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SEC Registration Number

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(Company's Full Name)

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

David M. Dela Cruz

(Contact Person)

8681-7332

(Company Telephone Number)

2021

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Month Day
(Fiscal Year)

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(Form Type)

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Month Day
(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

SEC

Dept. Requiring this Doc.

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Amended Articles Number/Section

265

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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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

STA. LUCIA LAND, INC. AND SUBSIDIARIES

4. Exact name of issuer as specified in its charter

Republic of the Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

Penthouse, Bldg. III, Sta. Lucia East Grand Mall, Marcos Highway cor. Imelda Ave., Cainta, Rizal 1900

7. Address of issuer's principal office Postal Code

(02) 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
<u>Common</u>	<u>8,196,450,000</u>

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

Yes No

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

12. Indicate by 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 No

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

Yes 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 Php16,000.00 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 Business

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

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 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

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 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 Residence – 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 Residence – 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 Residence – 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

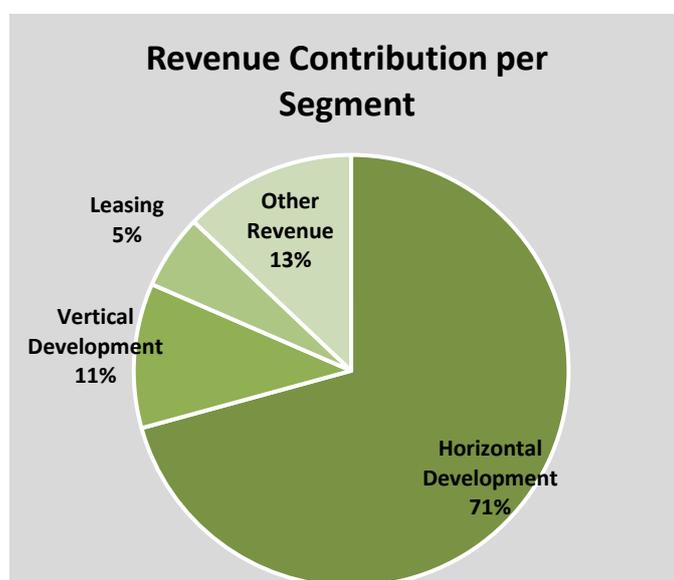
1. Sta. Lucia Homes, Inc. (SLHI)

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:



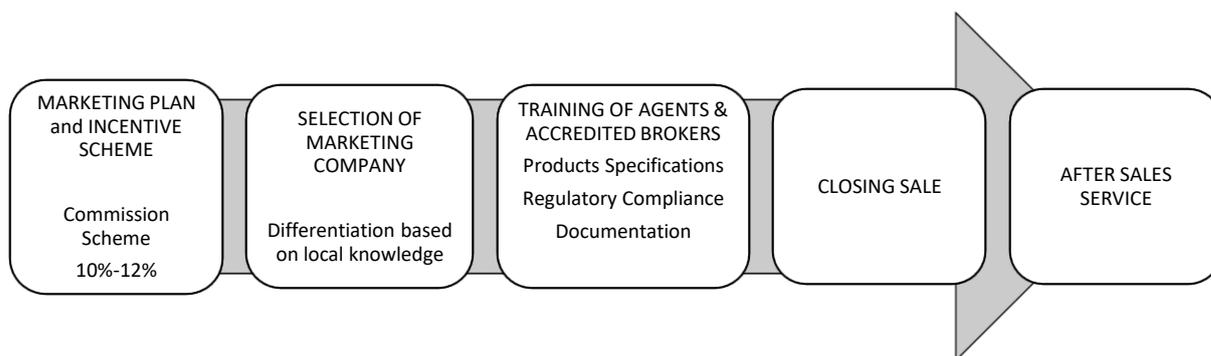
1.3 Distribution Methods of the Products

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 Real Property Development

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 Dasmaringas 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 Dasmariñas

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 commerce 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 outskirts 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 Dasmariñas 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 leisure 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 Residenza	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 & Manghiniao 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
Ponte Verde De Sto. Tomas	Ph 3A	Santiago, Sto. Tomas, Batangas
Ponte Verde 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 & Manghiniao 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 Residence - 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

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 outskirts 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
	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				
<i>Ultimate Parent Company (SLRDI)</i>				
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)
	7,976,671	45,196,667	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Affiliate (SLECC)</i>				
Rental and management fee (d)			Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Affiliate (Mall Tenants)</i>				
Rental income (d)	5,616,030	42,112,456	Due and demandable; noninterest-bearing	Unsecured; no impairment
		₱543,452,716		
Non-trade receivables				
<i>Affiliate (Marketing Arm)</i>				
Advances (e)		₱921,832	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				
<i>Ultimate Parent Company (SLRDI)</i>				
Advances		₱3,254,988	Payable on demand; noninterest bearing	Unsecured
<i>Advances from shareholders</i>				
Advances		14,711,492	Payable on demand; noninterest bearing	Unsecured
		₱14,711,492		
		2020		
	Volume	Outstanding	Terms	Conditions
Trade receivables				
<i>Ultimate Parent Company (SLRDI)</i>				
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)
	(7,142,523)	37,219,997		Unsecured; no impairment
<i>Affiliate (SLECC)</i>				
Rental and management fee (d)				Unsecured; no impairment

	2020			
	Volume	Outstanding	Terms	Conditions
			Due and demandable; noninterest-bearing	
<i>Affiliate (Mall Tenants)</i>				
Rental income (d)	(20,776,640)	36,496,426	Due and demandable; noninterest-bearing	Unsecured; no impairment
		₱659,175,564		
Non-trade receivables				
<i>Affiliate (Marketing Arm)</i>				
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				
<i>Ultimate Parent Company (SLRDI)</i>				
Advances	₱17,713,026	₱56,318,549	Payable on demand; noninterest bearing	Unsecured
<i>Advances from shareholders</i>				
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	₱15,403,500	₱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 & Controllershship	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

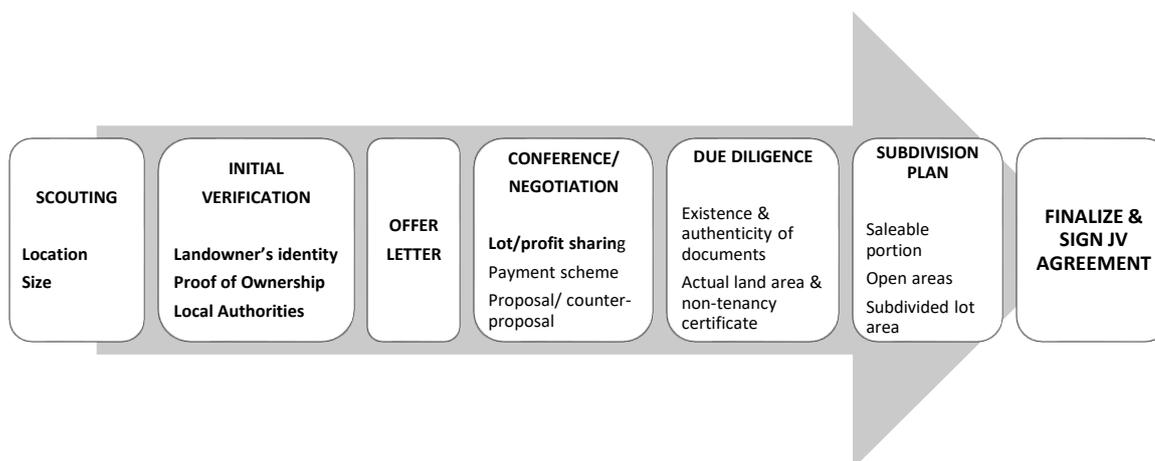
projects. The following table summarizes the various sites that the Company has identified for acquisition in the next five years:

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	FELICI SIMA 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 <i>(SUMMONS RECEIVED ON: JUNE 05, 2014)</i>	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 MORA TO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERTO D. ROBLES, ET., AL.	<i>Injunction with prayer for Issuance of preliminary Injunction and/or Temporary Restraining Order (TRO)</i>		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 MORA TO 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		<p>THE MEDIATION CONFERENCE ON OCT. 15 AND NOV. 8, RESPECTIVELY.</p> <p>TERMINATED. COMPLAINANT NO APPEARANCE.</p>
7	JONAH FE ELISCUPIDES		ALMERIA VERDE PANGASINAN	HLURB BAGUIO			<p>DEMAND: WAIVER OF PENALTIES AND INTEREST</p> <p>SLI POSITION: PROPOSAL DENIED. COUNTERPROPOSAL: WAIVER OF PENALTIES 50% ONLY, PAY BALANCE</p> <p>FOR FINAL DISPOSITION</p> <p>WAIVER OF PENALTIES GRANTED, 50%. INTEREST ARE NOT WAIVED SINCE IT IS STIPULATED IN THE CONTRACT</p>
8	GOLDEN SEA BEACH RESORT AND DEVELOPMENT CORP	QUIETING OF TITLE	LIAN, BATANGAS PROJECT	RTC BATANGAS	CIVIL CASE NO. 1422		<p>SLI NOT THE REGISTERED OWNER; NOT A REAL PARTY IN INTEREST IN THE COMPLAINT</p> <p>HEARING ON JUNE 29, 2021</p>
9	MEGATOP 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 MORA TO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERTO D. ROBLES, ET., AL.	<i>Annulment of Title with prayer for Issuance of preliminary Injunction and/or Temporary Restraining Order (TRO)</i>		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 <i>Date Instituted: March 26, 2013</i>	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 <i>Date Instituted: August 22, 2013</i> 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 <i>Date Instituted: November 26, 2013</i> HANDLED BY: ATTY. JERRY B. DELA CRUZ	BAYBREEZE	OFFICE OF THE PRESIDENT	HLURB CASE NO. NCRHO A-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 <i>Date Instituted: August 12, 2014</i> 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

		<p>desist order/application for temporary restraining order and or writ of preliminary injunction</p> <p><i>Date Instituted:</i> <i>April 13,, 2015</i></p> <p>HANDLED BY: ATTY. JERRY B. DELA CRUZ (RS) ATTY. EDINBURGH P. TUMURAN (SLRDI) ATTY. GLEN E. DARADAL (EAGLE RIDGE)</p>				
6	<p>GRACE PENDON ET., AL.. VS. EXEQUIEL D. ROBLES ET., AL.</p>	<p>HUMAN RIGHTS</p> <p><i>Summons received on:</i> <i>July 01, 2015</i></p> <p>HANDLED BY: ATTY. AQUINO MARTIN V. NILLO</p>	<p>RIZAL TECHNOPARK</p>	<p>CHR QUEZON CITY</p>	<p>CHR NO. 2015-0217</p>	<p>FILED COUNTER-AFFIDAVIT</p> <p>PENDING</p>
7	<p>VISTA VERDE COUNTRY HOMES VS. EXEQUIEL D. ROBLES, JOHNIELLE KEITH NIETO</p>	<p>VIOLATION OF SEC. 3 (A) GRAVE MISCONDUCT OPPRESSION AND CONDUCT PREJUDICIAL TO THE BEST INTEREST OF THE SERVICE</p> <p><i>Summons received on:</i> <i>July 30, 2015</i></p> <p>HANDLED BY: ATTY. AQUINO MARTIN V. NILLO</p>	<p>VISTA VERDE COUNTRY HOME</p>	<p>OFFICE OF THE OMBUDSMAN</p>	<p>OMB-L-C-15-0169</p>	<p>DISMISSED WITH APPEAL AT SC</p> <p>FILED COMMENT</p>

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 SYNDICATE D ESTAFA LARGE SCALE ESTAFA <i>Date Instituted: September 18, 2015</i> 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	<i>Specific Performance</i> <i>Date Instituted: December 23, 2015</i> 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.	<i>Violation of PD 957 And Art. 318 of RPC</i> 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 <i>Date Instituted: November 27, 2017</i> 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 ROBLER, ANTONIO ROBLER, ANDREA ANDRES,	R. D. R.					
12	JERRY GALOPE VS. EXEQUIEL D. ROBLER, SLRDI, ET., AL.		<i>Quieting of Title</i> <i>Date Instituted: April 20, 2016</i> HANDLED BY: ATTY. Z19 S. JAVIER	MEADOWOOD CAVITE	REGIONAL TRIAL COURT BR. 19 BACOR, 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. ROBLER, IGMIDIO D. ROBLER, ET., AL.		<i>Section 73, RA 6657 as Amended 25 of RA 9700</i> <i>Date Instituted: June 20, 2018</i> HANDLED BY: ATTY. CRYSTAL I. PRADO	BLUEMOUNTAIN ANTIPOL	PROSECUTOR'S OFFICE OF ANTIPOL	XV-01-INV-18F-00688	DISMISSED (OCT. 2018) FILED MR
14	RUSSEL MIRAFLOR VS. EXEQUIEL D. ROBLER, ET., AL.		<i>Estafa</i> <i>Date Instituted: June 13, 2018</i> HANDLED BY: ATTY. EDINBURGH P. TUMURAN	VISTA VERDE QUEZON P 2 B 41 L 35	PROSECUTOR'S OFFICE OF LUCENA	NPS-IV-16-INV-12E-00232	FILED COUNTER AFFIDAVIT AUG. 2018
15	CECILIA CORDERO VS. EXEQUIEL D. ROBLER		<i>Violation of Sections 4 & 5 in rel to Sec. 39 of PD 957</i> <i>Complaint received on: Oct. 13, 2014</i> HANDLED BY: ATTY. CRYSTAL I. PRADO	PONTE VERDE BATANGAS P5 B7 L12	PROSECUTOR'S 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. ROBLER, STA. LUCIA LAND INC. AND LIBERATO D. ROBLER, ET., AL.		<i>Injunction with prayer for Issuance of preliminary Injunction and/or Temporary</i>		REGIONAL TRIAL COURT BR. 215 QUEZON CITY	R-QZN-18-04305-CV	FILED COMMENT/OP POSITION

		<i>Restraining Order (TRO)</i>				
		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		PROSECUTOR'S 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 <i>Complaint received on: Jan. 23, 2018</i> HANDLED BY: ATTY. CRYSTAL I. PRADO	BLUEMOUNTAIN ANTIPOLLO	PROSECUTOR'S OFFICE OF ANTIPOLLO	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 for the market prices of the common shares in 2021, 2020, 2019 and 2018.

	<u>2021</u>			
	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

	<u>2020</u>			
	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

	<u>2019</u>			
	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

	<u>2018</u>			
	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 whopping 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 capture 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 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 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.

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 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 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, 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	NATIONAL ITY	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 Glassland & 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. PANCHE 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, from 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-Jepsen. 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, Dasmariñas 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. <i>Bldg. II, Sta. Lucia East Grand Mall, Marcos Highway corner Felix Avenue, Cainta, Rizal</i>	-same-	Filipino	6,701,005,767	81.7550%
PCD Nominee Corporation (Filipino) <i>Tower I, The Enterprise Center, 6766 Ayala Ave. corner Paseo de Roxas, Makati City</i>	-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 Cualopng 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.

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
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AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Management's Responsibility for Financial Statements

Report of Independent Auditors Consolidated Statements of Financial Position as at December 31, 2021 and 2020

Consolidated Statements of Comprehensive Income for the years ended December 31, 2021, 2020 and 2019

Consolidated Statements of Changes in Equity for the years December 31, 2021 and 2020

Consolidated Statements of Cash Flows for the years ended December 31, 2021 and 2020

Notes to Consolidated Financial Statements

SUPPLEMENTARY SCHEDULES

Report of Independent Auditors' on Supplementary Schedules

A. Financial Assets in Equity Securities

B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

D. Intangible Assets

E. Long-term debt

F. Indebtedness to Related Parties (Long term Loans from Related Companies)

G. Guarantees of Securities of Other Issuers

H. Capital Stock

I. Reconciliation of Unappropriated Retained Earnings Available For Dividend Declaration

J. Schedule of all Effective Standards and Interpretations under PFRS as of December 31, 2018

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

19 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

Doc. No. 173 ;
Page No. 39 ;
Book No. LXI ;
Series 2021

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47018
IBP No. 179600/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-002697/04.29.2019
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

STA. LUCIA LAND, INC.

