

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

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| PATRICIA A. O. BUNYE<br>(Corporate Secretary)<br>Contact Person |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|--------------------------------------|--|--|--|--|--|--|--|--|--|
| 681-7332<br>Company Telephone Number |  |  |  |  |  |  |  |  |  |
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Month Day  
Fiscal Year

SEC FORM

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FORM TYPE

Third Friday of June

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Month Day  
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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| N/A<br>Amended Articles Number/Section |  |  |  |  |  |  |  |  |  |
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| More than Twenty (20)<br>Total No. of Stockholders |  |  |  |  |  |  |  |  |  |
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Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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LCU

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Document I. D.

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Cashier

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## **NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

**TO : ALL STOCKHOLDERS**

Please be notified that the Annual Stockholders' Meeting of **STA. LUCIA LAND, INC.** (the "Corporation") will be held on **Friday, 16 June 2023, at 8:00 a.m.** at Penthouse Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal, via remote communication through the **Zoom** application, at which meeting the following matters will be taken up:

1. Opening of the Meeting by the Chairman
2. Proof of Notice
3. Proof of the Presence of a Quorum
4. Reading and Approval of the Minutes of the Annual Stockholders' Meeting held on 17 June 2022
5. Report of the President
6. Approval and Ratification of all Acts and Resolutions of the Board of Directors and Management for the Period from 17 June 2022 to 15 June 2023
7. Election of Members of the Board of Directors for 2023-2024
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

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

In relation to the Election of Members of the Board of Directors for 2023-2024 (Item 7), the requirements and procedure for the nomination and election of directors are as follows:

### **1. Nomination**

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

The Nomination Committee shall pre-screen the qualifications of each nominee and come up with the Final List of Candidates, which shall contain all relevant information pertaining to the nominated candidate, including the identity of the stockholder(s) who nominated the said candidate. The Final List of Candidates shall be submitted to the Securities and Exchange Commission in any report required by the Securities Regulation Code and its implementing rules and regulations, including, but not limited to, the Information Statement and Proxy Statement.

After the Final List of Candidates shall have been prepared by the Nomination Committee, no other nomination shall be entertained. Neither shall a nomination for Independent Directors be entertained or allowed on the floor during the annual meeting of stockholders.

## 2. Election

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

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

The directors of the Corporation shall be elected by plurality vote and every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his share shall equal, or by distributing such votes at the same principle among any number of candidates. If the number of nominees is nine (9) or less, a motion shall be presented to the body that all votes be cast in favor of all nominees. However, if the minority stockholders nominate a candidate or if there are more than nine (9) nominees, the votes shall be cast. The results shall be counted/validated by the Corporate Secretary.

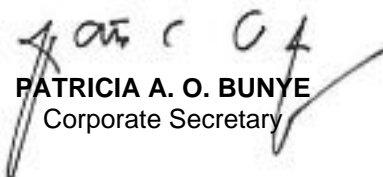
The Organizational Meeting of the new Board of Directors will be held immediately after the Annual Stockholders' Meeting.

By resolution of the Board of Directors, the close of business on Friday, 12 May 2023, has been fixed as the record date for the determination of the stockholders entitled to notice of, and to vote at, the Annual Stockholders' Meeting and any adjournment thereof.

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

All stockholders who do not expect to attend the meeting via remote communication are urged to fill in, date, sign and return the proxy, which is available on the Corporation's website, to the Corporation not later than Thursday, 08 June 2023, in accordance with the 2015 Revised Implementing Rules and Regulations of the Securities Regulation Code. Proxies received after the said deadline will not be recorded. Corporate stockholders are requested to attach to the proxy instrument their respective Secretary's Certificates containing the Board Resolution *vis-à-vis* the authority of their proxy(ies). **Management is not asking you for a proxy, and you are not requested to send management a proxy.** All proxies submitted on or before the deadline shall be validated by a Committee of Inspectors on Friday, 09 June 2023, at the principal office of the Corporation.

10 May 2023.

  
**PATRICIA A. O. BUNYE**  
Corporate Secretary

STA. LUCIA LAND, INC.  
ANNUAL STOCKHOLDERS' MEETING  
16 June 2023, 8:00 a.m.  
Via web conference

PROXY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned stockholder of **STA. LUCIA LAND, INC.** (the "Corporation") does hereby name, constitute and appoint the Chairman of the Meeting as my/our/its proxy, to represent and vote all shares registered in his/her/its name in the books of said Corporation, at the Annual Stockholders' Meeting to be held on Friday, 16 June 2023, at 8:00 a.m., or at any adjournment thereof, for the purpose of acting on all of the following matters:

1. Reading and Approval of the Minutes of the 2022 Annual Stockholders' Meeting

|   |   |    |
|---|---|----|
| Y | N | AB |
|   |   |    |

2. Approval and Ratification of All Acts and Resolutions of the Board of Directors and the Management for the Period from 17 June 2022 to 15 June 2023

|   |   |    |
|---|---|----|
| Y | N | AB |
|   |   |    |

3. Election of Members of the Board of Directors for 2023-2024

A. Vote equally for all nominees in Annex "A"

|   |
|---|
| A |
|   |

B. Withhold authority to vote for all nominees in Annex "A"

|   |
|---|
| B |
|   |

C. Distribute or cumulate my shares to the nominee/s, as enumerated in Annex "A"

|   |
|---|
| C |
|   |

4. Appointment of External Auditor – Sycip Gorres Velayo & Co.

|   |   |    |
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| Y | N | AB |
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IN WITNESS WHEREOF, the undersigned has hereunto set his/her/its hand this \_\_\_\_ day of \_\_\_\_\_ 2023.

Signature : \_\_\_\_\_

Printed Name of Signatory / Stockholder : \_\_\_\_\_

Position of Signatory : \_\_\_\_\_

WITNESSES:

\_\_\_\_\_

A proxy executed by a corporate stockholder shall be in the form of a board resolution duly certified by the Corporate Secretary or in this proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the proxy.

