage of completion (POC) method in determining real estate revenue and cost. The POC is based on the physical proportion of work and the cost of sales is determined based on the estimated project development costs applied with the respective project's POC.

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. The assessment also considers that title of the property passes on to the buyer only when the receivable is fully collected.

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 of inventories

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether those inventories are damaged, slow or non-moving or if their selling prices have declined in comparison to the cost.

Evaluation of impairment of other non-financial assets (except inventories)

The Group reviews other current assets, investment properties and property and equipment for impairment in 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.

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.

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..

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statements 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.

4. Aging of Receivables

As of March 31, 2022 (Unaudited)

	Neither Past Due nor Impaired	Past Due but not Impaired						Impaired	Total
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total		
Trade	**₱8,396,946,595**	**₱103,698,733**	**₱99,660,727**	**₱85,274,147**	**₱85,683,117**	**₱84,725,265**	**₱459,041,989**	**₱26,397,710**	**₱8,882,386,294**
Nontrade	**563,986,835**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**563,986,835**
Total	**₱8,960,933,430**	**₱ 103,698,733**	**₱99,660,727**	**₱85,274,147**	**₱85,683,117**	**₱84,725,265**	**₱459,041,989**	**₱26,397,710**	**₱9,446,373,129**

As of March 31, 2022 (Unaudited)

	Neither Past Due nor Impaired	Past Due but not Impaired						Impaired	Total
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total		
Trade	₱6,697,919,552	₱113,556,516	₱74,605,296	₱89,083,565	₱86,109,810	₱72,317,946	₱435,673,133	₱18,252,714	₱7,151,845,399
Nontrade	517,290,373	–	–	–	–	–	–	–	517,290,373
Total	₱7,215,209,925	₱113,556,516	₱74,605,296	₱89,083,565	₱86,109,810	₱72,317,946	₱435,673,133	₱18,252,714	₱7,669,135,772

5. Segment Information

The following tables regarding business segments present assets and liabilities as of March 31, 2022 and March 31, 2021 and revenue and income information for each of the two periods ended March 31, 2022 and March 31, 2021.

As of March 31, 2022 (Unaudited)

	Leasing	Residential Development	Total
Rental income	**₱111,814,454**	**₱–**	**₱111,814,454**
Cost of rental income	**(100,341,904)**	**–**	**(100,341,904)**
Real estate sales	**–**	**2,710,481,274**	**2,710,481,274**
Cost of real estate sales	**–**	**(620,283,557)**	**(620,283,557)**
Segment profit	**11,472,550**	**2,090,197,717**	**2,101,670,267**
General and administrative expense	**(11,698,355)**	**(531,179,549)**	**(542,877,904)**
Commission income	**–**	**101,889,877**	**101,889,877**
Interest income	**80,244**	**(294,196,611)**	**(294,116,367)**
Interest expense	**–**	**3,278,156**	**3,278,156**
Other income	**–**	**–**	**–**
Other expense	**–**	**132,633,020**	**132,633,020**
Provision for income tax	**36,391**	**(375,854,968)**	**(375,818,577)**
Net income	**(109,170)**	**₱1,126,767,642**	**₱1,126,658,472**
Segment assets	**₱6,151,831,930**	**₱48,112,545,292**	**₱54,264,377,222**
Segment liabilities	**₱396,069,670**	**₱30,352,476,819**	**₱30,748,546,489**
Accounts and other payables	**–**	**–**	**–**
Income tax payable	**–**	**117,678,087**	**117,678,087**
Deferred tax liability	**–**	**2,249,216,150**	**2,249,216,150**
Total liabilities	**₱396,069,670**	**₱32,719,371,056**	**₱33,115,440,726**

As of March 31, 2021 (Unaudited)

	Leasing	Residential Development	Total
Rental income	₱116,855,539	₱–	₱116,855,539
Cost of rental income	(98,922,972)	–	(98,922,972)
Real estate sales	–	1,044,800,512	1,044,800,512
Cost of real estate sales	–	(278,760,656)	(278,760,656)
Segment profit	17,932,567	766,039,856	783,972,423
General and administrative expense	(13,685,776)	(197,730,005)	(211,415,781)
Commission income	12,646	67,981,255	67,993,901
Interest income	–	4,152,173	4,152,173
Interest expense	–	(257,203,640)	(257,203,640)
Other income	–	123,715,889	123,715,889
Other expense	(159,440)	(17,675,615)	(17,835,055)
Provision for income tax	(1,024,999)	(64,813,765)	(65,838,764)
Net income	₱3,074,998	₱424,466,148	₱427,541,146
Segment assets	₱5,952,169,311	₱41,984,398,328	₱47,936,567,639
Segment liabilities	₱423,267,065	₱21,365,708,735	₱21,788,975,800
Accounts and other payables	–	6,537,186,773	6,537,186,773
Income tax payable	–	89,747,446	89,747,446
Deferred tax liability	–	1,493,192,912	1,493,192,912
Total liabilities	₱423,267,065	₱29,485,835,866	₱29,909,102,931