Contextual Information

Company Details	
Name of Organization	Sta. Lucia Land Inc. (“SLI” or the “Corporation”)
Location of Headquarters	Penthouse, Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal 1900
Location of Operations	SLI projects are strategically located around the Philippines, with prominent projects situated in CALABARZON, Metro Manila, Davao Region, Iloilo Region, Central and Eastern Visayas, MIMAROPA, Ilocos Region, and CAR.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	This report covers the sustainability activities of SLI, specifically of its corporate offices and properties directly controlled and managed by SLI and its subsidiaries, Sta. Lucia Homes, Inc. and Santalucia Ventures, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	<p>SLI is a leading Philippine developer of residential communities, with a portfolio consisting of developments that include residential, commercial, leisure, and retail assets.</p> <p>SLI is focused on establishing its presence all over the country to cater to the needs of its stakeholders by expanding its landbanking activities and providing state-of-the-art horizontal and vertical developments. SLI conducts its business through the following main operating segments:</p> <ol style="list-style-type: none"> 1. Residential Projects, which include horizontal and vertical developments; 2. Commercial Properties; and 3. Services, such as housing construction and marketing services. <p>Recently, with the Company’s opportunistic approach to boosting its commercial operations, it has completed an office building that was added to its project portfolio. It is expected that the full operation of the office building would improve its recurring income.</p> <p>It envisions developing a self-sustaining community targeting domestic and overseas Filipino markets across high-end, upper-, middle-income, and affordable segments.</p>
Reporting Period	January to December 2021
Highest Ranking Person responsible for this report	David M. Dela Cruz Executive Vice President/Chief Financial Officer/Chief Risk Officer

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

Management attended online workshops for key personnel and consultations with primary stakeholders and confirmed that sustainability goals have long been part of SLI's business mechanism and mindset.

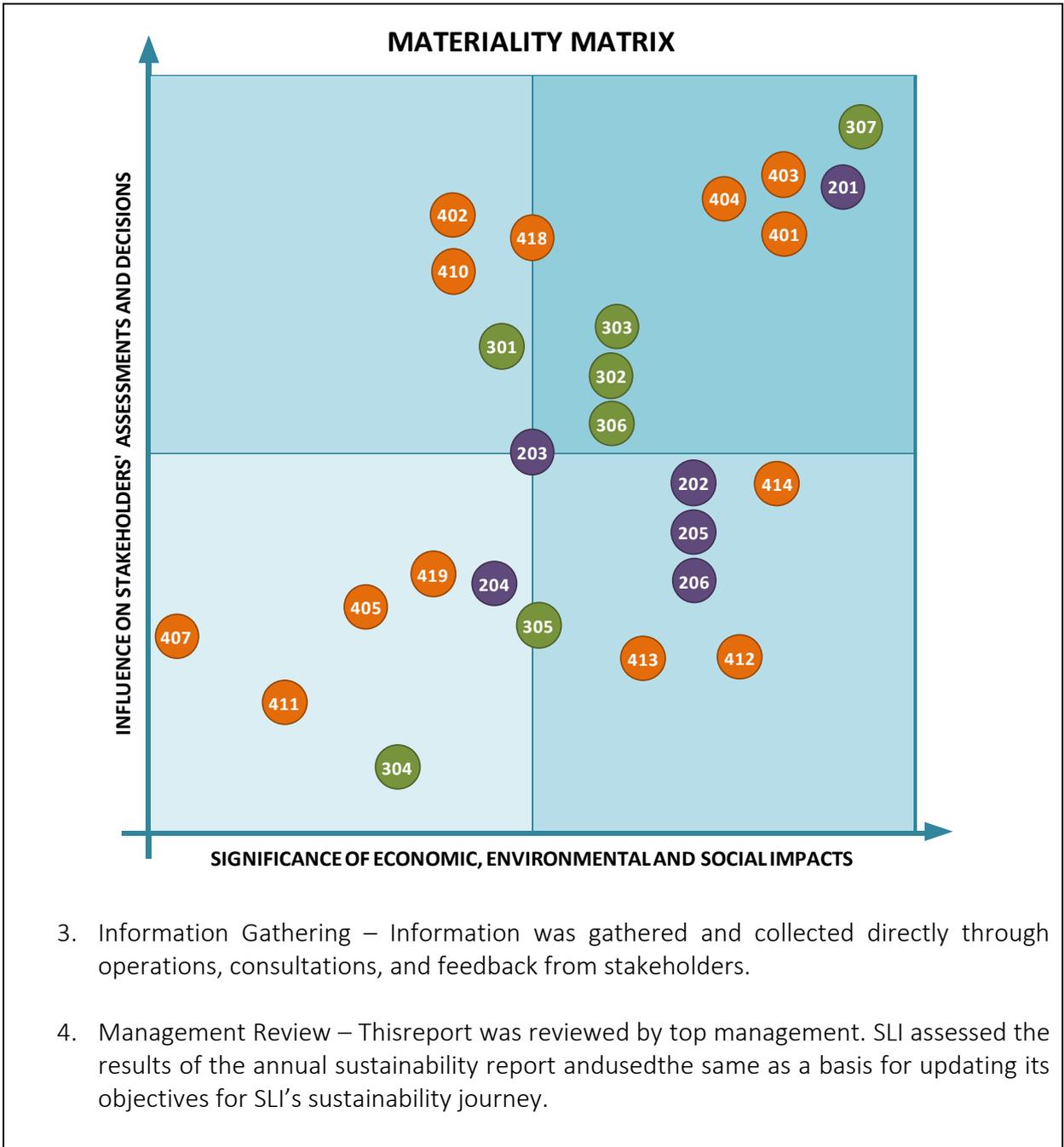
SLI considered a combination of internal and external factors in identifying material topics. These include SLI's overall mission and competitive strategy, and the concerns expressed directly by its stakeholders. This report highlights material topics on the following:

1. Economic – Economic performance, procurement practices, anti-corruption;
2. Environmental – Resource Management, ecosystem, and biodiversity;
3. Social – Employment, occupational health and safety, training and education, local communities.

The process for the assessment of material topics was conducted following the guidelines of the Global Reporting Initiative ("GRI") Standards:

1. Prioritization – SLI identified which among its stakeholders have a significant impact on the Corporation. As SLI's stakeholders play a vital role in its operations, SLI ensures that its stakeholders are actively engaged in the achievement of SLI's sustainability goals.
2. Materiality Assessment – This report covers the activities of SLI, specifically the corporate offices and properties directly controlled and managed by SLI. The operations of each unit were gauged using metrics concerning the material topics. The result of the materiality assessment is shown below:

401 - Employment	410 - Security Practices
402 - Labor Management/Relation	411 - Rights of Indigenous People
403 - Occupational Health and Safety	412 - Human Rights Assessment
404 - Training and Education	413 - Local Communities
405 - Diversity and Equal Opportunity	414 - Supplier Social Assessment
406 - Non-discrimination	418 - Customer Privacy
407 - Freedom of Association/Collective Bargaining	419 - Socioeconomic Compliance
301 - Materials	201 - Economic Performance
302 - Energy	202 - Market Presence
303 - Water	203 - Indirect Economic Impact
304 - Biodiversity	204 - Procurement Practices
305 - Emissions	205 - Anti-corruption
306 - Effluents and Waste	206 - Anti-competitive Behavior
307 - Environmental Compliance	



ECONOMIC

Sta. Lucia Land, Inc. is principally engaged in real estate development, both horizontal and vertical, in various locations across the country and is part of the Sta. Lucia Group. The Corporation has built a 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 with over 50 years track record of real estate development, the Corporation has completed over 250 projects and developed over 10,000 hectares of land across more than 70 cities and municipalities across the Philippines.

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (in millions)	Units
Direct Economic Value Generated (revenue)	8,371	PhP
Direct Economic Value Distributed:	5,531	PhP
a. Operating Costs	2,325	PhP
b. Employee Wages and Benefits	99	PhP
c. Payments to suppliers, and other operating costs	1,384	PhP
d. Dividends given to stockholders and interest payments to loan providers	1,051	PhP
e. Taxes given to the Government	671	PhP
f. Investments to community (e.g. donations, CSR)	1	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation contributes to the economy by building sustainable community developments, and generating economic activity in the areas in which it operates and for its local suppliers.	Customers, suppliers, communities, employees, shareholders, business partners	In order to ensure that the Corporation will retain its positive impact on the economy and its commitment in building sustainable communities, it continues to establish a strong brand equity by catering to domestic and overseas Filipino markets across high-end, upper middle-income and affordable segments. With its strong track record in the field of real estate development, the

		Corporation will stand firm to its tag line “building dreams” and will continue its legacy to promote the welfare of every Filipino family through development of sustainable communities.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>The Corporation faces certain risks related to decrease in demand of projects from domestic and OFW markets.</p> <p>The Corporation faces risk related to cancellation of sales as well as substantial decrease in revenues and operating profits as result of slowdown in economic growth in the Philippines.</p>	Customers, suppliers, communities, employees, shareholders, business partners	<p>The management, through its marketing arms has expanded its efforts to promote the Company’s projects especially those that are situated in the fringes. The increase in the demand of properties outside Metro Manila boosted sales generation activities for the Company and as of the period ended, .</p> <p>As overall response, the Corporation continuously monitors the political and economic situations and policies in the relevant jurisdictions to anticipate any effect it may have on the Corporation and its business. The Corporation shall ensure the continuity of the business operations in the event of escalations.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
A significant portion of the demand for the Corporation’s products is from Overseas Filipino Workers (OFWs), expatriate Filipinos, and their families.	Customers, suppliers, communities, employees, shareholders, business partners	The Corporation targets developing provincial areas, employees and small-medium business owners to optimize its identification of future acquisitions and landbanking activities.

Climate-related risks and opportunities

Governance Disclose the organization’s governance around climate related risks and opportunities	
a. Describe the board’s oversight of climate-related risks and opportunities	Under SLI’s Manual on Corporate Governance, the Board oversees that a sound ERM framework is in place to effectively identify, monitor, assess and manage key business risks. Moreover, the Board established a separate Board Risk Oversight Committee, which is responsible for oversight of the ERM framework.
b. Describe management’s role in assessing and managing climate-related risks and opportunities	<p>Under SLI’s Manual on Corporate Governance, the Chief Audit Executive shall establish a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization’s goals.</p> <p>In addition, the Board has appointed a Chief Risk Officer who shall have the adequate authority, stature and shall be provided with the necessary resources and support to fulfill his responsibilities as the ultimate champion of ERM.</p>
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	The Corporation faces the risk of natural disasters such as massive floods, fire, typhoons, volcanic eruptions and earthquakes which may directly affect the developments throughout the Philippines. In this regard, the Corporation recognizes opportunities in improving its activities to promote disaster preparedness and prevention, as well as that of the local community.
b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	The Corporation recognizes the financial consequences of climate-related risks whether the same occurs in the design, construction or operational stage of the development. The Corporation considers

	such risks in planning its strategy and making the necessary adjustments in its annual budget.
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	The Corporation conducts its due diligence before making land acquisitions and finalizing the design for its developments to minimize climate-related risks on its projects. The Corporation also considers the quality of materials used to ensure that its developments withstand extreme weather and/or natural disasters.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
a. Describe the organization's processes for identifying and assessing climate-related risks	Under SLI's Manual on Corporate Governance, the Board oversees that a sound ERM framework is in place to effectively identify, monitor, assess and manage key business risks.
b. Describe the organization's processes for managing climate-related risks	The Corporation's Enterprise Risk Management Framework can be accessed at http://stalucialand.com.ph/corporate-governance/enterprise-risk-management/ .
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	The Corporation's Risk Management Plan is updated to determine whether the risks identified, assessed, quantified and aggregated remain current and are among the key risks priorities. Measures and/ or controls identified to address these key risk priorities are evaluated if still effective in mitigating subject risks. Risk monitoring and reporting activities are reviewed to ensure its effectiveness such that these risks priorities and control activities are optimized and utilized to help management meet its goals and objectives.
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	As the Corporation's major operations are directly affected by natural calamities, climate-related risk are measured through the following:

	<ul style="list-style-type: none"> • Delays on project timeline in terms of days. • Costs of repairs on assets affected. • Costs of maintenance from wear and tear especially on vertical properties.
b. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<p>In managing the exposure in the identified risks, the Corporation are seeing opportunities through:</p> <ul style="list-style-type: none"> • Continuous trainings on employees especially those engaged in planning and project engineering. • Conduct of regular check on properties and maintenance of assets. • Continuous assessment of appropriate protocols and proper documentation to track the Corporation's responses on climate-related risks.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers*	100	%

*Local suppliers are those registered and are operating in the Philippines.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation has a broad base of local suppliers and is not dependent on one or limited number of suppliers.	Local suppliers	<p>SLI's procurement practices ensure that while value for money is considered, it also generates benefits towards society and the economy while minimizing its impact on the environment.</p> <p>Contracts entered into with its suppliers are assessed for corporate governance, financial robustness and attractiveness, innovation</p>

		<p>capacity along with business integrity and ethics.</p> <p>Contracts for services are assessed with regard to working conditions and fair wages.</p> <p>With these, SLI remains assured that economic values, social elements and environmental impacts are taken into account as resources flow in and out of the organization.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Unethical procurement practices may expose the Corporation to compromised business integrity and ethics.	Local suppliers	<p>The Corporation endeavors to deal honestly and ethically with customers, suppliers, competitors, employees and other stakeholders in all matters.</p> <p>The Corporation also has the following committees to oversee and ensure compliance with the foregoing policy: Corporate Governance Committee and Related Party Transactions Committee.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the opportunity to develop and improve its procurement practices.	Local suppliers	The Corporation endeavors to deal honestly and ethically with customers, suppliers, competitors, employees and other stakeholders in all matters.

Anti- Corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anticorruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anticorruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and wheredoes it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Directors, management and employees are informed that based on the Code of Business Conduct and Ethics of the Corporation, no director and employee should do anything which might give rise to the impression that he or she has been or might be influenced by a gift or hospitality or other consideration to show bias for or against any person or organization while carrying out official duties.</p> <p>The Board of Directors and key officers attend annual Corporate Governance training to maintain the principles of good corporate governance.</p>	<p>Employees, Management, Board of Directors</p>	<p>The Corporation views corruption as an undermining factor to fair competition, which hampers innovations and poses legal and reputational consequences. It is a considerable obstacle to economic development as it holds back the development not only of the organization but the community as a whole.</p> <p>With this, the Corporation strives to be a persistent and responsible organization that drives positive change to the communities in which it operates. The Corporation is committed to fight corruption and to be a catalyst to effectively correct any irregularities it encounters.</p>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the business risks involved in decreasing its trainings on anti-corruption.	Employees, Management, Board of Directors	To ensure the mitigation of corruption within the organization, the Corporation increased its awareness of such practices to be able to prevent and detect possible breaches as well as to respond to such cases.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the opportunity to develop and improve its anti-corruption trainings.	Employees, Management, Board of Directors	The Corporation strengthened its Business Ethics and Compliance Programs by promoting enhanced leadership and consistently reviewing and assessing its policies and controls. The Corporation has also established its Corporate Governance Committee, Board Risk Oversight Committee and Related Party Transactions Committee.

Incidents on Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

<p>Based on the Code of Business Conduct and Ethics of the Corporation, no director and employee should do anything which might give rise to the impression that he or she has been or might be influenced by a gift or hospitality or other consideration to show bias for or against any person or organization while carrying out official duties.</p>	<p>Employees, Management, Board of Directors</p>	<p>The Corporation strictly implements its Code of Business Conduct and Ethics.</p>
<p>What are the Risk/s Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>The Corporation recognizes the business risks that will affect the organization due to corruption.</p>	<p>Employees, Management, Board of Directors</p>	<p>To ensure the mitigation of corruption within the organization, the Corporation increased its awareness to such practices to be able to prevent and detect possible breaches as well as to respond to such cases.</p>
<p>What are the Opportunity/ies Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>The Corporation recognizes the opportunity to ensure that the organization remains without any incident of corruption.</p>	<p>Employees, Management, Board of Directors</p>	<p>The Corporation strengthened its Business Ethics and Compliance Programs by promoting enhanced leadership and consistently reviewing and assessing its policies and controls. The Corporation has also established its Corporate Governance Committee, Board Risk Oversight Committee and Related Party Transactions Committee.</p>

ENVIRONMENT

Resource Management

Energy Consumption within the organization

Disclosure	Quantity	Units
Energy Consumption Electricity	3,601,256	kWh
Energy Consumption Diesel	9,217	GJ
Energy Consumption Gasoline	5,659	GJ
Energy Consumption LPG	N/A	GJ
Energy Consumption Renewable Sources	222	GJ

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Energy consumed by SLI primarily comes from electricity for its operations as well as from the residential projects that are still under the Corporation's management. It also uses diesel and gasoline for its Corporation-owned vehicles.	Employees, customers and management	<p>As most of SLI's economic activities directly rely on energy consumption, specifically electricity, it is imperative that efficient energy use is one of its strategies in lowering energy consumption as it results in cost saving benefits and the reduction of its impact on the environment.</p> <p>By continuous monitoring and keeping track the consumption of each residential property before turning over to its individual home owners association, the Corporation would be able compare and assess means on how to efficiently manage electricity</p>

		consumptions by setting standard average metrics.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The amount of energy consumption relates to climate-related risks.	Employees and management	The Corporation had started its initiatives by shifting to the use of renewable energy through solar panels in some parts of its mall operations. And as part of its continuous promotion for the use of renewable energy sources, some of its horizontal developments already includes the installation of solarized street lights.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities to minimize consumption and shift to renewable energy sources.	Employees and management	The Corporation had started its initiatives by shifting to the use of renewable energy through solar panels in some parts of its mall operations and some of its property developments.