This proxy should be received by the Corporate Secretary together with other documentary requirements on or before **8 June 2023**, the deadline for submission of proxies.

This proxy revokes any and all proxies which may have previously been executed in favor of a person or persons other than those named above. This proxy shall remain in full force and effect until specifically revoked through notice in writing lodged with the Corporate Secretary of said Corporation at any time prior to the scheduled time of the meeting, in accordance with the Corporation's By-Laws.

As applicable, the abovementioned stockholder hereby consents to the processing of his/her/its personal information for purposes of the corporation's Annual Stockholders' Meeting.

\* Legend: Y – Yes; N – No; AB - Abstain

STA. LUCIA LAND, INC.  
ANNUAL STOCKHOLDERS' MEETING  
16 June 2023, 8:00 a.m.

**Nominees for the Members of the Board of Directors for 2023-2024**

Kindly accomplish this form only if you checked item 3.C. in the Proxy.

Kindly indicate the number of shares to be voted for each nominee. The total no. of votes cast should not exceed the number of shares registered in your name multiplied by the number of available board seats (9).

| Independent Directors |                     | No. of Votes/Shares |
|-----------------------|---------------------|---------------------|
| 1.                    | Renato C. Francisco | <hr/>               |
| 2.                    | Danilo A. Antonio   | <hr/>               |
| Regular Directors     |                     | No. of Votes/Shares |
| 1.                    | Vicente R. Santos   | <hr/>               |
| 2.                    | Exequiel D. Robles  | <hr/>               |
| 3.                    | Antonio D. Robles   | <hr/>               |
| 4.                    | Aurora D. Robles    | <hr/>               |
| 5.                    | Mariza Santos-Tan   | <hr/>               |
| 6.                    | Orestes R. Santos   | <hr/>               |
| 7.                    | Simeon S. Cua       | <hr/>               |

\* Legend: Y – Yes; N – No; AB - Abstain

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

1. Check the appropriate box:

☐ Preliminary Information Statement  
☒ Definitive Information Statement

2. Name of Registrant as specified in its charter

**STA. LUCIA LAND, INC.**

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

**METRO MANILA, PHILIPPINES**

4. SEC Identification Number **31050**

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

6. Address of principal office

**Penthouse, Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal 1900**

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

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

**16 June 2023, 8:00 a.m., at Penthouse Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal. The meeting will be conducted virtually and participation will be via remote communication through the Zoom application.**

9. The approximate date on which the Information Statement will be sent or given to the security holders is on **25 May 2023**

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

Title of Each Class

Number of Shares of Common Stock  
Outstanding or Amount of Debt Outstanding

**Common**

**8,296,450,000**

11. Are any or all of Registrant's securities listed on a Stock Exchange?

Yes   **x**   No       

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

**Philippine Stock Exchange, Inc., Common Shares**

## INFORMATION STATEMENT

|  |
|--|
| <p><b>WE ARE NOT ASKING YOU FOR A PROXY<br/>AND YOU ARE REQUESTED NOT TO SEND US A PROXY</b></p> |
|--|

### GENERAL INFORMATION

#### **Date, Time and Place of Meeting of Security Holders**

Date : 16 June 2023

Time : 8:00 a.m.

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

The corporate mailing address of the principal office of the Registrant is Penthouse Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal 1900.

The approximate date the definitive copies of the Information Statement will be sent or given to security holders is on 25 May 2023.

#### **Dissenter's Right of Appraisal**

There are no matters to be acted upon in the stockholders' meeting which may give rise to any rights of appraisal under Section 80, Title X, Appraisal Right, Revised Corporation Code of the Philippines.

A stockholder who shall have voted against any corporate action involving matters enumerated under Section 80, Title X, Appraisal Right, the Revised Corporation Code of the Philippines (the "dissenting stockholder") may exercise his appraisal right by making a written demand on the Registrant for the payment of the fair value of shares held within thirty (30) days after the Stockholders' Meeting date. Failure to make the demand within the prescribed period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Registrant shall pay the dissenting stockholder upon surrender of the stock certificates representing his shareholdings in the Registrant based on the fair value thereof as of the day prior to the date of the Stockholders' Meeting, excluding any appreciation or depreciation in anticipation of such corporate action, provided that no payment shall be made to the dissenting stockholder unless the Registrant has unrestricted retained earnings to cause such payment.

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

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

### CONTROL AND COMPENSATION INFORMATION

#### **Voting Securities and Principal Holders Thereof**

(a) Number of shares outstanding as of 31 March 2023:

Common: 8,296,450,000

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

(b) Record date: 12 May 2023

### **Cumulative Voting Rights**

Pursuant to Sections 1.06 and 1.07 of the Registrant's By-Laws, every holder of voting stock may vote during all meetings, including the Annual Stockholders' Meeting, either in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact. Stockholders may exercise their right to vote through remote communication or *in absentia*.

Applying Section 23 of the Revised Corporation Code, each stockholder may vote in any of the following manner:

- (a) he may vote such number for as many persons as there are directors to be elected;
- (b) he may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by his shares; or
- (c) he may distribute them on the same principle among as many candidates as he shall see fit.