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, receivables accounts and other payables
Carrying amounts approximate fair values due to the relatively short-term maturities of thesefinancial 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 atapplicable 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 financialinstruments 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 therecordedfair value are observable, either directly or indirectly
Level 3:	techniques which use inputs which have a significant effect on the recorded fair valuethat are not based on observable market data.

There have been no transfers between Level 1 and Level 2 during 2022 and 2021.

Financial Risk Management Objectives and Policies
The Group's principal financial instruments comprise of cash, receivables, AFS financial assetsand accounts and other payables, short-term debt and long-term debt. The Group has otherfinancial liabilities such as accounts and other payables which arise directly from the conduct ofits operations.

Management closely monitors the cash fund and financial transactions of the Group. Thesestrategies, 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 managingfinancial 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 ortransactions. The Group manages its liquidity profile to be able to finance the capital expendituresand service the maturing debts. To cover the financing requirements, the Group intends to useinternally generated funds and proceeds from debt and equity offerings.

The Group actively manages its liquidity position so as to ensure that all operating, investing andfinancing needs are met. In mitigating liquidity risk, management measures and forecasts its cashcommitments, matches debt maturities with the assets being financed, maintains a diversity offunding sources with its unhampered access to bank financing and the capital markets. As part of the liquidity risk management, the Group currentlytransacts with local banks for an extension and negotiation of higher undrawn credit lines to meetthe suppliers' and contractors' obligations and business expansion.

Through scenario analysis and contingency planning, the Group also assesses its ability towithstand both temporary and longer-term disruptions relative to its capacity to finance itsactivities and commitments in a timely manner and at reasonable cost, and ensures theavailabilityof 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 aswell as to have additional funds as buffer for any opportunities or emergencies that may arise.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrumentor customer contract, leading to a financial loss. The Group is exposed to credit risk from itsoperating activities (primarily for trade receivables) and from its financing activities, includingdeposits with banks and financial institutions, foreign exchange transactions and other financialinstruments.

Financial assets comprise of cash on hand and in bank, trade receivable, interest receivable andAFS financial assets. The Group adheres to fixed limits and guidelines in its dealings withcounterparty banks and its investment in financial instruments. Given the high credit standing ofits accredited counterparty banks, management does not expect any of these financial institutionsto fail in meeting their obligations. The Group's exposure to credit riskfrom cash on hand and inbank and AFS financial assets arise from the default of thecounterparty, with a maximumexposure equal to the carrying amounts of these instruments.

Real estate contracts
Receivable balances are being monitored on a regular basis to ensure timely execution ofnecessary intervention efforts. The credit risk for installment contracts receivables ismitigated asthe Group has the right to cancel the sales contract without need for any court action and takepossession 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 underthis arrangement is transferred to the buyers only upon full payment of the contract price.

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 gradepertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables withmore 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 thelevels of equity indices and the value of individual stocks. The Group manages the equity pricerisk through diversification and placing limits on equity instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument willfluctuate because of changes in market interest rates. The Group's exposure to the risk of changesin market interest rates relates primarily to the Group's long-term debt obligations with floatinginterest rates.

The Group's interest rate risk management policy centers on reducing the overall interest expenseand exposure to changes in interest rates. Changes in market interest rates relate primarily to theGroup's interest-bearing debt obligations with floating interest rate as it can cause a change in theamount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and maintaininga debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function ofhistorical, current trend and outlook of interest rates, volatility of short-term interest rates, thesteepness 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-month period ended March 31, 2022 compared to the three-month period ended March 31, 2021)

Revenue

Sta. Lucia Land Inc. and Subsidiaries' (Group) net income grew by 22or P203 million for the three-month period ending March 31, 2022. The Group was able to increase the real estate sales by 42% comparing to the same period last year. As oppose to its commercial operations, the lessening of foothold traffic as effect of the quarantine protocols implemented causes rental income to decrease by 21% amounting P30 million as compared to the same period last year. Despite the experienced effect of the pandemic, the Group was able to implement measures to cope up and minimize its expenses. Other sources of income grew by 37% or P36 million as compared to the same period last year. Interest income and commission income decreased by 9% or P10 million and 90% of P29 million respectively.