Water Consumption within the organization

Disclosure	Quantity	Units
Water Consumption	298,385	Cubic meters
Water Withdrawal	Not measured	Cubic meters
Water Recycled and Reused	Not measured	Cubic meters

What is the impact and wheredoes it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation manages the water consumption of common areas in its developments, mall operations, and head and branch offices.	Employees and management	The Corporation through Sta. Lucia Waterworks manages its water consumption by regular monitoring and documenting of consumption.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the risks in overconsumption of water, which may lead to climate-related risks.	Employees and management	The Corporation, through Sta. Lucia Waterworks has been active in exploring ways to manage the water consumption of the Corporation. Monthly checking is put in place for proper documentation.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There are opportunities in developing ways to conserve water.	Employees and management	The Corporation, through Sta. Lucia Waterworks has been active in exploring ways to manage the water consumption of the Corporation. Monthly checking is put in place for proper documentation

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
- Cement	275,805	Bags
- Steel Bars	420,640	Pcs
- Aggregates	1,014,412	Cubic meters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not measured	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The construction services of the Corporation entail the use of materials.</p> <p>In this regard, the Corporation enters into contracts with local suppliers and/or contractors for the construction of its</p>	Local suppliers and/or contractors	The Corporation imposes guidelines on its contractors and suppliers on materials to ensure the high standard and quality of such materials. The guidelines include the careful evaluation of construction materials used on project developments. This is to

horizontal and vertical developments.		ensure that project developments use innovative sustainable materials that are disaster-resistant and can withstand natural calamities.
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What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the risks in depleting the natural resources used for construction materials.	Local suppliers and/or contractors	The Corporation imposes materials performance targets on its contractors and suppliers and promotes the use of innovative sustainable materials.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities in improving the materials used in its operations to further its sustainability goals.	Local suppliers and/or contractors	The Corporation imposes materials performance targets on its contractors and suppliers and promotes the use of innovative sustainable materials.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Habitats protected or restored	N/A	Ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation factors in the ecosystem and biodiversity value of the land in making land acquisitions and landscaping for projects.	Employees, management, customers	The Corporation is committed to creating a positive impact in the preservation of biodiversity.

		<p>Before SLI acquires land for future developments, it undertakes area evaluations. The Corporation reviews the general condition of the area and takes into consideration the economic condition and its proximity to highly protected areas and areas with high biodiversity value. This is done to mitigate any disruptions for future developments and avoid of any possible violations of governmental and environmental laws and regulations.</p> <p>In this regard, landscaping of its projects includes the use of endemic trees and preservation of free flowing waters in some of its projects.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes that disrupting the ecosystem and protected habitats can lead to the extinction of species and climate-related risks.	Employees, management, customers	In assessing areas for future development, the Corporation performs feasibility studies. The study involves assessment if the benefits exceed the costs. Things that are being considered are the general condition of the land being evaluated; its demographic location; as well as if the area is situated near a high biodiversity value or protected areas.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities in actively	Employees, management, customers	The Corporation promotes the general well-being of its

participating in the preservation and restoration of protected habitats and endangered species.		stakeholders ensuring that it plays its role in the preservation of the environment.
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Environmental impact management

Air Emissions

GHG

Disclosure	Quantity*	Units
Direct (Scope 1) GHG Emissions	2,546	Tonnes CO ₂ e
Energy Indirect (Scope 2) GHG Emissions	828	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

**Figures represent an approximate amount of emissions based on local and international standards on GHG emissions.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
GHG Emissions primarily comes from electricity for SLI's operations, and the use of diesel and gasoline for Corporation-owned vehicles.	Employees and management	The Corporation manages its electricity consumption as well as its usage on diesel and gasoline through regular monitoring and documenting of consumption.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the effect of increased GHG emissions on climate-related risks.	Employees and management	The Corporation had started its initiatives by shifting to the use of renewable energy through solar panels in some parts of its mall operations to minimize its electricity consumption that contributes to the emission of GHG.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities in developing means to reduce its GHG emissions.	Employees and management	The Corporation had started its initiatives by shifting to the use of renewable energy through solar panels in some parts of its

		mall operations to minimize its electricity consumption that contributes to the emission of GHG.
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Air pollutants

Disclosure	Quantity	Units
NO _x	Not measured	Kg
SO _x	Not measured	Kg
Persistent organic pollutants (POPs)	Not measured	Kg
Volatile organic compounds (VOCs)	Not measured	Kg
Hazardous air pollutants (HAPs)	Not measured	Kg
Particulate matter (PM)	Not measured	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation ensures that its developments implement measures to ensure good air quality.	Employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of air pollutants from its operations, if any.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the risks of air pollutants to health and safety, and climate-related risks.	Employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of air pollutants from its operations, if any.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities in promoting good air quality to maintain a high standard of living for its customers for the development of sustainable communities.	Employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of air pollutants from its operations, if any.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	Not measured	Kg
Reusable	Not measured	Kg
Recyclable	Not measured	Kg
Composted	Not measured	Kg
Incinerated	Not measured	Kg
Residuals/Landfilled	Not measured	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Caring for the environment through proper waste management is one of SLI's initiatives. Proper waste management procedures are strictly observed in the areas managed and controlled by SLI. The Corporation is currently implementing a systematic process of collecting waste and its proper disposal observing the proper segregation of waste duly transporting the same to appropriate places suitable for its disposal.	Local contractors, employees and management	The Corporation manages the proper segregation as well as proper disposal of its solid waste. By continuous monitoring and documenting the volume it produces, the Corporation can gauge its impact to the environment.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the climate-related risks of mismanaging solid waste and failing to reduce the amount of such waste resulting from its operations.	Local contractors, employees and management	The Corporation is making sure that there is an active monitoring and proper documentation of the solid waste it produces. The data gathered are being analyzed and assessed in order to eliminate or at least minimize its impact to the community.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the opportunities in improving its waste management system and reducing the total residual waste resulting from its operations.	Local contractors, employees and management	The Corporation has taken its step in the use of recyclable materials as well as reducing the use of single use plastic in its commercial operations to reduce its impact in its solid waste management.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Not measured	Kg
Total weight of hazardous waste transported	Not measured	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation is in the process of establishing measures to reduce and properly manage its hazardous waste, if any.	Local contractors, employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of hazardous waste generated from its operations, if any.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the climate-related risks of mismanaging hazardous waste.	Local contractors, employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of hazardous waste generated from its operations, if any.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the opportunities in improving its reducing the amount of hazardous waste generated from its operations, if any.	Local contractors, employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of hazardous waste generated from its operations, if any.

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Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Not measured	Cubic meters
Percent of wastewater recycled	Not measured	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation is in the process of establishing measures to reduce water discharges and to recycle wastewater in its operations.	Local contractors, employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of water discharges generated from its operations.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the climate-related risks of damage due to untreated wastewater.	Local contractors, employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of water discharges generated from its operations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities in improving its measures to reduce water discharges and to recycle wastewater in its operations.	Local contractors, employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of water discharges generated from its operations.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation is required to comply with environmental laws and regulations in the course of its business.	Management	The Corporation 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 Corporation'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 Corporation is compliant with relevant environmental regulations.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Non-compliance with such laws may negatively affect the financial performance of the Corporation.	Management	The Corporation 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 Corporation's commitment to sustainable development, all projects are assessed for their environmental impact and, where applicable, are covered by an ECC issued by the Department of

		Environment and Natural Resources prior to construction or expansion. To date, the Corporation is compliant with relevant environmental regulations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities in entering environmental initiatives.	Management	The Corporation has made efforts to meet and exceed all statutory and regulatory standards on environmental compliance in its normal course of business.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee Data

Disclosure	Quantity	Units
Total Number of Employees	203	
Female Employees	126	#
Male Employees	77	#
Attrition Rate	23.69%	rate
Ratio of lowest paid employee against minimum wage	1:1	ratio

Employee Benefits

Disclosure	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	14%	11%
PhilHealth	Y	5%	7%
Pag-ibig	Y	0%	0%
Parental leaves	Y	0%	0%
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth)	Y	100%	100%
Housing assistance (aside from Pag-ibig)	N	N/A	N/A
Retirement fund (aside from SSS)	N	N/A	N/A
Further education support	N	N/A	N/A

Company stock options	N	N/A	N/A
Telecommuting	N	N/A	N/A
Flexible-working Hours	Y	16%	37%
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>The Corporation had increased its workforce despite the pandemic in order to address the increasing demand in support as brought about by the increase in the number for clients the Corporation serves. The Corporation had remained firm with its commitment to reach out every Filipino through its products and services offered. Not only focused to its clients, the Corporation continuously pursues to promote the safety and welfare of its employees.</p>	<p>The Corporation aims to keep its attrition rate low to minimize disruption in its operations and promote the development of its employees.</p> <p>The Corporation ensures that employee benefits accorded by law are complied with. The Corporation's reward/compensation policy accounts for the performance of the Corporation beyond short-term financial measures.</p> <p>In order to ensure the promotion of employee health and well-being, the Corporation offers health care benefits covered by its health insurance provider.</p> <p>Employees are also involved in deciding, planning and implementing employee activities and programs such as sports and summer outing events and company parties.</p>
What are the Risk/s Identified?	Management Approach
<p>High attrition rates may negatively impact productivity in the workforce.</p>	<p>The Corporation values its employees and strives to promote good working conditions and work culture.</p>
What are the Opportunity/ies Identified?	Management Approach
<p>The Corporation recognizes the opportunity to increase its engagement with its employees to identify issues and areas of improvement.</p>	<p>The Corporation implements measures to identify employee concerns and get feedback to improve working conditions.</p>

Employee Training and Development

Disclosure	Quantity	Units
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Total training hours provided to employees		
a. Female employees	1,028	Hours
b. Male employees	695	Hours
Average training hours provided to employees		
a. Female employees	8.16	Hours/employee
b. Male employees	9.03	Hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation encourages its employees to be competent in their skills so that they can grow professionally and support the overall goals of the organization. The Corporation provides trainings and opportunities to enhance their skills and knowledge. Experienced employees are hands on with new hires to guide them in their growth and professional journey in the organization.	The Corporation supports the development of its employees' skills and professional growth by providing training and seminars to all of its employees. Depending on their work assignment and employee development plans, employees undergo or are sent to specialized training courses.
What are the Risk/s Identified?	Management Approach
The Corporation recognizes the business risks resulting from the stagnant development of its employees, which may affect its financial performance.	The Corporation supports the development of its employees' skills and professional growth by providing training and seminars to all of its employees. Depending on their work assignment and employee development plans, employees undergo or are sent to specialized training courses.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities for growth for its employees that will contribute to the overall success and financial performance of the Corporation.	The Corporation supports the development of its employees' skills and professional growth by providing training and seminars to all of its employees. Depending on their work assignment and employee development plans, employees undergo or are sent to specialized training courses.

Labor-Management Relations

Disclosure	Quantity	Units
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% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation encourages the participation of its employees in regular staff meetings, coordination meetings and consultations.	The Corporation assures the rights of employees to self-organization and collective bargaining. Moreover, the Corporation implements measures to identify and quickly resolve employee concerns.
What are the Risk/s Identified?	Management Approach
The Corporation recognizes the business risks in having low employee engagement to performance and productivity.	The Corporation assures the rights of employees to self-organization and collective bargaining. Moreover, the Corporation implements measures to identify and quickly resolve employee concerns.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes the opportunity to increase its engagement with its employees to identify issues and areas of improvement.	The Corporation assures the rights of employees to self-organization and collective bargaining. Moreover, the Corporation implements measures to identify and quickly resolve employee concerns.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	62.07	%
% of male workers in the workforce	37.93	%
Number of employees from indigenous communities and/or vulnerable sector*	3	#

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation provides equal opportunities to its employees and fosters diversity in its workforce.	The Corporation adopts a policy of non-discrimination in its recruitment

	process and management of employees.
What are the Risk/s Identified?	Management Approach
The Corporation recognizes the risks in financial performance and productivity due to discrimination in the recruitment process and management of employees.	The Corporation adopts a policy of non-discrimination in its recruitment process and management of employees.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in having a diverse workforce and providing equal opportunities to sustain competitiveness and a policy of meritocracy.	The Corporation adopts a policy of non-discrimination in its recruitment process and management of employees.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	N/A	Man-hours
No. of work-related injuries	N/A	#
No. of work-related fatalities	N/A	#
No. of work-related ill-health	N/A	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>The Corporation is committed in providing a workplace sanctuary to its employees and ensures that safety is the utmost priority. The Corporation guarantees that employees are not involved in occupational activities that pose high risk for specific disease or high incidence of accidents.</p> <p>The Corporation ensures that safety measures are always in place and employees employed are physically fit and able to perform their jobs, healthy and medically-assisted, if necessary.</p>	<p>The Corporation institutes an annual physical exam to monitor the health and safety of its employees. Newly hired employees have to pass medical exam prior to hiring. Health insurance is also provided upon regularization.</p> <p>In cases where an employee gets sick for an extended period, he/she shall secure a fit to work clearance to ensure that he/she has fully recovered and does not pose a threat of communicable diseases to their co-employees and the public they deal with.</p>
What are the Risk/s Identified?	Management Approach

The Corporation recognizes the business risks in failing to ensure its employees' health and safety.	The Corporation regularly assesses its health and safety measures and compliance with the relevant laws.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities to improve health and safety measures in its operations and overall productivity.	The Corporation regularly assesses its health and safety measures and compliance with the relevant laws.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in company policy
Forced labor	N	
Child labor	N	
Human Rights	Y	Sexual Harassment Policy

What is the impact and wheredoes it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation did not have any incidents relating to violations of labor laws and human rights in 2021.	The Corporation is compliant with all relevant laws, regulations and codes of best business practices.
What are the Risk/s Identified?	Management Approach
Non-compliance with labor laws and violation of human rights may result in loss of productivity and low employee performance, and thus financially affect the operations of the Corporation.	The Corporation is compliant with all relevant laws, regulations and codes of best business practices.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in increasing awareness of compliance with labor laws and the protection of human rights, and in improving its grievance mechanisms to allow for employees to report any incidents involving violations thereof.	The Corporation is compliant with all relevant laws, regulations and codes of best business practices.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N/A	
Forced labor	N/A	
Child labor	N/A	
Human Rights	N/A	
Bribery and corruption	N/A	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The compliance of our suppliers with environmental and labor laws, human rights and anti-corruption laws affects the Corporation's reputation.	The Corporation establishes a good partnership approach to its suppliers that enables them to acknowledge the importance of the business to them, ensuring that they provide their best efforts to provide their best service. The Corporation prioritizes the best value for every cost incurred. Suppliers' selection involves selecting who provides reliability and quality through the products and services they offer.
What are the Risk/s Identified?	Management Approach
The Corporation recognizes the reputational and financial risks in associating with business that are antithetical to its policies.	The Corporation continuously reaches out to existing and new suppliers to ensure that the best benefits are received from them.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in establishing measures to ensure that its long-term business partners are like-minded in the goal to build sustainable communities through best business practices.	The Corporation secures to build a good relationship to its suppliers. By doing so, this guarantee that the Corporation receives the best product and services to them with utmost priority to reliability and quality.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that is a particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Development of sustainable communities	CALABARZON, Metro Manila, Davao Region, Iloilo Region, Central and Eastern Visayas, MIMAROPA, Ilocos Region and CAR	N/A	N	Job creation; promoting local suppliers	SLI prioritizes local suppliers for its project developments, which boosts the local economy. Also, as commercial segments are included in its developments, employment opportunities are made available to local communities.