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

### **Security Ownership of Certain Beneficial Owners and Management**

- Security Ownership of Certain Record and Beneficial Owners

Stockholders who/which are directly/indirectly the record/beneficial owners of more than 5% of the Registrant's voting securities as of 31 March 2023:

| <b>Title of Class</b> | <b>Name and Address of Record Owner and Relationship with Issuer</b>  | <b>Name of Beneficial Owner and Relationship with Record Owner</b>  | <b>Citizenship</b> | <b>Number of Shares Held</b> | <b>Percentage Held</b> |
|-----------------------|---|---|--------------------|------------------------------|------------------------|
| Common                | Sta. Lucia Realty & Development, Inc. ("SLRDI")<br>Bldg. II, Sta. Lucia East Grand Mall,<br>Marcos Highway corner Felix Avenue, Cainta, Rizal | Relationship:<br>Parent Company<br><br>Beneficial owners:<br>Mariza Santos-Tan,<br>Vicente R. Santos,<br>Orestes R. Santos,<br>Felizardo R. | Domestic           | 6,701,005,767                | 80.7696%               |



|        |  |   |          |               |          |
|--------|--|---|----------|---------------|----------|
|        |  | Santos, and<br>Leodegario R.<br>Santos  |          |               |          |
| Common | PCD Nominee Corporation<br><br>Tower I, The Enterprise Center,<br>6766 Ayala Ave. corner Paseo de<br>Roxas, Makati City<br><br>Relationship with Issuer: N/A | 1. Various<br>beneficial<br>owners<br><br>2. Cualoping<br>Securities<br>Corporation | Domestic | 1,567,239,607 | 18.8905% |

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

Based on its latest General Information Sheet ("GIS") on file with the Securities and Exchange Commission, the majority stockholders of SLRDI are Mariza Santos-Tan, Vicente R. Santos, Orestes R. Santos, Felizardo R. Santos, and Leodegario R. Santos, all Filipino citizens. They each hold 10% of the outstanding capital stock of SLRDI. SLRDI has not yet submitted its proxy for the 2023 Annual Stockholders' Meeting of the Registrant since the deadline for submission is on 08 June 2023.

- Security Ownership of Management (as of 31 March 2023)

| Title of class | Name of Beneficial Owner  | Amount and<br>Nature of<br>Beneficial<br>Ownership | Citizenship | Percentage<br>of Class |
|----------------|---|--|-------------|------------------------|
| Common         | VICENTE R. SANTOS<br>Chairman<br>Evangelista St., Brgy. Santolan<br>Pasig City                            | 712,494<br>Direct<br>233,000<br>Indirect           | Filipino    | 0.01%                  |
| Common         | EXEQUIEL D. ROBLES<br>President and Director<br>F. Pasco Ave., Dumandan<br>Compound, Santolan, Pasig City | 712,500<br>Direct<br>230,000<br>Indirect           | Filipino    | 0.01%                  |
| Common         | MARIZA R. SANTOS-TAN<br>Treasurer and Director<br>G/F, State Centre II<br>Ortigas Ave., Mandaluyong City  | 1<br>Direct<br>0<br>Indirect                       | Filipino    | -                      |
| Common         | AURORA D. ROBLES<br>Assistant Treasurer and Director<br>Alexandra Condominium<br>Meralco Ave., Pasig City | 1<br>Direct<br>0<br>Indirect                       | Filipino    | -                      |
| Common         | SIMEON S. CUA<br>Director<br>1765 P.M. Guazon Street<br>Paco, Manila 1007                                 | 999<br>Direct<br>0<br>Indirect                     | Filipino    | 0.00%                  |

|        |  |                                  |          |   |
|--------|--|----------------------------------|----------|---|
| Common | ANTONIO D. ROBLES<br>Director<br>Odyssey St., Acropolis Green Subd.<br>Libis, Quezon City  | 1<br>Direct<br>0<br>Indirect     | Filipino | - |
| Common | ORESTES R. SANTOS<br>Director<br>Odyssey St., Acropolis<br>Quezon City   | 1<br>Direct<br>0<br>Indirect     | Filipino | - |
| Common | DANILO A. ANTONIO<br>Independent Director<br>Taft Avenue Extension<br>Brgy. San Rafael, Pasay City   | 1,000<br>Direct<br>0<br>Indirect | Filipino | - |
| Common | RENATO C. FRANCISCO<br>Independent Director<br>Sparrow Street<br>New Marikina Subdivision<br>Marikina City   | 1,000<br>Direct<br>0<br>Indirect | Filipino | - |
| Common | DAVID M. DELA CRUZ<br>Executive Vice President, CFO, and<br>Chief Risk Officer<br>31 La Naval Street<br>Remmanville Subdivision<br>Better Living, Parañaque                            | 0<br>Direct<br>0<br>Indirect     | Filipino | - |
| Common | ATTY. PATRICIA A. O. BUNYE<br>Corporate Secretary<br>One Orion<br>11 <sup>th</sup> Avenue cor. University Parkway<br>Bonifacio Global City 1634<br>Metro Manila                        | 0<br>Direct<br>0<br>Indirect     | Filipino | - |
| Common | ATTY. CRYSTAL I. PRADO<br>Assistant Corporate Secretary<br>N409, Phase 4, El Pueblo One<br>Condominium, King Christian St.<br>Kingspoint Subd., Novaliches<br>Quezon City, Philippines | 0<br>Direct<br>0<br>Indirect     | Filipino | - |
| Common | ATTY. ERIC T. DYKIMCHING<br>Assistant Corporate Secretary<br>One Orion<br>11 <sup>th</sup> Avenue cor. University Parkway<br>Bonifacio Global City 1634<br>Metro Manila                | 0<br>Direct<br>0<br>Indirect     | Filipino | - |

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

## MANAGEMENT AND CERTAIN SECURITY HOLDERS

- Directors and Executive Officers as a Group

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

### Changes in Control

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

Moreover, the Securities and Exchange Commission ("SEC") approved the increase in the Registrant's Authorized Capital Stock in the amount of Fourteen Billion Pesos (P14,000,000,000.00). In this regard, pursuant to the resolutions passed by the Registrant's Board on 15 June 2007 and resolutions passed by the Registrant's Stockholders on 16 July 2007, as fully disclosed to the SEC and the Philippine Stock Exchange, Inc. ("PSE"), SLRDI subscribed to Ten Billion Pesos (P10,000,000,000.00) of the said increase in Authorized Capital Stock.