Cost and Expense

With the continuous effect of the pandemic, the Group has implemented yield management efforts to cope up and to maximized cost savings. For the three-month period ending March 31, 2022, the Group's total operating expenses increased only by 10% or P137 million as compared to the same period last year.

Comprehensive Income

Total comprehensive income of the Group reported increased by 30% or P251 million for the three-month period ending March 31, 2022 as compared to same period last year. The increase was primarily due to the reported increase in net income as well as the increase in the unrealized gains recognized during the period.

Financial Condition
(*Three months ended March 31, 2022 compared to year ended December 31, 2021)*

Total Assets

Total assets reported by the Group amounts to P54,264 million as of 1st quarter of 2022 from P51,993 million in December 31, 2021. This shows an increase of P2,271 million which is mainly due to increase deployment of capital expeditures to its contractors, primarily to mobilize facilitate massive project developments and launching of new projects all over the country.

Total Liabilities

Group's total liabilities posted an amount of P33,115 million as of 1st quarter of 2022 which is 4% higher as compared to P31,922 million from December 31, 2021. Accounts payable increase by P2,609 million. Long term debt increased by 5% as a result of the acquisition of a term loan to China Banking Corporation amounting to P3,500.00 million. The availment and maximization of the Group's access to the debt market was made to maintain a its liquidity position.

Key Performance Indicators

	March 31, 2022	December 31, 2021
Current Ratio	**2.17**	**2.05**
Debt to Equity	**0.96**	**0.96**
Interest Coverage Ratio	**510.71%**	**333.99%**
Return on Asset	**2.08%**	**5.45%**
Return on Equity	**5.33%**	**14.15%**

*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 debtover shareholder's equity.
3. Interest Coverage Ratio= Earnings before Income Tax amd Interest Expense 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, 2022 versus the Balance Sheet as of December 31, 2021

6% decrease in cash
Attributable to the payment of more expensive loans from the net availment of new loans to maintain high liquidity position and to manage the risk in increasing interest rates.

13% decrease in receivables
The decrease in receivables was due to the increase in collections that the Group experienced as it had set up more available payment channels to its buyers. This includes the collections through bill payments and other option made available during the pandemic.

48% increase in current contract assets
Majority of the real estate sales for first quarter of 2022 are from buyers preferring installment term as mode of payments for their purchase as evidenced by the increase in contract assets.

50% increase in other current assets
This consists of increased advances made to contractors by the Group to boost its project developments and project development mobilization for its expansion throughout the country.

5% increase in non current installment contract receivables
Increase in the noncurrent portion of installment receivables was primarily due to the increase in real estate sales especially from the project that are still under development.

30% increase in non current contract assets
Majority of the real estate sales for first quarter of 2021 are from buyers preferring installment term as mode of payments for their purchase as evidenced by the increase in contract assets.

8% decrease in property and equipment
Decrease in the carrying value of property and equipment were result of continuous lapsing recorded in the books. Less capital expenditures were allocated in acquisition of property and equipment for the Group's operations.

7% decrease in financial assets at fair value through other comprehensive income
Still with the effect of pandemic, fair value of most investments declines during 2021. Fair market value of financial assets held by the Group decreased in 2021.

85% decrease in other noncurrent assets
Decrease was due to payments advances made to contractors to develop raw lands purchased in the previous year and are falling due within the 12 month of current reporting period.

9% increase in accounts and other payables
The mobilization of major project development activities and expansions on existing properties of the Group had contributed to the increase in accounts and other payables. The volume of billings received from contractors and suppliers increased during the period.

15% decrease in short term debts
As the Group strived to maintain a strong liquidity and at the same time protection the Group with the fluctuating interest rates, it maximized its access to the debt markets for additional source of funding especially with long term borrowings and subsequently terminating some its short term loans.

27% decrease in current contract liabilities
Advance collections which was initially recorded as liabilities from buyers whose properties are yet to be developed were already recognized as income since there is already an increase in project development accomplishments during the period.

19% increase in income tax payable
Increase in net income during the period increases the amount of tax liabilities. Netted with the payments made during first quarter of 2022 attributable tax liabilities increased during the period.

77% increase in current portion long-term debt
The increase in current portion of long term debts was primarily due to the ₱7,000 million corporate notes raised during 2021, part of the principal balances falls due within the next 12 months.

24% increase in long-term debt
The settlement of the Php2 Billion bonds payable was made through a new Credit Notes Facility. The facility amounts to a total of Php7 Billion of which Php2 Billion was already drawn in the first drawdown. The second drawdown is expected to be made in the second quarter of 2021.