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

What are the Risk/s Identified?	Management Approach
The Corporation recognizes the business risks in failing to consider the well-being of the local community when assessing projects.	The Corporation has committed itself to be a catalyst for change in contributing to a more productive

	<p>and resilient community. In doing so, it ensures that it gives back to local communities.</p> <p>SLI has institutionalized outreach activities and programs to foster good relationships with the local communities in which it operates. SLI assures a positive impact by focusing on activities and programs promoting environmental protection and sustainability, disaster risk preparedness, reduction and resiliency.</p>
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in supporting and creating a positive impact on local communities.	The Corporation actively engages with the local communities and conducts outreach activities and programs to foster good relationships with the local communities in which it operates. SLI assures a positive impact by focusing on activities and programs promoting environmental protection and sustainability, disaster risk preparedness, reduction and resiliency.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N?)
Customer Satisfaction	84%	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer satisfaction is a significant factor in determining whether the organization has achieved its goal of building sustainable communities.	To attain good customer satisfaction, the Corporation has organized a defined customer service group with the goal of ensuring that the best services are offered not only to its existing clients but for all its

	stakeholders including those potential clients.
What are the Risk/s Identified?	Management Approach
Customer dissatisfaction may lead to a decrease in the Corporation's financial performance.	The Corporation has organized a defined customer service group that is task to focus on addressing customer concerns on a timely manner, extending the best service that the Corporation can offer.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in increasing engagement with its customers to gather feedback.	In line with the organization of a customer service group, the Corporation has also designed a customer feedback process to gather customer's comments and suggestion for consideration in the assessment of business improvement.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and wheredoes it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation ensures that its developments do not pose any health and safety risk to its customers in the design, construction and operation stages.	<p>The health and safety of its customers are among the foremost priorities of the Corporation. Such factors are taken into account during the design, construction and operations of the Corporation's developments.</p> <p>Due to the COVID-19 pandemic, the Corporation implemented protocols to safeguard the health and safety of its customers, such as taking proactive steps to maintain a safe workplace and encourages the</p>

	adoption of practices protecting the health of its employees, clients, and others. The Corporation's employees, clients, and others are constantly reminded to follow the minimum health and safety protocols as defined by the IATF. Also, to minimize contacts, the Corporation has maximized the use of online payment platforms by expanding and opening new payment gateways.
What are the Risk/s Identified?	Management Approach
The Corporation recognizes the reputational risk and financial consequences of building subpar developments that may pose health and safety risks to its customers. Moreover, due to the COVID-19 pandemic, health and safety has become a top priority for customers; there is significant reputational and financial risk in failure to observe health and safety protocols.	The health and safety of its customers are among the foremost priorities of the Corporation. Such factors are taken into account during the design, construction and operations of the Corporation's developments.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in upgrading the materials and standards for its developments to increase the health and safety standards for its customers.	The health and safety of its customers are among the foremost priorities of the Corporation. Such factors are taken into account during the design, construction and operations of the Corporation's developments.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation adopted the necessary measures to solicit feedback from customers on the marketing of its developments.	The Corporation conducts regular meetings with its marketing and sales team to ensure that its

	products are accurately depicted and that potential customers receive the correct information.
What are the Risk/s Identified?	Management Approach
The Corporation recognizes the reputational risk and financial consequences of publishing false information on its developments.	The Corporation conducts regular meetings with its marketing and sales team to ensure that its products are accurately depicted and that potential customers receive the correct information.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in improving its mechanisms to solicit feedback and handle complaints from customers on marketing.	The Corporation conducts regular meetings with its marketing and sales team to ensure that its products are accurately depicted and that potential customers receive the correct information.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation's customers are the buyers and tenants of its developments, and any information collected are protected under the Corporation's Data Privacy Policy.	The Data Privacy Policy of the Corporation is available at https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf
What are the Risk/s Identified?	Management Approach
The Corporation recognizes the reputational risks and financial consequences of failing to maintain the privacy of its customers' data.	The Data Privacy Policy of the Corporation is available at https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf

What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in adopting measures to secure and maintain the privacy of its customers' data.	The Data Privacy Policy of the Corporation is available at https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation did not have any data breach in 2021.	<p>The Corporation has put in place organizational, physical and technical security measures to protect the personal information of its customers, such as:</p> <ol style="list-style-type: none"> 1. Use of secured servers, firewalls, encryptions and other latest security tools. 2. Limited access to personal information to those duly authorized processors. All transfers are made after complying with the established confidentiality policy and practices in place. 3. Maintaining a secured server operating environment by performing regular security patch update and server hardening. <p>The Data Privacy Policy of the Corporation is available at https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf</p>
What are the Risk/s Identified?	Management Approach
The Corporation recognizes that data leaks may lead to customer dissatisfaction and pose a reputational risk for the Corporation.	The Data Privacy Policy of the Corporation is available at https://stalucialand.com.ph/wp-

	content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities to update its cybersecurity and data protection systems by meeting the requirements of the ISO27001 standard, which measures and evaluates information security management systems.	The Data Privacy Policy of the Corporation is available at https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Company recognizes its role and responsibilities in promoting the achievement of the United Nations Sustainable Development Goals (SDGs). With careful assessment of its impact with the economy, community and the environment, the company ensures that it operate towards its commitment of promoting a sustainable community and sustainable tomorrow. Being an active champion of SDG 11 (Sustainable Cities and Communities), all of its project developments althroughout the country have undergone a careful study to guarantee positive impacts towards the community.

Product or Service Contribution to UN SDGs

Key Products and Services	Societal Value/Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impacts
Residential Developments	<p>SLI-developed projects were designed to provide sustainable communities.</p> <p>Each developed project has been designed to provide families with leisure and recreational activities through its features and amenities.</p> <p>Exclusive use of state-of-the-art clubhouses, swimming pools and sports facilities are just some of the amenities that are made available. Strict measures are also employed to ensure 24/7 security and safety of it stakeholders.</p>	<p>Alongside with the Corporation's continued growth outside of the Metro and its vision to expand its presence around the Philippines, it recognizes its impact on the environment and biodiversity of the local communities in which it operates. It recognizes that project developments may bring out the following potential negative impacts:</p>	No material negative impacts identified.
Commercial Spaces in Residential Developments	<p>Commercial areas are integrated in the company's residential developments provide homeowners access to goods and services within walking distance, as well as provide entrepreneurs an avenue to access a key demographic market.</p>	<ol style="list-style-type: none"> 1. Possible displacement of biodiversity and local community; 2. Increase in volume of population in the area and resultant 	No material negative impacts identified.

	These developments also help stimulate economic activity of the local community, bringing in more potential customers for local businesses and generating employment opportunities.	increase in demand and consumption of water and energy; 3. Impact on the air quality of the area; and 4. Increase in volume of waste due to higher consumption that contributes to pollution.	
Hotel Rooms	SLI provide affordable, quality accommodation options for tourists who contribute economic value to the local areas where we operate.	Nonetheless, the Corporation takes measures to minimize the impact on the ecosystem and protected habitats, if any, and protects the biodiversity in local communities.	No material negative impacts identified.
Office Spaces	SLI has started providing suitable location. Through its newly developed Sta. Lucia Business Center, where businesses can operate and grow contributing to job creation and increased economic activity in the area where it is located.		No material negative impacts identified.
Mall Spaces	SLI have provided a space where stakeholder benefits from the foot traffic to the malls. It allows foreign and local enterprises to access key markets and scale their businesses. People around can access quality products that meet their needs from food, medicine, clothing, and other needs that improve their quality of life.		No material negative impacts identified.

With its continuous effort, the company has been doing its best to work with the three pillars of sustainable development. The company sees its active participation in promoting sustainable communities and its actions on sustainable development as vital parts in the preservation of present and future well-being of humanity.

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 or 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

19 MAY 2022

SUBSCRIBE AND SWORN to before me this _____ day of _____ 2022,
affiant exhibiting to me their community tax certificates.

Doc. No. 174 :
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. 179505/01.25.2022/RSM
PTR No. 4904126/02.02.2022/Mandaluyong
MCLE Compliance No. VI-0025921/04.29.2018
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City



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.

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. Lxll :
Series of 2022

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 30 June 2022
Appointment No. 0257-20
Roll Number 47618
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

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	3	1	0	5	0				
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COMPANY NAME

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I	D	I	A	R	I	E	S																	

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

P	e	n	t	h	o	u	s	e	B	l	d	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					

Form Type

A	A	F	S
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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address <table border="1" style="width: 100%; text-align: center;"><tr><td>www.stalucialand.com.ph</td></tr></table>	www.stalucialand.com.ph	Company's Telephone Number <table border="1" style="width: 100%; text-align: center;"><tr><td>8681-7322</td></tr></table>	8681-7322	Mobile Number <table border="1" style="width: 100%; text-align: center;"><tr><td>N/A</td></tr></table>	N/A
www.stalucialand.com.ph					
8681-7322					
N/A					
No. of Stockholders <table border="1" style="width: 100%; text-align: center;"><tr><td>265</td></tr></table>	265	Annual Meeting (Month / Day) <table border="1" style="width: 100%; text-align: center;"><tr><td>Third Friday of June</td></tr></table>	Third Friday of June	Fiscal Year (Month / Day) <table border="1" style="width: 100%; text-align: center;"><tr><td>12/31</td></tr></table>	12/31
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 <table border="1" style="width: 100%; text-align: center;"><tr><td>David M. Dela Cruz</td></tr></table>	David M. Dela Cruz	Email Address <table border="1" style="width: 100%; text-align: center;"><tr><td>dmdelacruz@stalucialand.com.ph</td></tr></table>	dmdelacruz@stalucialand.com.ph	Telephone Number/s <table border="1" style="width: 100%; text-align: center;"><tr><td>8681-7322</td></tr></table>	8681-7322	Mobile Number <table border="1" style="width: 100%; text-align: center;"><tr><td>N/A</td></tr></table>	N/A
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.



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.



STA. LUCIA LAND, INC. AND SUBSIDIARIES

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.

	<u>% of Ownership</u>
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:

- The accounting policies applied.
- Discussion of the deferral of the subject implementation issues in the PIC Q&A.
- Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
- 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.

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 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.

Contract Balances

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 unlikelihood 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
<u>At end of year</u>	<u>₱682,616,263</u>	<u>₱821,448,225</u>

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)
<u>Balance at end of year</u>	<u>₱225,860,515</u>	<u>₱364,692,477</u>

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					Total
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	
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					Total
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	
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	P-	P2,000,000,000
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
	P9,014,844,974	P8,002,309,255

The rollforward analyses of the long-term debt follows:

	2021	2020
Beginning balance	P11,071,000,000	P11,538,000,000
Availments	7,000,000,000	-
Payments	(7,172,500,000)	(467,000,000)
Ending balance	P10,898,500,000	P11,071,000,000

Corporate Notes Facility

On March 15, 2021, the Group signed an Unsecured Corporate Notes Facility Agreement to raise P7,000.00 million. The Group was able to raise P1,800.00 million Tranche A Notes Facility due in 2024 and P2,300.00 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 P341.46 million, P341.46 million and P195.13 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 P146.34 million and P975.61 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 P1,000.00 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 P1,900.00 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 P358.54 million, P358.54 million, P204.88 million and P1,900.00 million, respectively, and for Tranche B due in 2026 at a fixed rate of 5.58% from BPI, RCBC and UBP totaling P153.66 million, P1,024.39 million and P1,000.00 million, respectively. Total drawdown in 2021 amounted to P3,700.00 million for Tranche A and P3,300.00 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.

Treasury Shares

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.

Retained Earnings

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.

Capital Management

The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its credit rating and allows it the financial flexibility, while providing 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)				
<i>Ultimate Parent Company (SLRDI)</i>				
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)
<i>Affiliate (SLECC)</i>				
Rental and management fee (Note 15) (d)	7,976,670	45,196,667	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Affiliate (Mall Tenants)</i>				
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)				
<i>Affiliate (Marketing Arm)</i>				
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)				
<i>Ultimate Parent Company (SLRDI)</i>				
Advances	(₱53,063,561)	₱3,254,988	Payable on demand; noninterest bearing	Unsecured
<i>Advances from shareholders</i>				
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)				
<i>Ultimate Parent Company (SLRDI)</i>				
Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee	P137,234,705	P585,459,141	Due and demandable; noninterest-bearing	Unsecured; no impairment (Note 15)
<i>Affiliate (SLECC)</i>				
Rental and management fee (Note 15) (d)	(7,142,523)	37,219,997	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Affiliate (Mall Tenants)</i>				
Rental income (d)	(20,776,640)	36,496,426	Due and demandable; noninterest-bearing	Unsecured; no impairment
		P659,175,564		
Non-trade receivables (Note 6)				
<i>Affiliate (Marketing Arm)</i>				
Advances (e)	P200,000	P921,832	Due and demandable; noninterest-bearing	Unsecured; no impairment
Key officers and directors (Note 6) (f)				
	P8,607,794	P73,130,416	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables (Note 12)				
<i>Ultimate Parent Company (SLRDI)</i>				
Advances	P17,713,026	P56,318,549	Payable on demand; noninterest bearing	Unsecured
<i>Advances from shareholders</i>				
Advances	-	16,346,102	Payable on demand; noninterest bearing	Unsecured
		P72,664,651		

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.

	Increase/ decrease in rate	2021 Impact on defined benefit obligation	
		Increase	Decrease
Salary increase rate	+/-1%	₱921,634	(₱769,557)
Discount rate	+/-1%	910,595	(748,680)



	Increase/ decrease in rate	2020	
		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	P465,863,634	P-	P465,863,634
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	P33,855,722	P2,805,986,478	P2,839,842,200
Total segment assets	P6,173,863,958	P45,819,419,447	P51,993,283,405
Segment liabilities	P385,061,372	P29,536,714,183	P29,921,775,555
Income tax payable	-	98,572,462	98,572,462
Deferred tax liabilities	-	1,901,405,581	1,901,405,581
Total liabilities	P385,061,372	P31,536,692,226	P31,921,753,598



	2021		
	Leasing	Residential Development	Total
Cash flows arising from:			
Operating activities	(P13,720,181)	P966,606,424	P952,886,243
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	P447,539,287	P–	P447,539,287
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	P88,752,583	P1,619,193,704	P1,707,946,287
Total segment assets	P5,985,389,368	P39,800,410,217	P45,785,799,585
Segment liabilities	P426,154,489	P26,131,610,922	P26,557,765,411
Income tax payable	–	87,348,124	87,348,124
Deferred tax liabilities	–	1,442,870,704	1,442,870,704
Total liabilities	P426,154,489	P27,661,829,750	P28,087,984,239
Cash flows arising from:			
Operating activities	P124,927,203	(P732,842,186)	(P607,914,983)
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	P747,799,859	P–	P747,799,859
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	P269,196,275	P1,467,000,645	P1,736,196,920
Total segment assets	P5,832,924,364	P34,519,371,740	P40,352,296,104
Segment liabilities	P441,000,395	P22,793,076,832	P23,234,077,227
Income tax payable	–	49,578,644	49,578,644
Deferred tax liabilities	–	954,645,124	954,645,124
Total liabilities	P441,000,395	P23,797,300,600	P24,238,300,995
Cash flows arising from:			
Operating activities	P340,686,850	(P366,797,926)	(P26,111,076)
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 P291.60 million and P238.79 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	NOLCO Applied Previous Year	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2019	2020-2022	₱65,190	₱-	₱-	₱65,190
2018	2019-2021	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	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				
	Carrying values	Total	Fair value measurements using		
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				
	Carrying values	Total	Fair value measurements using		
Quoted prices in active markets for identical assets (Level 1)			Significant 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.



	2020			Total
	< 1 year	>1 to < 5 years	> 5 years	
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					Total	Impaired	Total
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days			
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					Total	Impaired	Total
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days			
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				Total	Past Due But Not Impaired	Impaired	Total
	High Grade	Medium Grade	Low Grade					
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				Total	Past Due But Not Impaired	Impaired	Total
	High Grade	Medium Grade	Low Grade					
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.