The said subscription by SLRDI was under the following terms and conditions: (a) subscription shall be at par value; (b) payment of subscription shall be by way of transfer of assets; and (c) the value of the assets to be transferred by SLRDI to the Registrant in payment of the subscription should be acceptable to the Registrant's Board and, in any event, shall be subject to a reasonable discount on the market. In the meeting held on 16 August 2010 which was previously disclosed, the Registrant's Board of Directors approved the following matters in relation to SLRDI's subscription, subject to the approval of the SEC: (a) removal of the three (3) lots covered by TCT Nos. 1002784, 1002748 and 196218 from the properties to be assigned, transferred and conveyed by SLRDI to the Registrant as payment for the subscription; (b) correction of the amounts of loans for which some of the SLRDI properties

are used as collateral (“Loan Amounts”); and (c) treatment of the excess of the aggregate fair market value of the SLRDI properties over the shares to be issued by the Registrant to SLRDI, after deducting the Loan Amounts: (i) as additional paid in capital of the Registrant to the extent of Three Hundred Million Pesos (P300,000,000.00); and (ii) with the balance of such excess to be treated as a discount.

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

To settle the intercompany advances, SLRDI and the Parent Company entered into a Deed of Assignment on 08 July 2014 (“Deed of Assignment”) rescinding the assignment of “Saddle and Clubs Leisure Park” and agreed to convey 3,000,000,000 shares out of SLRDI’s shareholdings in the Registrant in two tranches as follows:

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

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

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

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

Please note that, as of 31 March 2023, SLRDI directly and beneficially owns Six Billion Seven Hundred One Million Five Thousand Seven Hundred Sixty Seven (6,701,005,767) shares, representing 80.7696% of the voting securities in the Registrant.

There was no change in control of the Registrant for the year 2022.

### **Voting Trust Holders**

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

### **Directors and Executive Officers of the Registrant**

#### **Directors**

| <b>Names</b>         | <b>Position</b> | <b>Age</b> | <b>Citizenship</b> |
|----------------------|-----------------|------------|--------------------|
| VICENTE R. SANTOS    | Chairman        | 66         | Filipino           |
| EXEQUIEL D. ROBLES   | President       | 68         | Filipino           |
| MARIZA R. SANTOS-TAN | Treasurer       | 64         | Filipino           |

|                     |                      |    |          |
|---------------------|----------------------|----|----------|
| AURORA D. ROBLES    | Assistant Treasurer  | 56 | Filipino |
| ANTONIO D. ROBLES   | Director             | 58 | Filipino |
| ORESTES R. SANTOS   | Director             | 61 | Filipino |
| SIMEON S. CUA       | Director             | 66 | Filipino |
| RENATO C. FRANCISCO | Independent Director | 74 | Filipino |
| DANILO A. ANTONIO   | Independent Director | 68 | Filipino |

### **Executive/Corporate Officers**

| <b>Names</b>               | <b>Position</b>   | <b>Age</b> | <b>Citizenship</b> |
|----------------------------|---|------------|--------------------|
| VICENTE R. SANTOS          | Chairman  | 66         | Filipino           |
| EXEQUIEL D. ROBLES         | President   | 68         | Filipino           |
| DAVID M. DELA CRUZ         | Executive Vice-President,<br>Chief Financial Officer, and<br>Chief Risk Officer   | 56         | Filipino           |
| MARIZA R. SANTOS-TAN       | Treasurer   | 64         | Filipino           |
| AURORA D. ROBLES           | Assistant Treasurer   | 56         | Filipino           |
| ACE FRANZIZ D.<br>CUNTAPAY | Internal Auditor and Data<br>Protection Officer                                   | 29         | Filipino           |
| JEREMIAH T. PAMPOLINA      | Chief Compliance Officer and<br>VP for Investor Relations &<br>Corporate Planning | 45         | Filipino           |
| PATRICIA A. O. BUNYE       | Corporate Secretary   | 54         | Filipino           |
| ERIC T. DYKIMCHING         | Assistant Corporate Secretary   | 39         | Filipino           |
| CRYSTAL I. PRADO           | Assistant Corporate Secretary   | 42         | Filipino           |

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

On 02 May 2023, Mr. Exequiel D. Robles and Mr. Vicente R. Santos, stockholders of the Registrant, nominated Messrs. Renato C. Francisco and Danilo A. Antonio as Independent Directors of the Registrant for the year 2023-2024 pursuant to Section 2.01 of Article II of the amended By-laws of the Registrant, to wit:

#### **“Section 2.01. xxx**

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

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

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

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

In compliance with the Registrant’s By-Laws, the Registrant’s Corporate Governance Committee, which performs the functions of the Nomination Committee, has pre-screened the qualifications of the nominees and included them in the Final List of Candidates. Mr. Vicente R. Santos and Mr. Exequiel D. Robles are not related by affinity, consanguinity, contract or agreement to Mr. Renato C. Francisco and Mr. Danilo A. Antonio. The Certifications on Qualifications and Disqualifications executed by Messrs. Renato C. Francisco and Danilo A. Antonio are attached.