9% increase in long term debts - noncurrent portion
The increase in non-current portion of long term debts was primarily due to the availment of a ₱3,500 million term loan with China Banking Corporation in March 16, 2022.

7% decrease in noncurrent contract liabilities
The decrease was primarily attributable to the recognition of real estate sales from projects that are nearing its completion.

18% increase in deferred tax liabilities-net
Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.

11% increase in retained earnings
Increase in retained earnings is primarily attributable to the net income recognized during the period.

22% decrease in unrealized fair market value of AFS
Decrease was due to the decrease in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.

178% decrease in unrealized loss on pension liabilities
Result of changes in estimates for retirement liability as valued by the independent actuary.

<u>Material Changes in the Income Statement (+/-5%) for the Three-Month Period Ended March 31, 2022 versus the Income Statement for the Three-Month Period Ended March 31, 2021</u>

42% increase in real estate sales
Coping up with the effect of the pandemic, the Group was able to increase its real estate sales through the efforts of its marketing arms as well as the deployments of its sales force with the curtailment of the quarantine protocols implemented by the Government.

21% decrease in rental income
Decrease in rental income was primarily due to the rental concessions granted by the Group to the retail operators on its commercial properties. The rental concessions were granted to ease the negative impact brought about by the covid-19 pandemic.

9% decrease in interest income
Lesser amount of interest was recognized during the period due to the decrease in the volume of transactions related to in-house financed real estate sales.

90% decrease in commission income
The Group's marketing subsidiary focused on selling parent company's properties due to bulk increase from expansions and launching of new projects.

37% increase in other income
Increase is a result of booking of surcharges / penalties from customer's default on payment, income from hotel operations and gains from repossession.

18% decrease in cost of real estate sales
Increase in horizontal sales take up with greater gross profits during the quarter ended caused the decline of recorded cost of sales despite the increase noted in real estate sales.

51% increase in cost of rental income
With the shifting to a more relaxed quarantine restrictions, there have been longer time of operation of the Group's commercial properties, thus increasing its cost generation to operate relate.

66% increase in commissions
Paralleled with the increase in real estate sales recognized during the period, commission expense increased during the period.

622% increase in representation
The increase was attributable to the increase project development activities and acquisition of raw land for land banking activities.

64% increase in taxes and licenses
The increase was primarily attributable to the increase in real property taxes paid during the period arising from project developments and acquisition of raw lands for land banking activities.

5% increase in salaries, wages and other benefits
The increase was primarily due to the extended hiring activities of the Group to address the manpower needs in the increasing business operations. Also, increase can be attributed to the salary adjustments made during the last quarter of the previous year.

19% decrease in advertising
Considering that the increase in property demands outside Metro Manila was purely a direct effect of the shift in work arrangement set up some companies, promotional and other advertising activities remained as usual thus, a decrease in expense was noted during period.

75% decrease in repairs and maintenance

Decreased the incurrence of expenses related to repairs and maintenance for completed project's upkeep.

6% increase in utilities
The shift to a more relaxed quarantine restrictions has opened up more business operating activities increasing expenses for utilities.

403% increase in professional fees
External parties were sought into during 2022 to support the implemented fund-raising activities which resulted to increasing the recognized professional fees.

39% decrease in depreciation expense
The decrease in depreciation was brought about by the deccline in acquisitions of real properties being used in the normal business operatons.

2,638% increase in surcharges and penalties
Increase was due the incurrences of Govenrment imposed penalties due to some delays in processing of documents related to business operations.

32% decrease in legal expenses
Lesser amount of fees for legal matters incurred during the period comparing to the same period last year.

100% decrease in software maintenance
Lesser amount of expenses related to website development and other MIS related expenses were incurred during the period.

37% decrease in miscellaneous expenses
Decrease was due to a lower incidental expenses incurred during the period.

PART II – OTHER INFORMATION

Item 3: Three Months of 2022 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
Simeon Cua	Director
Renato C. Francisco	Independent Director
Danilo A. Antonio	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, 2022

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 a ₱3,500.00 million term loan with China Bank Corporation of March 16, 2022.

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, 2022

	March 31, 2022	December 31, 2021
Current Ratio	**2.17**	**2.05**
Debt to Equity	**0.96**	**0.96**
Interest Coverage Ratio	**510.71%**	**333.99%**
Return on Asset	**2.08%**	**5.45%**
Return on Equity	**5.33%**	**14.15%**

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

EXEQUIEL D. ROBLES
President & CEO
Date: May 20, 2022