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



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

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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CONSOLIDATED FINANCIAL STATEMENTS

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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
	<u>109,494,088</u>	<u>₱682,616,263</u>

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.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 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
			<u>629,580,911</u>

Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

- Consisting of non-interest bearing advances for working capital requirements with no fixed repayment terms.
- Pertain to receivables from offsetting agreements with common suppliers with the Ultimate Parent Company.
- 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.
- Represent monthly amortization payment from the buyers of the Group remitted to the Ultimate Parent Company.
- 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.
- 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.
- Pertains to the due from Ultimate Parent Company for the assumption of the its bank loan
- Pertain to uncollected rental income.
- 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	$\frac{\text{Current assets}}{\text{Current liabilities}}$	2.03:1	2.01:1
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Stockholders' Equity}}$	0.96:1	0.97:1
Debt to total assets ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$	0.61:1	0.61:1
Return on average assets	$\frac{\text{Net income attributable to Parent Company}}{\text{Average assets}}$	5.61%	3.89%
Book value per share	$\frac{\text{Stockholders' equity}}{\text{Total number of shares}}$	₱2.46	₱2.16
Earnings per share	$\frac{\text{Net income}}{\text{Total number of shares}}$	₱0.35	₱0.21
Debt service coverage ratio	$\frac{\text{EBITDA}}{\text{Debt Service}}$	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.



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the accompanying parent company financial statements of Sta. Lucia Land, Inc. (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2021 and 2020, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company 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 parent company 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 Parent Company Financial Statements* section of our report. We are independent of the Parent Company 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 parent company 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 parent company financial statements which indicates that the parent company 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 parent company financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.



Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company 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 parent company financial statements, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Parent Company'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 Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Parent Company'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 Parent Company'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 parent company 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 Parent Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company 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 parent company financial statements.

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.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of Sta. Lucia Land, Inc. in a separate schedule. Revenue Regulations 15-2010 requires the information to be presented in the notes to parent company financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Revised Securities Regulation Code Rule 68. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

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.**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 28)	₱1,902,148,240	₱926,044,345
Receivables (Notes 6, 20 and 28)	3,094,647,340	3,600,814,607
Contract assets (Notes 4 and 6)	1,423,563,981	1,880,380,969
Real estate inventories (Note 7)	28,905,439,207	24,931,122,564
Other current assets (Note 8)	4,589,306,951	5,067,283,824
Total Current Assets	39,915,105,719	36,405,646,309
Noncurrent Assets		
Installment contracts receivables - net of current portion (Notes 6 and 28)	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
Investments in subsidiaries (Note 10)	6,312,500	6,312,500
Investment properties (Note 11)	5,868,209,371	5,712,412,564
Property and equipment (Note 12)	36,284,777	41,240,183
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 9 and 28)	682,616,263	821,448,225
Pension assets (Note 21)	1,076,788	328,530
Other noncurrent assets	719,289,528	565,280,118
Total Noncurrent Assets	11,826,130,149	9,128,590,264
	₱51,741,235,868	₱45,534,236,573
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 13, 20 and 28)	₱6,798,575,278	₱5,346,532,581
Short-term debt (Notes 15 and 28)	8,525,270,554	6,148,970,554
Contract liabilities - current portion (Notes 4, 6 and 14)	2,577,522,263	3,569,804,302
Long-term debt - current portion (Notes 15 and 28)	1,812,179,326	3,027,518,421
Income tax payable	98,572,462	87,348,124
Total Current Liabilities	19,812,119,883	18,180,173,982
Noncurrent Liabilities		
Long-term debt (Notes 15 and 28)	9,014,844,974	8,002,309,255
Contract liabilities - net of current portion (Notes 4, 6 and 14)	1,238,959,224	401,374,560
Deferred tax liabilities - net (Note 25)	1,901,405,581	1,442,870,704
Total Noncurrent Liabilities	12,155,209,779	9,846,554,519
Total Liabilities	31,967,329,662	28,026,728,501
Equity		
Capital stock (Note 16)	10,796,450,000	10,796,450,000
Additional paid-in capital	330,004,284	330,004,284
Retained earnings (Note 16)	10,060,866,730	7,656,198,857
Treasury shares (Note 16)	(1,640,000,000)	(1,640,000,000)
Net unrealized gains on fair value of financial assets at FVOCI (Note 9)	225,860,515	364,692,477
Remeasurement gain (loss) on pension plan - net of tax (Note 21)	724,677	162,454
Total Equity	19,773,906,206	17,507,508,072
	₱51,741,235,868	₱45,534,236,573

See accompanying Notes to Parent Company Financial Statements.



STA. LUCIA LAND, INC.**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31	
	2021	2020
REVENUE		
Real estate sales (Notes 3, 4, 22 and 23)	₱6,827,172,459	₱5,383,079,540
Rental income (Notes 11, 20, 23 and 24)	465,863,634	447,539,287
Interest income (Note 17)	519,745,800	479,781,678
Commission income	27,884,131	18,296,569
Dividend income (Note 9)	8,720,000	9,202,279
Others (Note 18)	394,399,962	353,203,911
	8,243,785,986	6,691,103,264
COSTS OF SALES AND SERVICES		
Cost of real estate sales (Notes 7, 22 and 23)	1,953,692,295	2,025,251,641
Cost of rental income (Notes 11, 18 and 23)	371,408,626	281,203,056
	2,325,100,921	2,306,454,697
SELLING AND ADMINISTRATIVE EXPENSES		
Commissions	846,023,002	674,265,092
Taxes, licenses and fees	180,334,741	98,731,581
Utilities	84,939,201	6,701,741
Repairs and maintenance	68,734,009	40,168,802
Salaries, wages and other benefits (Notes 20 and 21)	63,116,374	63,034,297
Advertising	62,878,315	68,721,678
Representation	27,955,409	48,146,777
Surcharges and penalties	23,562,299	3,649,063
Depreciation and amortization (Note 12)	13,082,108	17,569,067
Legal expense	9,875,222	11,066,548
Software maintenance	9,308,042	6,489,042
Professional fees	9,014,352	15,798,909
Expected credit loss (Note 6)	8,144,996	1,350,074
Insurance expense	6,111,778	1,500,728
Transportation, travel, office supplies and miscellaneous	51,456,565	21,522,887
	1,464,536,413	1,078,716,286
INTEREST EXPENSE (Notes 15 and 19)	1,050,662,891	993,123,714
INCOME BEFORE INCOME TAX	3,403,485,761	2,312,808,567
PROVISION FOR INCOME TAX (Note 25)	670,959,888	691,077,749
NET INCOME	2,732,525,873	1,621,730,818
OTHER COMPREHENSIVE LOSS		
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)
Remeasurement gains on pension plan - net of tax (Note 21)	562,223	2,601,260
	(138,269,739)	(124,126,050)
TOTAL COMPREHENSIVE INCOME	₱2,594,256,134	₱1,497,604,768
Basic/Diluted Earnings Per Share (Note 26)	₱0.33	₱0.20

See accompanying Notes to Parent Company Financial Statements.



STA. LUCIA LAND, INC.

PARENT COMPANY 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 Gains (Losses) on Fair Value of Financial Assets at FVOCI (Note 9)	Remeasurement Gain (Loss) on Pension Plan - 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)	₱7,656,198,857	₱364,692,477	₱162,454	₱17,507,508,072
Comprehensive income (loss)							
Net income	–	–	–	2,732,525,873	–	–	2,732,525,873
Other comprehensive income (loss)	–	–	–	–	(138,831,962)	562,223	(138,269,739)
Total comprehensive income (loss)	–	–	–	2,732,525,873	(138,831,962)	562,223	2,594,256,134
Dividends declared (Note 15)	–	–	–	(327,858,000)	–	–	(327,858,000)
Balances as of December 31, 2021	₱10,796,450,000	₱330,004,284	(₱1,640,000,000)	₱10,060,866,730	₱225,860,515	₱724,677	₱19,773,906,206
For the Year Ended December 31, 2020							
Balances as of January 1, 2020	₱10,796,450,000	₱330,004,284	(₱1,640,000,000)	₱6,034,468,039	₱491,419,787	(₱2,438,806)	₱16,009,903,304
Comprehensive income (loss)							
Net income	–	–	–	1,621,730,818	–	–	1,621,730,818
Other comprehensive income (loss)	–	–	–	–	(126,727,310)	2,601,260	(124,126,050)
Total comprehensive income (loss)	–	–	–	1,621,730,818	(126,727,310)	2,601,260	1,497,604,768
Balances as of December 31, 2020	₱10,796,450,000	₱330,004,284	(₱1,640,000,000)	₱7,656,198,857	₱364,692,477	₱162,454	₱17,507,508,072

See accompanying Notes to Parent Company Financial Statement.



STA. LUCIA LAND, INC.**PARENT COMPANY STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱3,403,485,761	₱2,312,808,567
Adjustments for:		
Interest expense (Notes 15 and 19)	1,050,662,891	993,123,714
Depreciation and amortization (Notes 11, 12 and 18)	149,045,619	141,676,800
Retirement expense (Note 21)	1,001,372	1,371,671
Dividend income (Note 9)	(8,720,000)	(9,202,279)
Gain on repossession of inventories (Notes 7 and 18)	(136,347,823)	(94,277,405)
Interest income (Notes 5, 6 and 17)	(519,745,800)	(479,781,678)
Operating income before changes in working capital	3,939,382,020	2,865,719,390
Changes in working capital:		
Decrease (increase) in:		
Receivables (Notes 6, 28 and 29)	(294,178,534)	(1,400,162,782)
Contract assets (Notes 4 and 6)	(1,227,131,640)	(4,720,342)
Real estate inventories (Notes 7 and 29)	(3,699,615,464)	(2,859,722,128)
Other current assets (Notes 8 and 29)	477,976,873	(607,600,341)
Increase (decrease) in:		
Accounts and other payables (Notes 13 and 29)	1,388,099,768	708,894,735
Contract liabilities (Notes 4 and 6)	(154,697,375)	513,563,202
Net cash generated from (used in) operations	429,835,648	(784,028,266)
Interest received	473,267,452	346,620,775
Income taxes paid	(201,388,081)	(166,197,515)
Net cash provided by (used in) operating activities	701,715,019	(603,605,006)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property and equipment (Note 12)	(281,250,768)	(12,954,366)
Investment properties (Notes 11, and 29)	(8,286,311)	(229,565,125)
Increase in other noncurrent assets	(154,009,410)	(203,550,912)
Contribution to plan asset (Note 21)	(1,000,000)	(4,000,000)
Dividend received	8,720,000	3,686,939
Net cash used in investing activities	(435,826,489)	(446,383,464)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans, net of transaction costs (Note 15)	17,736,499,998	6,503,481,687
Decrease in payable to related parties	-	(87,499)
Payment of interest (including capitalized borrowing costs)	(1,082,476,633)	(1,077,588,680)
Payment of loans (Note 15)	(15,615,950,000)	(4,342,699,333)
Dividend paid	(327,858,000)	-
Net cash provided by financing activities	710,215,365	1,083,106,175
NET INCREASE IN CASH AND CASH EQUIVALENTS	976,103,895	33,117,705
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	926,044,345	892,926,640
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱1,902,148,240	₱926,044,345

See accompanying Notes to Parent Company Financial Statements.



STA. LUCIA LAND, INC.

NOTES TO THE PARENT COMPANY 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 of which is to acquire by purchase, lease, and to own, use 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 is at Penthouse Bldg. 3, Sta. Lucia Mall, Marcos Highway cor. Imelda Avenue, Cainta, Rizal.

The Parent Company is 81.75% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company).

Approval of Parent Company Financial Statements

As delegated by the Board of Directors (BOD), the accompanying parent company 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 financial statements of the Parent Company 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 parent company 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 parent company 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 fluid and evolving and the pace of recovery remains uncertain.

The financial statements of the Parent Company have been prepared in compliance 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 parent company.

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.

Adoption of New and Amended Accounting Standards and Interpretation

The accounting policies adopted in the preparation of the Parent Company's 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 Parent Company 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 parent company as there are no rent concessions granted to the parent company 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 parent company 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 Parent company 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 Parent company 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 parent company currently presents it at gross amounts and the related costs as part of the cost of rental income. However, the parent company 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 parent company’s statements of comprehensive income. Comparative 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 statements of financial position and 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 Parent company 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 financial statements of the parent company.

- *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 financial statements of the parent company 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 Parent company 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 Policy

The Parent Company will adopt the following standards and interpretations when these become effective. Except as otherwise stated, the Parent Company does not expect the adoption of these standards to have a significant impact on the parent company 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 Parent company 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 Parent company 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 Parent company 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.

Deferred effectivity

- *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:

	<u>Deferral Period</u>
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 Parent company availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Parent company 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 Parent company 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 Parent company 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 Parent company'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 Parent company opted to avail of the relief as provided by the SEC. Had the Parent company 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 Parent company 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 Parent Company presents assets and liabilities in parent company 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 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 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Parent Company 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 Parent Company.

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 Parent Company 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 parent company 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 parent company financial statements on a recurring basis, the Parent Company 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 Parent Company 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 Parent Company recognizes financial assets and liabilities in the parent company statement of financial position when, and only when, the Parent Company 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 Parent Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient, the Parent Company 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 Parent Company 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 Parent Company'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 Parent Company commits to purchase or sell the asset.

As of December 31, 2021 and 2020, the Parent Company'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 FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

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 Parent Company'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 parent company statement of comprehensive income.

The Parent Company 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 FVOCI (debt instruments)

The Parent Company measures debt instruments at FVOCI 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 FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the parent company 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 Parent Company does not have debt instruments at FVOCI.

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the Parent Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI 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 parent company statement of comprehensive income when the right of payment has been established, except when the Parent Company 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 Parent Company’s financial assets at FVOCI includes investments in quoted and unquoted equity instruments (see Note 9).

Dividends earned on holding these equity instruments are recognized in the parent company statement of comprehensive income when the Parent Company’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 FVPL are carried in the parent company statement of financial position at fair value with net changes in fair value recognized in the parent company statement of comprehensive income.

As of December 31, 2021 and 2020, the Parent Company 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 Parent Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Parent Company 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 Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Parent Company 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 Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company 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 Parent Company 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 Parent Company could be required to repay.

Reclassification of financial assets

The Parent Company can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Parent Company 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 Parent Company'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 Parent Company 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 Parent Company 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 statement of comprehensive income.

Impairment of Financial Assets

The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company 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 Parent company applies a simplified approach in calculating ECLs. Therefore, the Parent company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Parent company 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 Parent Company 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 Parent Company's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Parent Company 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 parent company determines the ratings by reference to a comparable bank

The Parent Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive



the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. 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 Parent Company 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 Parent Company 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 Parent Company 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 Parent company has effectively exhausted all collection

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 Parent Company'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 FVPL

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 Parent Company 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 parent company 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 Parent company 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 Parent Company. 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 parent company statement of comprehensive income.

This category generally applies to the Parent Company'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 parent company statement of comprehensive income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the parent company 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 parent company 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 Parent Company, is held as inventory and is measured at the lower of cost and net realizable value (NRV). In few cases of buyer defaults, the Parent Company 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 parent company 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.

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 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 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 parent company 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 Parent Company as a result of past events and from which future economic benefits are expected to flow to the Parent Company. 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 Parent Company. 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 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 Parent Company discloses the fair values of its investment properties in accordance with PAS 40. The Parent Company engages independent valuation specialist to assess the fair values as at December 31, 2020. The Parent Company'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 Parent Company 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 are 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 Parent Company 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 Parent Company 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 Parent Company 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 parent company 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 parent company 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 parent company 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 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 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 statement of financial position.

Pension

The Parent Company has a funded, noncontributory defined benefit pension plan covering substantially all of its qualified employees. The Parent Company'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 Parent Company, nor can they be paid directly to the Parent Company. 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 Parent Company 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 Parent Company 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 Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Parent Company 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 Parent Company 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 Parent Company expects to be entitled in exchange for those goods or services. The Parent Company 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 Parent Company 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 Parent Company's performance does not create an asset with an alternative use and the Parent Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Parent Company 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 Parent Company's project development engineers and project managers. This is based on the quarterly project accomplishment report prepared by the management'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 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 parent company statement of financial position.