The members of the Audit Committee are the following:

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

The members of the Corporate Governance Committee are the following:

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

The following persons are nominees for election as directors for the year 2023-2024:

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

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

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

### **VICENTE R. SANTOS – Chairman**

|                |  |
|----------------|--|
| Term of Office | One year (2022-2023)   |
| Address        | Evangelista St., Brgy. Santolan, Pasig City  |
| Age            | 66   |
| Citizenship    | Filipino   |
| Positions Held | Executive Vice President, Sta. Lucia Realty & Development, Inc.; EVP, Valley View Realty Dev't Corp.; EVP, RS Maintenance & Services Corp.; Chairman, Sta. Lucia East Cinema Corp.; Chairman, Sta. Lucia East Supermarket Corp.; EVP, Sta. Lucia Waterworks Corp.; EVP Rob-San East Trading Corp.; EVP, Sta. Lucia East Commercial Corp.; EVP, RS Night Hawk Security & Investigation Agency; Chairman, Sta. Lucia East Bowling Center, Inc.; EVP, Sta. Lucia East Department Store, Inc.; President, Acropolis North; Corporate Secretary, Lakewood Cabanatuan; Chairman, Orchard Golf & Country Club<br>Directorships held Orchard Golf & Country Club; Eagle Ridge Golf & Country Club; Sta. Lucia Land, Inc.; Sta. Lucia East Cinema Corp.; Sta. Lucia East Commercial Corp.; Sta. Lucia East Department Store, Inc., SLLI Global Marketing Inc., and Sta. Lucia Homes, Inc. |

### **EXEQUIEL D. ROBLES – President/Director**

|                    |   |
|--------------------|---|
| Term of Office     | One year (2022-2023)  |
| Address            | F. Pasco Avenue, Dumandan Compound, Santolan, Pasig City  |
| Age                | 68  |
| Citizenship        | Filipino  |
| Positions Held     | President and General Manager, Sta. Lucia Realty & Development, Inc.; President, Sta. Lucia East Cinema Corporation; President, Sta. Lucia East Commercial Corporation; President, Sta. Lucia East Bowling Center, Inc.; President, Sta. Lucia East Supermarket Corp.; President, Sta. Lucia East Department Store, Inc. ; President, Valley View Realty and Development Corporation; President, RS Maintenance & Services, Inc.; President, Rob-San East Trading Corporation; President, RS Night Hawk Security & Investigation Agency |
| Directorships Held | SLLI Global Marketing, Inc., Santalucia Ventures, Inc., Sta. Lucia Homes, Inc., Sta. Lucia Realty & Development, Inc., Sta. Lucia East Cinema Corporation, Sta. Lucia Waterworks Corporation, Sta. Lucia East Commercial Corporation, Sta. Lucia East Department Store, Sta. Lucia East Bowling Center, Inc., Valley View Realty Development Corporation, RS Maintenance & Services, Inc.   |

### **MARIZA R. SANTOS-TAN – Treasurer/Director**

|                |  |
|----------------|--|
| Term of Office | One year (2022-2023)                                   |
| Address        | G/F, State Center II, Ortigas Avenue, Mandaluyong City |
| Age            | 64   |

|                    |   |
|--------------------|---|
| Citizenship        | Filipino  |
| Positions Held     | Corporate Secretary, Sta. Lucia Realty & Development, Inc.; Vice President, Valley View Realty Development, Inc.; Corporate Secretary, RS Maintenance & Services Corporation; Corporate Secretary, Sta. Lucia East Cinema Corporation; Corporate Secretary, Sta. Lucia Waterworks Corporation; Corporate Secretary, Rob-San East Trading Corporation; Corporate Secretary, Sta. Lucia East Commercial Corporation; Corporate Secretary, RS Night Hawk Security & Investigation Agency; Corporate Secretary, Sta. Lucia East Bowling Center, Inc.; Corporate Secretary, Sta. Lucia East Department Store, Inc.; Corporate Secretary, Sta. Lucia East Supermarket Corp.; President, Royale Tagaytay Golf & Country Club; Assistant Corporate Secretary, Alta Vista Golf & Country Club; Treasurer, Manila Jockey Club; Corporate Secretary, Worlds of Fun; Corporate Secretary, Eagle Ridge Golf & Country Club |
| Directorships Held | Sta. Lucia Realty & Development, Inc., Valley View Realty Development, Inc., Orchard Golf & Country Club, Alta Vista Golf & Country Club, Manila Jockey Club, True Value Workshop, Consolidated Insurance Company, Unioil Resources Holdings, Inc.; EBEDEV, Inc.  |

**AURORA D. ROBLES** – Assistant Treasurer/Director

|                    |  |
|--------------------|--|
| Term of Office     | One year (2022-2023)   |
| Address            | The Alexandra Condominiums, Meralco Avenue, Pasig City   |
| Age                | 56   |
| Citizenship        | Filipino   |
| Positions Held     | Purchasing Manager, Sta. Lucia Realty & Development, Inc.; Stockholder, Valley View Realty Dev't Corp.; Stockholder, RS Maintenance & Services Corp.; Chief Administrative, Sta. Lucia East Cinema Corp.; Chief Administrative, Sta. Lucia Waterworks Corp.; Chief Administrative, Rob-San East Trading Corp.; Stockholder, Sta. East Commercial Corp.; Stockholder, RS Night Hawk Security & Investigation Agency |
| Directorships Held | CICI General Insurance Corp.   |

**SIMEON S. CUA** – Director

|                    |  |
|--------------------|--|
| Term of Office     | One year (2022-2023)   |
| Address            | 1765 P.M. Guazon St., Paco Manila 1007   |
| Age                | 66   |
| Citizenship        | Filipino   |
| Positions Held     | President and CEO, Philippine Racing Club, Inc.; President, Cualoping Securities, Inc. |
| Directorships held | Philippine Racing Club, Inc., Cualoping Securities, Inc., AREIT, Inc.                  |

**ANTONIO D. ROBLES** – Director

|                |                                  |
|----------------|----------------------------------|
| Term of Office | One year (2022-2023)             |
| Address        | Odysseus, Acropolis, Quezon City |
| Age            | 58                               |
| Citizenship    | Filipino                         |



|                    |  |
|--------------------|--|
| Positions Held     | Stockholder, Sta. Lucia Realty & Development, Inc.; Stockholder, Valley View Realty Dev't Corp.; Stockholder, RS Maintenance & Services Corp.; Treasurer, Orchard Marketing Corporation; Stockholder, Sta. Lucia East Commercial Corp.; Stockholder, RS Night Hawk Security & Investigation Agency; Stockholder, Exan Builders Corp.; Owner, Figaro Coffee; Owner, Cabalen |
| Directorships held | Exan Builders Corp., Sta. Lucia Homes, Inc.  |