In case of sales cancellation due to the default of the buyers, the Parent Company 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 Parent Company 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 Parent Company 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 Parent Company expects to recover them. The Parent Company 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 statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract Balances

Installment contracts receivables

Installment contracts receivables represent the Parent Company'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 Parent Company 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 Parent Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Parent Company 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 Parent Company performs under the contract.

The contract liabilities also include payments received by the Parent Company 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 Parent Company 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 Parent Company 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 Parent Company'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 Parent Company 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 Parent Company 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 Parent Company makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Parent Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Parent Company 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 parent company 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.



Commission income

The Parent Company enters into commission agreement with one identified performance obligation which is to promote and market the subdivision lots and condominium units of the developer and lot owners. Revenue is recognized over time when the related services have been rendered

Interest income

Interest income is recognized as it accrues using the effective interest method.

Dividend income

Dividend income is recognized when the Parent Company'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 Parent Company'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 parent company 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 parent company 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 parent company 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 Parent Company. 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 parent company 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 parent company statement of financial position). All other borrowing costs are expensed in the period in which they occur.

The interest capitalized is calculated using the Parent Company’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 Parent Company 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.

Parent Company as lessee - Short-term leases

The Parent Company 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.

Parent Company as a lessor

Leases in which the Parent Company 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 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 Parent Company has no potential diluted common shares.

Segment Reporting

The Parent Company'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 23 to the parent company financial statements.

Provisions

Provisions are recognized when the Parent Company 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 Parent Company 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 parent company 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 parent company 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 parent company financial statements are authorized for issue that provide additional information about the Parent Company's position at the reporting date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the parent company financial statements, when material.



3. Significant Accounting Judgments and Estimates

The preparation of the accompanying parent company financial statements in conformity with PFRSs requires management to make estimates and assumptions that affect the amounts reported in the parent company financial statements and accompanying notes. The estimates and assumptions used in the accompanying parent company financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the parent company 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 Parent Company'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 parent company financial statements:

Real estate revenue recognition

Existence of a contract

The Parent Company'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 Parent Company before revenue recognition is to assess the probability that the Parent Company 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 Parent Company 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 Parent Company concluded that revenue for real estate sales is to be recognized over time because (a) the Parent Company's performance does not create an asset with an alternative use and; (b) the Parent Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Parent Company'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 Parent Company 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 Parent Company. The Parent Company considers that the initial and continuing investments by the buyer of about 20% would demonstrate the buyer's commitment to pay.



The Parent Company has determined that the output method used in measuring the progress of the performance obligation (i.e. percentage of completion) faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers..

Definition of default and credit-impaired financial assets

The Parent Company 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 Parent Company, 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 Parent Company 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 Parent Company's ECL calculation.

Incorporation of forward-looking information

The Parent Company 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 Parent Company 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 Parent Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Parent Company 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 Parent Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Parent Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Parent Company 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 Parent Company 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 Parent Company's allowance for ECLs.

Distinction between real estate inventories and investment properties

The Parent Company 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 Parent Company, 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 comprise property that is held for sale in the ordinary course of business. Principally, this is residential and industrial property that the Parent Company develops and intends to sell before or on completion of construction.

Operating lease commitments - Parent Company as lessor

The Parent Company has entered into commercial property leases on its investment properties. The Parent Company has determined that it retains all significant risks and rewards of ownership of these properties which are leased out on operating leases.

The Parent Company's operating lease contracts are accounted for as cancellable operating leases. In determining whether a lease contract is cancellable or not, the Parent Company considers, among others, the significance of the penalty, including the economic consequence to the lessee.

Recognizing deferred tax assets

The Parent Company 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 Parent Company will generate sufficient future taxable profit to allow all or part of deferred tax assets to be utilized. The Parent Company 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 Parent Company has assessed whether it has any uncertain tax position. The Parent Company applies significant judgement in identifying uncertainties over its income tax treatments. The Parent Company 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 Parent Company 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 Parent Company applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Parent Company 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 Parent Company 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 Parent Company 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 statement of comprehensive income for the years ended December 31, 2021 and 2020.

The rent concessions granted by the Parent company 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 Parent company 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 Parent company determined that it is acting as an agent because the promise of the Parent company 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 Parent company, administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities. The Parent company 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 Parent company 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 Parent company has the discretion on how to price the CUSA and air conditioning charges.

For the years ended December 31, 2021 and 2020, the Parent company reported the gross amounts of CUSA and air-conditioning amounting to ₱63.39 million and ₱61.31 million, respectively, as “Rental income” in the 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 Parent Company’s revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Parent Company concluded that revenue from real estate sales is to be recognized over time using the output method. The Parent Company’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 Parent Company’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 Parent company'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 and ₱5,383.08 million for the years ended December 31, 2021 and 2020, respectively.

Evaluation of impairment of receivables and contract assets

The Parent Company 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 Parent Company's historical observed default rates. The Parent Company 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 Parent Company 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 Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Parent Company 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 Company's allowance for ECLs.

The information about the ECLs on the Company'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 ₱4,075.01 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 Company recognized provision for expected credit losses on trade receivables amounting to ₱8.14 million and ₱1.35 million in 2021 and 2020, respectively.



Evaluation of net realizable value of inventories

Inventories are valued at the lower of cost and NRV. This requires the Parent Company 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 Parent Company 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 line with the impact of COVID-19, the Parent Company experienced limited selling activities that resulted to lower sales in 2020. 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 and 2020.

Evaluation of impairment of other nonfinancial assets (except inventories)

The Parent Company 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 Parent Company's nonfinancial assets as of December 31, 2021 and 2020 are disclosed below.

	2021	2020
Investment properties (Note 11)	₱5,868,209,371	₱5,712,412,564
Property and equipment (Note 12)	36,284,777	41,240,183
Other current assets (Note 8)	4,589,306,951	5,067,283,824
Other noncurrent assets* (Note 8)	586,214,078	443,556,896
	₱11,080,015,177	₱11,264,493,467

*excluding deposits in escrow and refundable security deposits.

The Parent Company 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 and 2020.

Estimating pension liabilities and other retirement benefits

The determination of the Parent Company'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 21 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 Parent company 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 Parent Company 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 21 for the related balances.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded or disclosed in the 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 27 for the related balances.

4. Revenue from Contracts with Customers

Disaggregated Revenue Information

The Parent Company derives revenue from the transfer of goods and services over time and at a point in time, respectively, in different product types. The Parent Company's disaggregation of each sources of revenue from contracts with customers are presented below:

	2021	2020
Real estate sales by product		
Lots only	₱5,919,389,376	₱4,362,693,042
Condominium units	907,783,083	1,020,386,498
Total revenue from contracts with customers	₱6,827,172,459	₱6,827,172,459
Geographical Location		
Luzon	₱5,614,983,703	₱4,587,867,726
Visayas	582,330,732	412,114,351
Mindanao	629,858,024	383,097,463
Total	₱6,827,172,459	₱5,383,079,540

The Parent Company'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)	1,423,563,981	2,651,443,660	4,075,007,641
Contract liabilities (Note 6 and 14)	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 (Note 6 and 14)	3,569,804,302	401,374,560	3,971,178,862

In September 2019, the Philippine Interpretations Committee (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 percentage-of-completion). 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 Parent Company 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 transferred to customers upon full payment of the contract price.

Contract assets represent the right to consideration for assets already delivered by the Parent Company 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 Parent Company based on percentage of completion. 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 Parent Company's performance obligations are summarized below:

Real estate sales

The Parent Company 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 Parent Company 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 are as 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 Parent Company's real estate projects. The Parent Company's subdivision lots are expected to be completed within 2 to 3 years, while the condominium units are expected to be completed within one year.

Rental agreements

The Parent Company 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 Parent Company 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 Parent Company'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	₱970,000	₱787,000
Cash in banks	1,901,178,240	894,721,225
Cash equivalents	-	30,536,120
	₱1,902,148,240	₱926,044,345

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 Parent Company 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 ₱2.16 million and ₱4.24 million in 2021 and 2020, respectively (Note 17).

The Parent Company 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 assets" in the parent company statements of the financial position (see Note 8).



6. Receivables and Contract Assets

This account consists of:

	2021	2020
Installment contracts receivable:		
Subdivision land	₱1,975,029,571	₱1,880,601,124
Condominium units	1,097,309,826	731,552,770
Receivable from related parties (Note 20):		
Trade	543,452,716	659,175,564
Non-trade	94,474,020	181,066,440
Advances to joint development operations (Note 22)	326,773,576	356,151,516
Accrued interest receivable	664,489,761	618,011,413
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
Others	22,344,953	22,282,563
	5,048,392,912	4,683,169,721
Less unamortized discount	66,450,600	50,029,289
	4,981,942,312	4,633,140,432
Less allowance for expected credit losses	26,397,710	18,252,713
	4,955,544,602	4,614,887,719
Less noncurrent installment contracts receivables	1,860,897,262	1,014,073,112
	₱3,094,647,340	₱3,600,814,607

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	1,423,563,981	2,651,443,660	4,075,007,641
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 and ₱360.19 million in 2021 and 2020, respectively (Note 17).



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 Parent Company, 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 Parent Company’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 an aggregated nominal amount of ₱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% in 2021 and 2020, respectively.

Movements in the unamortized discount arising from noninterest-bearing installment contracts receivables 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 17)	(128,880,554)	(115,352,087)
Balance at end of year	₱66,450,600	₱50,029,289

Allowance for expected credit losses pertain to trade receivables. Movement follows:

	2021	2020
Balance at beginning of year	₱18,252,713	₱16,902,639
Provisions	8,144,997	1,350,074
Balance at end of year	₱26,397,710	₱18,252,713

Trade receivables from related parties include advances and uncollected rental income from related parties (Note 20). These are noninterest-bearing, due and demandable.

Non-trade receivables from related parties include a rescission of the assignment of land rights (Note 16), sale of lots and assumption of loan of the Ultimate Parent Company (Note 20). These are noninterest-bearing, due and demandable.



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.

Accrued interest receivable pertains to interest on installment contracts receivables and contract assets already earned but not yet received.

Advances to officers, employees and agents pertain to loans granted to the Parent Company'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 Parent Company's mall operations and are collectible within 30 days from billing date.

Dividend receivable pertains to cash dividend declared from financial assets at FVOCI which are not yet received as of date.

Other receivables primarily represent the Parent Company'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 real estate inventories is set out below:

	2021	2020
Balance at January 1	₱24,931,122,564	₱21,870,084,999
Construction and development costs incurred	4,406,523,538	2,922,110,458
Land acquired during the year	1,077,730,786	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 Parent Company acquired various lands for development amounting ₱1,077.73 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 and ₱94.28 million in 2021 and 2020, respectively (Note 18).



Real estate inventories include units which are being used temporarily in condotel operation as managed by third parties. The Parent company has recognized profit share in this operation amounting to ₱5.00 million and ₱7.90 million in 2021 and 2020, respectively (Note 18).

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 and ₱107.04 million for the years ended December 31, 2021 and 2020, respectively (Note 19). The capitalization rate used to determine the borrowing cost eligible for capitalization is 5.51% and 6.73% in 2021 and 2020, respectively.

Real estate inventories recognized as cost of sales amounted to ₱1,953.69 million in 2021 and ₱2,025.25 million in 2020, and are included as “Cost of real estate sales” in the parent company 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 and 2020.

No inventories were pledged as collateral to borrowings of the Parent Company as of December 31, 2021 and 2020.

8. Other Assets

This account consists of:

	2021	2020
Advances to contractors	₱3,046,670,780	₱3,681,779,492
Prepaid commission (Note 4)	922,818,620	921,356,678
Advances to lot owners	661,580,660	491,350,734
Input VAT - net	424,236,219	343,402,121
Security deposits	76,252,280	82,676,019
Prepaid taxes	8,227,615	7,713,082
Others	168,810,305	104,285,816
	5,308,596,479	5,632,563,942
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
	₱4,589,306,951	₱5,067,283,824

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.

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 percentage of completion method consistent with the measure of progress for revenue recognition.



In 2021, the Parent Company reclassified prepaid commission and deposits in escrow previously presented under “Other current assets” to “Other noncurrent assets” amounting to ₱109.64 million and ₱56.82 million, respectively. The amount was reclassified to conform with the 2021 financial statement presentation.

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.

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.

Others consist mainly of deposits in escrow, prepayments related to mall operations and security deposits for utilities and 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 Parent Company’s financial assets at FVOCI which are measured at fair value as of December 31, 2021 and 2020:

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



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
		<u>₱821,448,225</u>	<u>₱592,171,231</u>	<u>₱-</u>	<u>₱229,276,994</u>

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 Parent Company 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 and ₱9.20 million in 2021 and 2020, respectively.

10. Investments in Subsidiaries

The investment in subsidiaries accounted under the cost method and the related percentage of ownership are shown below:

Entity	Direct Percentage of Ownership		Amounts	
	2021	2020	2021	2020
Sta. Lucia Homes, Inc. (SLHI)	100.00%	100.00%	₱6,250,000	₱6,250,000
Santa Lucia Ventures, Inc. (SVI)	100.00	100.00	62,500	62,500
			<u>₱6,312,500</u>	<u>₱6,312,500</u>

Sta. Lucia Homes, Inc. (SLHI)

On January 9, 2013, the Parent Company filed an application with the Securities and Exchange Commission (SEC) for the incorporation of Sta. Lucia Homes, Inc. (SLHI), a wholly-owned subsidiary, the primary purpose of which is to construct, develop, improve, mortgage, pledge and deal with residential structure for lot buyers of the Parent Company. The Parent Company received an approval on February 20, 2013.



Santa Lucia Ventures, Inc. (SVI)

On January 31, 2013, the Parent Company also filed an application with SEC for the incorporation of another wholly-owned subsidiary SVI, whose primary purpose is to market, operate, manage, develop, improve, dispose, mortgage, pledge and deal with residential structure for lot buyers of the Parent Company. Such application was approved by SEC on April 5, 2013.



11. Investment Properties

The rollforward analyses of this account follow:

	2021					Total
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	
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 18)	–	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					Total
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	
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 18)	–	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 and ₱105.63 million in 2021 and 2020, respectively (Note 18).

The aggregate fair value of the Parent Company's investment properties amounted to ₱9,342.61 million and ₱7,563.00 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. 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 costs capitalized to investment properties in 2021 and 2020 amounted to ₱10.35 million and ₱9.22 million, respectively (Note 19). Capitalization rate used to determine the borrowing cost eligible for capitalization is 5.51% and 6.73% in 2021 and 2020, respectively.

Rental income from investment properties amounted to ₱465.86 million and ₱447.54 million in 2021 and 2020, respectively (Note 24). Cost of rental income from investment properties amounted to ₱371.41 million and ₱281.20 million for the years ended December 31, 2021 and 2020, respectively.

The Parent Company 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.

As of December 31, 2021 and 2020, there are no property and equipment items pledged to secure liabilities of the Parent Company.



12. Property and Equipment

The rollforward analyses of this account follow:

	2021				
	Office Tools and Equipment	Transportation Equipment	Furniture and Fixtures	Software	Total
Cost					
Balances at January 1	₱51,538,661	₱91,418,490	₱7,212,795	₱38,333,814	₱188,503,760
Additions	933,932	7,226,004	126,375	–	8,286,311
Balances at December 31	52,472,593	98,644,494	7,339,170	38,333,814	196,790,071
Accumulated Depreciation and Amortization					
Balances at January 1	25,484,685	76,421,922	7,023,156	38,333,814	147,263,577
Depreciation and amortization	5,989,587	7,032,883	219,247	–	13,241,717
Balances at December 31	31,474,272	83,454,805	7,242,403	38,333,814	160,505,294
Net Book Value	₱20,998,321	₱15,189,689	₱96,767	₱–	₱36,284,777
	2020				
	Office Tools and Equipment	Transportation Equipment	Furniture and Fixtures	Software	Total
Cost					
Balances at January 1	₱50,044,406	₱80,050,254	₱7,120,920	₱38,333,814	₱175,549,394
Additions	1,494,255	11,368,236	91,875	–	12,954,366
Balances at December 31	51,538,661	91,418,490	7,212,795	38,333,814	188,503,760
Accumulated Depreciation and Amortization					
Balances at January 1	18,358,396	66,203,208	6,508,353	38,311,183	129,381,140
Depreciation and amortization	7,126,289	10,218,714	514,803	22,631	17,882,437
Balances at December 31	25,484,685	76,421,922	7,023,156	38,333,814	147,263,577
Net Book Value	₱26,053,976	₱14,996,568	₱189,639	₱–	₱41,240,183

Depreciation expense pertaining to mall operations recognized as costs of rental income amounted to ₱0.16 million and ₱0.16 million in 2021 and 2020, respectively (Note 18).