**ORESTES R. SANTOS** – Director

|                    |  |
|--------------------|--|
| Term of Office     | One year (2022-2023)   |
| Address            | Odysseus St., Acropolis, Quezon City   |
| Age                | 61   |
| Citizenship        | Filipino   |
| Positions Held     | Project Manager, Sta. Lucia Realty & Development, Inc.; President, RS Superbatch, Inc. |
| Directorships held | City Chain Realty  |

**RENATO C. FRANCISCO** – Independent Director

|                |  |
|----------------|--|
| Term of Office | One year (2022-2023)   |
| Address        | No. 8 Sparrow Street, New Marikina Subdivision, Marikina City  |
| Age            | 74   |
| Citizenship    | Filipino   |
| Positions Held | Associate Justice, Court of Appeals (2012-2018; retired in 2018); Presiding/Executive Judge, Regional Trial Court - Malolos Bulacan (1996-2012); Assistant Prosecutor - Makati City; Assistant Provincial Prosecutor – Rizal and OIC Legal Division of Metrobank |

**DANILO A. ANTONIO** – Independent Director

|                |  |
|----------------|--|
| Term of Office | One year (2021-2022)   |
| Address        | 2731 Taft Avenue Extension, Brgy. San Rafael, Pasay City   |
| Age            | 68   |
| Citizenship    | Filipino   |
| Positions Held | CEO, Land-Excel Consulting Inc.; President, West Palawan Premiere; Professor of Entrepreneurship, Ateneo de Manila University Graduate School of Business; Management Committee Member and Advisor, AIM Conference Center Manila; President, Eton Properties; Head of Business Development, Rockwell; Managing Director, Filinvest Malls; President, BDO Realty Corp.; Chairman, Tagaytay Glassland & Canyon Resort Club; Co-Founder & COO, Landco Pacific Corp.; President, SM Cinemas Manpower Corporation; Senior Manager, Ayala Land Inc.; Undersecretary, Office of the Presidential Assistant for Rehabilitation and Recovery (OPARR); Professor of Business Management, Asian Institute of Management |

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

|                |   |
|----------------|---|
| Term of Office | One year (2022-2023)  |
| Address        | #31, La Naval Street Remmanville Subdivision Better Living, Parañaque City  |
| Age            | 56  |
| Citizenship    | Filipino  |
| Positions Held | VP and CFO – Atlas Consolidated Mining and Development Corp.; SAVP – Corporate Credit Risk Management - BDO; President – AC&D Corporate Partners; President / CFO – Geograce Resources Phils. Inc.; Vice President / Head of Sales Amsteel Securities Philippines Inc; Senior Manager – Investment Banking Deutsche Morgan Grenfell Hong Kong Limited; Acting General Manager & Marketing Head – UBP Securities / Manager - Investment Banking - UBP Capital Corporation; Senior Auditor, SGV & Co. |

**ATTY. PATRICIA A. O. BUNYE** – Corporate Secretary

|                    |  |
|--------------------|--|
| Term of Office     | One year (2022-2023)   |
| Address            | 9 <sup>th</sup> , 10 <sup>th</sup> , 11 <sup>th</sup> & 12 <sup>th</sup> Floors, One Orion, 11 <sup>th</sup> Avenue cor. University Parkway, Bonifacio Global City, Metro Manila   |
| Age                | 54   |
| Citizenship        | Filipino   |
| Positions Held     | Senior Partner, Cruz Marcelo & Tenefrancia; Past President, Licensing Executives Society International; Founding President, Diwata-Women in Resource Development, Inc.; Past President, Integrated Bar of the Philippines (Pasay, Parañaque, Las Piñas & Muntinlupa Chapter); Corporate Secretary, PTFC Redevelopment Corporation; Corporate Secretary, Lawphil Investments, Inc.; President, CVCLAW Center Condominium Corporation; Fellow, Institute of Corporate Directors. |
| Directorships Held | Baskerville Trading Corporation; Belmont Equities, Inc.; DineEquity Philippines Holdings, Inc.; Lawphil Investments, Inc.; Mianstal Holdings, Inc.; Quaestor Holdings, Inc.; Westminster Trading Corporation; Winchester Trading Corporation; Windermere Marketing Corporation; CVCLAW Center Condominium Corporation; TDF Holdings, Inc.  |

**ATTY. CRYSTAL I. PRADO** – Assistant Corporate Secretary

|                |   |
|----------------|---|
| Term of Office | One year (2022-2023)  |
| Address        | N409, Phase 4, El Pueblo One Condominium, King Christian St., Kingspoint Subd., Novaliches, Quezon City   |
| Age            | 42  |
| Citizenship    | Filipino  |
| Positions Held | Legal Counsel, Sta. Lucia Land, Inc.; Corporate Secretary, Santalucia Ventures, Inc.; Corporate Secretary, Sta. Lucia Homes, Inc.; Assistant Corporate Secretary, The Mills Country Club, Inc.; College Instructor, St. Joseph's College of Quezon City; Legal Officer/Executive Assistant/Marketing Head, Principalia Management and Personnel Consultants, Inc.; Program Coordinator and Director for Education, Sta. Lucia Foundation, Inc.; Consultant, |

Sta. Lucia Leisure, Inc.; Consultant, Sta. Lucia Volleyball Club; Consultant, Firestarters Productions, Inc.; Consultant, Siddharta Techwork; Court Interpreter III, Supreme Court; English Teacher, Call `n Talk; English Teacher, Top English Center; English Teacher, CNN Language Center; English

**ATTY. ERIC T. DYKIMCHING** – Assistant Corporate Secretary

|                |   |
|----------------|---|
| Term of Office | One year (2022-2023)  |
| Address        | 9 <sup>th</sup> , 10 <sup>th</sup> , 11 <sup>th</sup> & 12 <sup>th</sup> Floors, One Orion, 11 <sup>th</sup> Avenue cor. University Parkway, Bonifacio Global City, Metro Manila  |
| Age            | 39  |
| Citizenship    | Filipino  |
| Positions Held | Partner, Cruz Marcelo & Tenefrancia; Corporate Secretary, Starlink Internet Services Philippines, Inc.; Assistant Corporate Secretary, Tewet Philippines, Inc.; Assistant Corporate Secretary, Vice Cosmetics Group, Inc.; Assistant Corporate Secretary, Kepwealth Properties, Inc.; Assistant Corporate Secretary, PTFC Redevelopment Corporation. Former Consultant (Joint Venture Specialist), Public Private Partnership Center via the Asian Development Bank |

**ACE FRANZIZ D. CUNTAPAY** – Internal Auditor and Data Protection Officer

|                |   |
|----------------|---|
| Term of Office | One year (2022-2023)                          |
| Address        | Unit 3020, GA Tower 2, EDSA, Mandaluyong City |
| Age            | 29  |
| Citizenship    | Filipino                                      |
| Positions Held | Associate Auditor, SGV & Co.                  |

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

|                |  |
|----------------|--|
| Term of Office | One year (2022-2023)   |
| Address        | 67C J.P. Rizal Street, Project 4, Quezon City  |
| Age            | 45   |
| Citizenship    | Filipino   |
| Positions Held | Junior Bank Officer, Union Bank of the Philippines; Business Development & Strategic Planning Manager, P. J. Lhuillier Group of Companies; Supply Chain and Operations Manager, Technomarine Philippines; Business Development & Operations Manager, Aboitiz-Jebsen; Associate Lecturer - Strategic Management, De La Salle University |

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

**Family Relationships**

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

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

Status as of 22 May 2023

| NO | CASE TITLE   | NATURE OF CASES   | PROPERTY INVOLVED                  | COURT                                    | CASE NO.                       | AMOUNT INVOLVED  | STATUS   |
|----|--|---|------------------------------------|--|--------------------------------|--|--|
| 1  | FELICISIMA BALAGTAS AND OFELIA ALVAREZ VS. SLLI, MICHAEL ROBLES AND MILESTONE FARMS                  | CANCELLATION OF SALE, REFUND OF ALL PAYMENTS TO THE RESPONDENTS AND THE CORRESPONDING VAT WITH INTEREST AND DAMAGES<br><br>(Summons received on: June 05, 2014) | PALO ALTO                          | HLURB QUEZON CITY                        | HLURB REM-121012-14950         | > 4,158,229.00<br>> 100,000.00<br>MORAL DAM<br>> 100,000.00<br>EXEMPLARY DAM<br>> 30,000.00<br>ATTORNEY'S FEES | JOINT SITE INSPECTION SHOWED THAT THE LOT IS BUILDABLE; BALAGTAS NOT AMENABLE<br><br>HLURB GRANTED RESCISSION;<br>FILED APPEAL MEMORANDUM AT OFFICE OF THE PRESIDENT<br><br>PENDING APPEAL |
| 2  | SHERRYL ADRIANO VS. STA. LUCIA LAND  | REFUND  |                                    | HLURB CALAMBA LAGUNA                     | HLURB CASE NO. RIV-102317-4813 | -  | REFUNDED, PRINCIPAL AMOUNT AS REFLECTED IN THE SOA<br><br>SUBMISSION OF MANIFESTATION (COMPLIANCE)   |
| 3  | JONAH FE ELISCUPIDES   | WAIVER OF PENALTIES AND INTEREST  | ALMERIA VERDE PANGASINAN           | HLURB BAGUIO                             | N/A                            | -  | FOR FINAL DISPOSITION<br><br>WAIVER OF PENALTIES GRANTED. 50% INTEREST ARE NOT WAIVED SINCE IT IS STIPULATED IN THE CONTRACT   |
| 4  | GOLDEN SEA BEACH RESORT AND DEVELOPMENT CORP   | QUIETING OF TITLE   | LIAN, BATANGAS PROJECT             | RTC BATANGAS                             | CIVIL CASE NO. 1422            | -  | SLI IS NOT THE REGISTERED OWNER; NOT A REAL PARTY IN INTEREST IN THE COMPLAINT<br><br>HEARING ON JUNE 29, 2021<br><br>FOR JOINT SURVEY   |
| 5  | MEGATOP REALTY VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS  | ESTAFRA   |                                    | OCP QC                                   | XV-03-INV-20A- 00819           | -  | FILED MOTION FOR RECONSIDERATION<br><br>FILED COUNTER AFFIDAVIT<br><br>FILED PETITION FOR REVIEW DOJ<br><br>FOR ARRAIGNMENT  |
| 6  | MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL. | ANNULMENT OF TITLE WITH PRAYER FOR ISSUANCE OF PRELIMINARY INJUNCTION AND/OR TEMPORARY RESTRAINING ORDER (TRO)  | THE TRIBUTE                        | REGIONAL TRIAL COURT BR. 219 QUEZON CITY | N/A                            | -  | MOTION TO DISMISS FILED BY SLI GRANTED.<br><br>CASE DISMISSED.<br><br>PLAINTIFFS' MR GRANTED<br><br>JUNE 22, 2021 PRE TRIAL – COMPLETED<br><br>HEARING ON JUNE 23, 2023                    |
| 7  | SPS RIVERA and SULITE  | REFUND  | GOLDEN MEADOWS BINAN               | HSAC                                     | REM -00458                     | -  | SETTLED/TERMINATED<br><br>COMPLAINANT SUBMIT MOTION TO WITHDRAW COMPLAINT FILED ON NOV 25, 2022  |
| 8  | SPS JERAMEEL I PABLO   | SPECIFIC PERFORMANCE  | GOLDEN MEADOWS BINAN               | HSAC                                     | RIV-REM - 220317-00413         | -  | ANSWER FILED   |
| 9  | NOTICE OF VIOLATION (AGBING, TEODORA)<br><br><i>Date Instituted: 07 December 2022</i>                | NON-DELIVERY OF DOAS AND TCT  | GRAND VILLAS BATANGAS 001-016-0052 | DHSUD                                    | N/A                            |  | SUBMITTED A MANIFESTATION  |