The cost of fully depreciated property and equipment that are still in use amounted to ₱127.93 million and ₱105.33 million as of December 31, 2021 and 2020, respectively.

The Parent Company 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 pledged to secure obligations of the Parent Company.



13. Accounts and Other Payables

This account consists of:

	2021	2020
Contractors payable	₱3,348,208,129	₱2,438,156,268
Accounts payable	1,158,560,341	940,612,171
Payable to joint development operators	1,082,544,631	803,210,724
Unearned processing income	476,434,626	304,057,563
Commission payable	273,907,171	270,883,606
Retentions payable	144,507,817	137,391,169
Taxes and licenses payable	82,927,188	64,065,257
Interest payable (Note 15)	81,382,474	145,325,402
Withholding tax payable	37,959,309	57,944,505
Payable to related parties (Note 20)	7,182,678	7,182,678
Others	104,960,914	177,703,238
	₱6,798,575,278	₱5,346,532,581

Contractors payable arises from progress billings received from contractors' unbilled completed work on the development of projects. These are non-interest bearing and are normally settled on 30 to 60-day terms.

The Parent Company entered into offsetting agreements with its suppliers whereby the Parent Company 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 incurred to date is recorded under "Accounts payable" until the criteria for revenue recognition are met. The 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 includes 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 Parent Company and is normally remitted within 90 days from the date of collection.

Unearned processing 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.

Commission payable represents amount payable and accrued to the Parent Company's marketing arms and brokers agents.

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.

Taxes and licenses payable are amounts due to local government units for the processing of registration fees and licenses related to the Parent Company's land acquisitions.



Interest payable pertains to interest incurred on bank loans (Note 15). These are settled on a quarterly basis.

Withholding tax payable consists of taxes withheld for remittance to the government.

Accrued payables mostly include utilities pertaining to mall operations and unpaid salaries by the Parent Company and are normally settled on 15 to 60-day terms.

Other payables primarily consist of accrued payables, professional fees, documentary stamp tax, unearned rent, security deposits from tenants and mandatory employer's contributions which are noninterest-bearing and are normally settled within one year.

14. Contract Liabilities

This account consists of customers' reservation fees, down payments and excess of collections over the installment contracts receivables recognized under the percentage of completion method. The excess of collections is applied against the installment contracts receivables that will be recognized in the succeeding years.

The movement in contract liabilities is mainly due to revenue recognition of completed performance obligations. For the years ended December 31, 2021 and 2020, the amount of revenue from real estate sales includes amount previously included in contract liabilities amounting to ₱370.59 million and ₱159.81 million, 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 Parent Company 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.

15. 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 Parent company 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 Parent company 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 Parent company 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 Parent company 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 Parent company 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 Parent company 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 in 2021 and 2020, respectively.

On June 29, 2020, the Parent company 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 Parent company obtained unsecured short-term loans amounting to ₱720.00 million and ₱788.50 million, respectively from RCBC Trust and Investments Parent company 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 Parent company 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 Parent company 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 Parent company 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 Parent company 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 Parent company 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 Parent company 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 Parent company 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 Parent company 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 Parent company 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	P-	P2,000,000,000
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
	P9,014,844,974	P8,002,309,255

The rollforward analyses of the long-term debt follow:

	2021	2020
Beginning balance	P11,071,000,000	P11,538,000,000
Availments	7,000,000,000	-
Payments	(7,172,500,000)	(467,000,000)
	P10,898,500,000	P11,071,000,000

Corporate Notes Facility

On March 15, 2021, the Parent company signed an Unsecured Corporate Notes Facility Agreement to raise P7,000.00 million. The Parent company was able to raise P1,800.00 million Tranche A Notes Facility due in 2024 and P2,300.00 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 Parent company 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 P341.46 million, P341.46 million and P195.13 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 P146.34 million and P975.61 million, respectively.

On March 30, 2021, the Parent company and Noteholders signed an Accession Agreement to allow Unionbank of the Philippines (UBP) to participate in the amount of P1,000.00 million.

On May 26, 2021, the Parent company and Noteholders of the Corporate Notes Facility Agreement signed an Accession Agreement allowing DBP to participate in the amount of P1,900.00 million.

On June 28, 2021, the Parent company 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 P358.54 million, P358.54 million, P204.88 million and P1,900.00 million, respectively, and for Tranche B due in 2026 at a fixed rate of 5.58% from BPI, RCBC and UBP totaling P153.66 million, P1,024.39 million and P1,000.00 million, respectively. Total drawdown in 2021 amounted to P3,700.00 million for Tranche A and P3,300.00 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 rates 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 Parent company 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 Parent company. 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 Parent company 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 Parent company 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 Parent company 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 ₱1,068.85 million and ₱1,090.22 million in 2021 and 2020, respectively (Note 19). Of the total interest expense, amortization of transaction cost on short-term and long-term loans amounted to ₱52.95 million and ₱31.80 million in 2021 and 2020, respectively, and included under “Interest expense” in the statements of comprehensive income (Note 19).



Borrowing costs capitalized as part of real estate inventories and investment properties in 2021 and 2020 amounted to ₱148.70 million and ₱116.26 million, respectively (Notes 7, 11 and 19).

16. 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 Parent Company has 265 existing certified shareholders as at December 31, 2021 and 2020, respectively.

Treasury Shares

As of December 31, 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 has recognized assets consisting of the "Saddles and Clubs Leisure Park" amounting 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 22, 2015, the Parent Company'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.

On December 27, 2018, pursuant to the Deed of Assignment, the Ultimate Parent Company and the Parent Company executed Tranche 2. 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.

Retained Earnings

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 Regulations Code Rules 68, Annex 68-D, after reconciling items, the Parent Company's retained earnings available for dividend declaration as of December 31, 2021 amounted to ₱7,812.83. The retained earnings is restricted to dividends to the extent of shares held in treasury amounting ₱1,640.00 million.

Capital Management

The primary objective of the Parent Company's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Parent Company establishes the appropriate capital structure for each business line that properly reflects its credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks. The Parent Company manages its capital structure and make adjustments to it, in light of changes in economic decisions.

The Parent Company's sources of capital include all the components of the equity totaling ₱19,773.91 million and ₱17,507.51 million as of December 31, 2021 and 2020, respectively.

The Parent Company monitors capital using a gearing ratio, which is total debt divided by total equity. The Parent Company 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 Parent Company computes for its net debt-to-equity ratios as of December 31, 2021 and 2020:

	2021	2020
Debt (Note 15)	₱19,352,294,854	₱17,178,798,230
Less: Cash and cash equivalents (Note 5)	1,902,148,240	926,044,345
Net debt	17,450,146,614	16,252,753,885
Equity	19,773,906,206	17,507,508,072
Net debt-to-equity ratio	0.88:1.00	0.93:1.00

17. Interest Income

This account consists of:

	2021	2020
Interest income from:		
Installment contracts receivables and contract assets (Note 6)	₱388,708,043	₱360,186,578
Accretion from unamortized discount (Note 6)	128,880,554	115,352,087
Cash in banks and cash equivalents (Note 5)	2,157,203	4,243,013
	₱519,745,800	₱479,781,678

18. Cost of Rental Income and Other Revenue

Cost of rental income consists of:

	2021	2020
Utilities	₱141,356,595	₱65,933,460
Depreciation (Notes 11 and 12)	135,963,511	124,107,731
Carpark maintenance	49,609,558	45,749,904
Manpower	29,434,597	27,595,993
Management fee (Note 20)	14,705,882	17,779,160
Others	338,483	36,808
	₱371,408,626	₱281,203,056

Other revenue consists of:

	2021	2020
Surcharges and penalties	₱145,470,944	₱144,762,046
Gain on repossession of inventories (Note 7)	136,347,823	94,277,405
Processing and registration fee	66,751,624	90,436,685
Gain from forfeited deposits	32,992,807	11,062,512
Profit share in hotel operations	5,000,000	7,899,001
Others	7,836,764	4,766,262
	₱394,399,962	₱353,203,911

Processing and registration fee consist of 'closing fees' collected from customers prior to the transfer of the title. These closing fees are usually 5% to 10% of the contract price.



Others mainly consists of income from nonrefundable collection from delinquent buyers and foreign exchange gains and losses.

19. Interest Expense

Interest expense consists of:

	2021	2020
Interest expense on loans (Note 15)	₱1,038,572,566	₱946,235,337
Interest expense on bonds (Note 15)	30,284,650	143,984,677
Other financing charges	130,508,972	19,165,691
	1,199,366,188	1,109,385,705
Less capitalized borrowing costs (Notes 7, 11 and 15)	148,703,297	116,261,991
	₱1,050,662,891	₱993,123,714

20. Related Party Transactions

The related amounts and outstanding balances from related party transactions (RPT) in 2021 and 2020 follow:

	2021			
	Volume	Receivables	Terms	Conditions
Trade receivables (Note 6)				
<i>Ultimate Parent Company (SLRDI)</i>				
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
<i>Affiliate (SLECC)</i>				
Rental and management fee (Note 16) (d)	7,976,670	45,196,667	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Affiliate (Mall Tenants)</i>				
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)				
<i>Affiliate (Marketing Arm)</i>				
Advances (e)	₱-	₱921,832	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Subsidiary (SVI)</i>				
Advances (g)	(86,673,270)	93,471,338	Due and demandable; noninterest-bearing	Due and demandable; noninterest-bearing
<i>Subsidiary (SLHI)</i>				
Advances (h)	80,850	80,850	Due and demandable; noninterest-bearing	Due and demandable; noninterest-bearing
		₱94,474,020		
Key officers and directors (Note 6) (f)	₱12,997,779	₱86,128,195	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables (Note 13)				
<i>Ultimate Parent Company (SLRDI)</i>				
Advances	₱-	₱3,254,988	Payable on demand; noninterest-bearing	Unsecured
<i>Subsidiary (SLHI)</i>				
Advances (h)	-	3,927,690	Payable on demand; noninterest-bearing	Unsecured
		₱7,182,678		



	2020			
	Volume	Receivables	Terms	Conditions
Trade receivables (Note 6)				
<i>Ultimate Parent Company (SLRDI)</i>				
Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee	P137,234,705	P585,459,141	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Affiliate (SLECC)</i>				
Rental and management fee (Note 16) (d)	(7,142,523)	37,219,997	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Affiliate (Mall Tenants)</i>				
Rental income (d)	(20,776,640)	36,496,426	Due and demandable; noninterest-bearing	Unsecured; no impairment
		P659,175,564		
Non-trade receivables (Note 6)				
<i>Affiliate (Marketing Arm)</i>				
Advances (e)	P200,000	P921,832	Due and demandable; noninterest-bearing	Unsecured; no impairment
<i>Subsidiary (SVI)</i>				
Advances (g)	23,898,553	180,144,608	Due and demandable; noninterest-bearing	Due and demandable; noninterest-bearing
		P181,066,440		
Key officers and directors (Note 6) (f)	P8,607,794	P73,130,416	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables (Note 13)				
<i>Ultimate Parent Company (SLRDI)</i>				
Advances	P-	P3,254,988	Payable on demand; noninterest-bearing	Unsecured
<i>Subsidiary (SLHI)</i>				
Advances (h)	(87,499)	3,927,690	Payable on demand; noninterest-bearing	Unsecured
		P7,182,678		

The Parent Company 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. 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 noninterest-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, the Parent Company and SLRDI entered into several memorandums of agreements wherein the Parent Company undertakes the development and marketing of the several projects of SLRDI and has assumed the position of the development contractor and marketing arm. In consideration of the services rendered by the Parent Company, SLRDI 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% SLRDI - 40% API share. The Parent Company shall be entitled to 75% of SLRDI's share in the joint agreement and 12% marketing fee on the gross selling price of all sales made from the project;
- Green Meadows Iloilo Project - SLRDI has entered into joint arrangement 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 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% SLRDI - 40% GSRC share. The Parent Company 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% SLRDI - 40% GSRC share. The Parent Company 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 proceeds of SLRDI from the joint project development operations amounted to ₱114.45 million and ₱152.58 million in 2021 and 2020, respectively. The share amounting ₱28.61 million and ₱38.14 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2021 and December 31, 2020, 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.

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

- e. The Parent Company made cash advances to SVI to be used for various administrative and operating expenses.

These advances amounted to ₱23.90 million in 2021 and 2020, respectively.

- f. The Parent Company made cash advances from SLHI to be used for various administrative and operating expenses.

These advances amounted to ₱0.08 million and ₱0.09 million in 2021 and 2020, respectively.

As of December 31, 2021 and 2020, the Parent Company 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 Parent Company 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 21)	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 assets of the Parent Company 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.

21. Pension

The Parent Company 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 Parent Company 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 parent company statements of comprehensive income, remeasurements recognized in other comprehensive income and the funded status and amounts recognized in the parent company statements of financial position for the existing pension plan.

Components of retirement expense included in “Salaries and wages and other benefits” in the parent company statements of comprehensive income follow:

	2021	2020
Current service cost	₱1,035,466	₱1,149,191
Interest cost	(34,094)	222,480
	₱1,001,372	₱1,371,671

The remeasurements recognized in OCI for the year ended December 31, 2021 and 2020 follows:

	2021	2020
Actuarial losses (gains) due to:		
Experience adjustments	₱128,119	(₱6,062,141)
Changes in financial assumptions	(1,001,953)	1,143,224
Changes in demographic assumptions	(39,351)	397,984
Asset return in net interest cost	113,798	791,542
Effect of the asset ceiling	49,757	13,305
	(₱749,630)	(₱3,716,086)

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	₱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%	4.04%
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		
	Increase/ decrease in rate	Impact on defined benefit obligation	
		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
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.

22. Interests in Joint Project Development Operations

The Parent Company 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 Parent Company relate to the development and sale of subdivision land and condominium projects, with certain specified lots or units allocated to the joint operations. The Parent Company'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 Parent Company bearing all costs related to land development and the construction of subdivision and condominium facilities.

For the years ended December 31, 2021 and 2020, the real estate sales and cost of real estate sales related to interest in joint project development operations amounted are as follows:

	2021	2020
Real estate sales	₱774,507,423	₱391,471,203
Cost of real estate sales	229,476,554	61,054,125

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.

23. 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 Parent Company'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 Parent Company has two reportable operating segments as follows:

- *Leasing*
This segment consists of the Parent Company's investment properties which includes properties that are held to earn rentals and are not occupied by the Parent Company.
- *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.



	2020		
	Leasing	Residential Development	Total
Segment liabilities	₱426,154,489	₱26,070,355,184	₱26,496,509,673
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	₱27,600,574,012	₱28,026,728,501
Cash flows arising from:			
Operating activities	₱132,065,741	(₱735,670,747)	(₱603,605,006)
Investing activities	(229,565,125)	(216,818,339)	(446,383,464)
Financing activities	–	1,083,106,175	1,083,106,175

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).

24. Operating Leases

Operating Leases - Parent Company as Lessor

The Parent Company 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. These leases 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 placed upon the lessee by entering into the contract.

Future minimum rentals receivable under cancellable operating leases of the Parent Company 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 and ₱534.70 million in 2021 and 2020, respectively. (see Note 11).

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 20).

25. Income Tax

Provision for income tax consists of:

	2021	2020
Current - RCIT	₱212,180,978	₱203,139,529
Deferred	458,347,469	487,110,754
Final	431,441	827,466
	₱670,959,888	₱691,077,749

The Parent Company recognized deferred tax liabilities from remeasurement gains on pension recognized in OCI for the year ended December 31, 2021 and 2020 amounting to ₱0.19 million and ₱1.11 million, respectively.

The reconciliation of the statutory income tax rate to the effective income tax rate follows:

	2021	2020
Statutory income tax rate	25.00%	30.00%
Tax effect of:		
Nondeductible expenses	0.00	0.01
Income subjected to final taxes	0.01	(0.01)
Nontaxable income	(0.06)	(1.19)
Others	(5.23)	-
Effective income tax rate	19.71%	28.81%

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
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
Unamortized discount on receivables	167,867,460	192,423,840
Lease modification	12,014,756	9,141,003
Accrued retirement liability	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



26. Earnings per Share

The basic earnings per share for the years ended December 31, 2021 and 2020 were computed as follows:

	2021	2020
Net income	₱2,732,525,873	₱1,621,730,818
Weighted average number of shares outstanding	8,196,450,000	8,196,450,000
Earnings per share	₱0.33	₱0.20

There were no potential dilutive shares in 2021 and 2020.

27. Fair Value Determination

The methods and assumptions used by the Parent Company 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 long-term debt 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 ₱10,827.02 million and ₱10,898.50 million, respectively in 2021 and ₱11,029.83 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				
	Carrying values	Total	Fair value measurements using		
			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	3,005,888,798	3,072,339,398	-	-	3,072,339,398
Investment properties	5,868,209,371	5,868,209,371	-	-	5,868,209,371
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				
	Carrying values	Total	Fair value measurements using		
			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	279,306,283	-	-	279,306,283
Investment properties	5,712,412,564	5,712,412,564	-	-	5,712,412,564
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 and 2020, the Parent Company's quoted shares of stock amounting to ₱458.60 million and ₱592.17 million, respectively, are carried at fair value based on Level 1 while the unquoted shares of stock amounting ₱224.02 million and ₱229.28 million, respectively, are based on Level 3 (see Note 9). The fair value for non-current receivables is based on Level 3. There have been no transfers between Level 1 and Level 2 during 2021 and 2020.

28. Financial Assets and Liabilities

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the parent company statements of financial position where the Parent Company 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 December 31, 2020, and shows in the 'Net' column what the net impact would be on the parent company statements of financial position as a result of the offsetting rights.

	December 31, 2021		
	Gross Amount	Offsetting	Net Amount
Due from related parties	P-	(P3,254,988)	(P3,254,988)
Due to related parties	456,143,593	-	456,143,593
	P456,143,593	(P3,254,988)	P452,888,605

	December 31, 2021		
	Gross Amount	Offsetting	Net Amount
Due from related parties	P-	(P3,254,988)	(P3,254,988)
Due to related parties	585,459,141	-	585,459,141
	P585,459,141	(P3,254,988)	P582,204,153

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 Parent Company'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 Parent Company. These strategies, to an extent, mitigate the Parent Company's interest rate and credit risks.

Exposure to liquidity and credit risks arise in the normal course of the Parent Company's business activities.

The main objectives of the Parent Company'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 Parent Company'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 Parent Company.

Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Parent Company manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Parent Company intends to use internally generated funds and proceeds from debt and equity offerings.

The Parent Company 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 Parent Company has no undrawn facilities. As part of the liquidity risk management, the Parent Company 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 Parent Company held last February 17, 2018, wherein, subject to securing all required approvals under applicable laws, rules and regulations, the Parent Company 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 ₱3,000.00 million and with an overallotment option of ₱2,000.00 million, for the pre-payment of existing obligations of the Parent Company, strategic land banking, capital expenditures for ongoing and new projects, and general corporate purposes.

Through scenario analysis and contingency planning, the Parent Company 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 Parent Company's financial assets and liabilities at December 31 based on contractual undiscounted payments:

	2021			Total
	< 1 year	>1 to < 5 years	> 5 years	
Financial assets				
Cash in banks and cash equivalents	₱1,901,178,240	₱-	₱-	₱1,901,178,240
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	637,926,736	-	-	637,926,736
Advances to joint development operations	326,773,576	-	-	326,773,576
Advances to officers and employees	179,179,518	-	-	179,179,518
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	22,344,953	-	-	22,344,953
Financial instruments at FVOCI	-	-	682,616,263	682,616,263
Total Financial Assets	-	1,788,930,423	754,583,102	7,632,187,415
Contract Assets	1,423,563,981	2,519,630,667	131,812,993	4,075,007,641
	₱6,512,237,871	₱4,308,561,090	₱886,396,095	₱11,707,195,056
Financial liabilities				
Accounts and other payables:				
Contractors payable	₱3,348,208,129	₱-	₱-	₱3,348,208,129
Payable to joint development Operators	1,082,544,631	-	-	1,082,544,631
Accounts payable	1,158,560,341	-	-	1,158,560,341

(Forward)



	2021			Total
	< 1 year	>1 to < 5 years	> 5 years	
Retention payable	₱144,507,817	₱-	₱-	₱144,507,817
Payable to related parties				
Trade	3,254,988	-	-	3,254,988
Nontrade	3,927,690	-	-	3,927,690
Interest payable	81,382,474	-	-	81,382,474
Others	365,690,238	-	-	365,690,238
Short term and long term debts	10,337,449,880	8,549,850,221	464,994,753	19,352,294,854
Total Financial Liabilities	₱16,525,526,188	₱8,549,850,221	₱464,994,753	₱25,540,371,162

	2020			Total
	< 1 year	>1 to < 5 years	> 5 years	
Financial assets				
Cash in banks and cash equivalents	₱925,257,345	₱-	₱-	₱925,257,345
Receivables:				
Installment contracts receivables:				
Subdivision land	1,082,663,757	767,078,581	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	840,242,004	-	-	840,242,004
Advances to joint development operations	356,151,516	-	-	356,151,516
Advances to officers and employees	116,992,148	-	-	116,992,148
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	22,282,563	-	-	22,282,563
Financial instruments at FVOCI	-	-	821,448,225	821,448,225
Total Financial Assets	4,500,092,516	1,065,471,714	864,311,061	6,429,875,291
Contract Assets	1,880,380,969	919,397,304	48,097,728	2,847,876,001
	₱6,380,473,485	₱1,984,869,018	₱912,408,789	₱9,277,751,292

Financial liabilities				
Accounts and other payables:				
Contractors payable	₱1,356,042,687	-	-	₱1,356,042,687
Payable to joint development				
Operators	803,210,724	-	-	803,210,724
Accounts payable	940,612,171	-	-	940,612,171
Retention payable	137,391,169	-	-	137,391,169
Accrued payables	8,101,325	-	-	8,101,325
Payable to related parties				
Trade	3,254,988	-	-	3,254,988
Nontrade	3,927,690	-	-	3,927,690
Interest payable	145,325,402	-	-	145,325,402
Others	447,321,304	-	-	447,321,304
Short term and long term debts	9,176,488,975	6,886,357,022	1,115,952,233	17,178,798,231
Total Financial Liabilities	₱13,013,576,436	₱6,886,357,022	₱1,115,952,233	₱21,015,885,691

Short term and long term debts include future interest payments.

Cash and receivables are used for the Parent Company'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 Parent Company 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.

Real estate contracts

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 Parent Company 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 expected credit losses. 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 Parent Company's installment contracts receivables and contract assets using the simplified approach:

	Total	2021	
		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

The table below shows the maximum exposure to credit risk for the components of the parent company statements of financial position as of December 31, 2021 and 2020.

	2021	2020
Contract assets	₱4,075,007,641	₱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	637,926,736	840,242,004
Accrued interest receivable	664,489,761	618,011,413
Receivable from tenants	125,256,860	97,254,072
Dividend receivable	20,082,111	20,082,111
	₱8,595,102,506	₱7,035,619,495



Given the Parent Company'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					Total	Impaired	Total
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days			
Installment contracts receivables:									
Subdivision land	₱1,810,158,498	₱33,021,959	₱30,901,084	₱26,631,194	₱24,781,483	₱23,137,643	₱138,473,363	₱26,397,710	₱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
Receivable from related parties	637,926,736	-	-	-	-	-	-	-	637,926,736
Advances to joint development operations	326,773,576	-	-	-	-	-	-	-	326,773,576
Advances to officers and employees	179,179,518	-	-	-	-	-	-	-	179,179,518
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	22,344,953	-	-	-	-	-	-	-	22,344,953
Total	₱4,830,247,461	₱46,473,873	₱40,532,913	₱36,796,287	₱35,067,959	₱32,876,709	₱191,747,741	₱26,397,710	₱5,048,392,912
	2020								
	Neither Past Due nor Impaired	Past Due but not Impaired					Total	Impaired	Total
		1-30 days	31-60 days	61-90 days	91-120 days	>120 days			
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	840,242,004	-	-	-	-	-	-	-	840,242,004
Advances to joint development operations	356,151,516	-	-	-	-	-	-	-	356,151,516
Advances to officers and employees	116,992,148	-	-	-	-	-	-	-	116,992,148
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	22,282,563	-	-	-	-	-	-	-	22,282,563
Total	₱4,458,550,149	₱53,788,723	₱35,338,559	₱42,196,532	₱40,787,943	₱34,255,102	₱206,366,859	₱18,252,713	₱4,683,169,721



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 Parent Company 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 ₱98.50 million and ₱98.50 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 Parent Company's exposure to the risk of changes in market interest rates relates primarily to the Parent Company's long-term debt obligations with floating interest rates.

The Parent Company's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Parent Company's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Parent Company manages its interest rate risk by leveraging on its premier credit rating and maintaining a debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function of historical, current trend and outlook of interest rates, volatility of short-term interest rates, the steepness of the yield curve, and degree of variability of cash flows.

The following table demonstrates the sensitivity of the Parent Company'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 Parent Company'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 and cash equivalents	Fixed at the date of investment	Various	₱1,901,178,240	₱-	₱-	₱1,901,178,240
Installment contracts receivables	Fixed at the date of sale	Date of sale	191,747,741	254,923,598	764,770,797	3,000,372,558
Receivables from related parties	N/A	N/A	637,926,736	-	-	637,926,736
Other	N/A	N/A	22,344,953	-	-	22,344,953
Financial assets at fair value through OCI	N/A	N/A	-	-	-	682,616,263
Total financial assets			2,753,197,669	254,923,598	764,770,797	2,471,546,685
Contract assets			198,796,980	306,191,750	918,575,251	2,519,630,667
Total undiscounted financial and contract assets			2,951,994,649	561,115,348	1,683,346,048	4,991,177,352
Financial Liabilities						
Bonds payable	Variable at 2.5% over 91 days PDST	Quarterly	-	-	-	-
Loans payable	Fixed at the date of loan	Quarterly	-	4,882,682,354	3,642,588,200	-
Notes payable	N/A	N/A	-	1,260,000,000	585,500,000	8,588,000,000
Accounts and other payables	N/A	N/A	6,195,719,251	-	-	-
Total undiscounted financial liabilities			6,195,719,251	6,142,682,354	4,228,088,200	8,588,000,000
Liquidity gap			(₱3,243,724,602)	(₱5,581,567,006)	(₱2544,742,152)	(₱3,596,822,648)
(₱14,966,856,408)						
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 and cash equivalents	Fixed at the date of investment	Various	₱925,257,345	₱-	₱-	₱925,257,345
Installment contracts receivables	Fixed at the date of sale	Date of sale	253,990,512	319,083,672	957,251,017	1,081,828,693
Receivables from related parties	N/A	N/A	840,242,004	-	-	840,242,004
Other	N/A	N/A	22,282,563	-	-	22,282,563
Financial assets at fair value through OCI	N/A	N/A	-	-	-	821,448,225
Total financial assets			2,041,772,424	319,083,672	957,251,017	1,903,276,918
Contract assets			198,796,980	306,191,750	918,575,251	2,519,630,667
Total undiscounted financial and contract assets			2,240,569,404	625,275,422	1,875,826,268	4,422,907,585
Financial Liabilities						
Loans payable	Fixed at the date of loan	Quarterly	-	2,000,000,000	-	-
Notes payable	N/A	N/A	-	6,148,970,554	-	-
Accounts and other payables	N/A	N/A	-	202,500,000	845,000,000	8,023,500,000
Total undiscounted financial liabilities			4,264,419,000	-	-	4,264,419,000
Liquidity position (gap)			₱4,264,419,000	₱8,351,470,554	₱845,000,000	₱8,023,500,000
						₱21,484,389,554



29. 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 and 2020 amounted to ₱148.70 million and ₱116.26 million, respectively. The accretion of bond transaction cost amounted to ₱52.95 million and ₱31.80 million in 2021 and 2020, respectively.
- b. In 2018, the Parent Company acquired 750.00 million treasury shares at the price of ₱1.20 per share to cover the settlement of the ₱900.00 million advances made by the Parent Company to the Ultimate Parent Company. The amount was credited against the outstanding receivables from the Ultimate Parent Company.
- c. The Parent company transferred other current assets to other noncurrent assets amounting to ₱622.45 million and ₱443.56 million in 2021 and 2020, respectively.
- d. Purchases of lots which remain unpaid as of December 31, 2021 and 2020 amounted to ₱2,005.85 million and ₱1,082 million, respectively.

Details of the movement in cash flows from financing activities follow:

	December 31, 2021	Cash flows	Non-cash changes	December 31, 2021
Payable to related parties (Note 19)	₱7,182,678	₱-	₱-	₱7,182,678
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	(1,210,362,489)	1,146,419,561	81,382,474
Total liabilities from financing activities	₱17,331,306,310	₱910,187,509	₱1,199,366,187	₱19,440,860,006

	December 31, 2019	Cash flows	Non-cash changes	December 31, 2020
Payable to related parties (Note 19)	₱7,270,177	(₱87,499)	₱-	₱7,182,678
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	(1,077,588,680)	1,075,571,221	145,325,402
Total liabilities from financing activities	₱15,140,831,889	₱1,083,106,175	₱1,107,368,246	₱17,331,306,310

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.

30. Contingencies

Contingencies

The Parent Company 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 Parent Company's financial position and results of operations. Accordingly, no provision for any liability has been made in the parent company financial statements.



Disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice the Parent Company's position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

31. 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 Parent Company'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.

32. 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 balance 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 in 2017 amounting to ₱2,356.00 million.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Sta. Lucia Land, Inc. (the Parent Company) as at December 31, 2021 and 2020, 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 parent company financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Parent Company'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 parent company financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic parent company financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic parent company 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 parent company 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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STA. LUCIA LAND, INC.

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED DECEMBER 31, 2020

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 Parent Company. This information is presented for purposes of filing with the SEC and is not a required part of the basic parent company financial statements.

Schedule A. Financial Assets in Equity Securities

Below is the detailed schedule of financial assets in equity securities of the Parent Company as of December 31, 2020:

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.	29,894,841	54,408,610
Unquoted:		
Uni-Asia Properties, Inc.	8,812,489	224,015,259
	109,494,089	₱682,616,263

The basis in determining the value of quoted equity securities is the market quotation on December 31, 2020 while unquoted security is valued at its 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 Parent Company 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
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 Parent Company's vehicles, model units and housing units, registration of titles, etc. and short term loans given to officers and employees. The advances will be liquidated when the purposes for which these advances were granted are accomplished or completed or deducted from the officers'/employees' salaries if not liquidated. No amounts were written-off during the year and all amounts are presented as current.

Schedule C. Long-term debt

The Parent Company has long term loans amounting to ₱8,002.31 million as of December 31, 2020.

Schedule D. Capital Stock

<u>Title of issue</u>	<u>Number of shares authorized</u>	<u>Number of shares issued and outstanding as shown under related balance sheet caption</u>	<u>Number of shares reserved for options, warrants, conversion and other rights</u>	<u>Number of shares held by related parties</u>	<u>Directors, Officers and Employees</u>	<u>Others</u>
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		₱5,670,881,482
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		₱5,537,040,213
Net income actually earned/realized during the period:		
Net income during the period closed to retained earnings	2,732,525,877	
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		2,603,645,323
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		₱7,812,827,536

STA. LUCIA LAND, INC.**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 Parent Company for the years ended December 31, 2021 and 2020:

Financial ratios		2021	2020
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	2.01:1	2.00:1
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Stockholders' Equity}}$	0.81:1	0.98:1
Debt to total assets ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$	0.62:1	0.62:1
Return on average assets	$\frac{\text{Net income}}{\text{Average assets}}$	5.61%	4.00%
Book value per share	$\frac{\text{Stockholders' equity}}{\text{Total number of shares}}$	₱2.41	₱2.14
Earnings per share	$\frac{\text{Net income}}{\text{Total number of shares}}$	₱0.33	₱0.20
Debt service coverage ratio	$\frac{\text{EBITDA}}{\text{Debt Service}}$	4.14:1	3.19:1