| NO | CASE TITLE  | NATURE OF CASES   | PROPERTY INVOLVED   | COURT | CASE NO.                      | AMOUNT INVOLVED | STATUS  |
|----|---|---|---|-------|-------------------------------|-----------------|---|
| 10 | NOTICE TO COMMENT (ARNESTO, SPS. MARIA SHEILA & JOVEN)<br><br><i>Date Instituted: 02 May 2023</i> | NON-DELIVERY OF DOAS AND TCT; SELLING W/O LTS                                       | SOUTH COAST BATANGAS 01A-034-0025/26/27   | DHSUD | N/A                           |                 | SUBMITTED NOTICE TO COMMENT; 1ST CONCILIATION DTD JUNE 29       |
| 11 | NOTICE TO COMMENT (DE GUZMAN, JOHN AIRMER)<br><br><i>Date Instituted: 14 March 2023</i>           | REQUEST FOR RESTRUCTURING OF ACCOUNT & RETRACT CANCELLATION OF CTS                  | ST. CHARBEL DASMARIÑAS 003-010-0029   | DHSUD | N/A                           |                 | SUBMITTED NOTICE TO COMMENT                                     |
| 12 | NOTICE TO COMMENT (GOLSER, JULIETA)<br><br><i>Date Instituted: 24 April 2023</i>                  | REFUND OF PAYMENTS AND CREDIT THE SAME TO THE REMAINING LOTS                        | MESILO NUEVA VIDA VARIOUS LOTS  | DHSUD | N/A                           |                 | SUBMITTED NOTICE TO COMMENT                                     |
| 13 | NOTICE TO COMMENT (JIAO, GINA)<br><br><i>Date Instituted: 23 March 2023</i>                       | NON ACCESSIBILITY AND NON-OPERATIONAL OF ARTERRA RESIDENCES                         | ARTERRA RESIDENCES 001-005-ST00   | DHSUD | N/A                           |                 | SUBMITTED NOTICE TO COMMENT; 1ST CONCILIATION DTD MAY 12        |
| 14 | NOTICE TO COMMENT (JUSTINIANA, JEFFREY)<br><br><i>Date Instituted: 16 January 2023</i>            | REFUND OF PAYMENTS  | MESILO NUEVA VIDA 001-010-0041  | DHSUD | N/A                           |                 | SUBMITTED NOTICE TO COMMENT                                     |
| 15 | NOTICE TO COMMENT (SAYCO, KATRINA CASSANDRA)<br><br><i>Date Instituted: 27 January 2023</i>       | NON-ISSUANCE OF CONDOMINIUM CERTIFICATE OF TITLE                                    | EAST BEL-AIR RESIDENCES 003-004-STCE  | DHSUD | N/A                           |                 | SUBMITTED NOTICE TO COMMENT                                     |
| 16 | NOTICE OF VIOLATION (DHSUD)<br><br><i>Date Instituted: 11 April 2023</i>                          | FAILURE TO SECURE COR, SELLING WITHOUT LTS AND ADVERTISEMENT WITHOUT PRIOR APPROVAL | CATALINA LAKE RESIDENCES PALAWAN  | DHSUD | N/A                           |                 |   |
| 17 | NOTICE OF VIOLATION (DHSUD)<br><br><i>Date Instituted: 10 March 2023</i>                          | FAILURE TO SECURE COR, SELLING WITHOUT LTS AND ADVERTISEMENT WITHOUT PRIOR APPROVAL | GREENPEAK HEIGHTS PALAWAN   | DHSUD | N/A                           |                 |   |
| 18 | NOTICE OF VIOLATION (DHSUD)<br><br><i>Date Instituted: 11 April 2023</i>                          | FAILURE TO SECURE COR, SELLING WITHOUT LTS AND ADVERTISEMENT WITHOUT PRIOR APPROVAL | SOTOGRADE PALAWAN TOWER 1   | DHSUD | N/A                           |                 |   |
| 19 | RINGGO ROMERO ANACAN  | WAIVER OF PENALTIES (LOTS), REFUND/ REPLACEMENT OF THE CONDOTEL UNIT                | SPLENDIDO TAAL TOWERS EAGLE RIDGE PHASE 1 BLOCK 15 LOT 1, BLOCK 25 LOT 7, BLOCK 18 LOT 0000 | HSAC  | RIVA-REM-221221-00627         |                 | PRINCIPAL AMOUNT REFUNDED AND ACKNOWLEDGED                      |
| 20 | MARK OLIVER SILVANO   | REFUND  | SOUTH SORING LAGUNA, PHASE1 BLOCK 2 LOT 15  |       | NCR REM CASE NO. 220714-00553 |                 | SIGNED COMPROMISE AGREEMENT; SUBMISSION OF COMPROMISE AGREEMENT |

The following investigations involve the Registrant's directors and officers with their status as of 22 May 2023:

| NO | CASE TITLE   | NATURE OF CASES   | PROPERTY INVOLVED                     | PENDING COURT           | CASE NO.                          | STATUS  |
|----|--|---|---------------------------------------|-------------------------|-----------------------------------|---|
| 1  | <b>DOMINADOR TAN VS. EXEQUIEL D. ROBLES AND SLRDI</b>  | Recovery of ownership and possession with application for the issuance of a temporary order and/or preliminary injunction<br><br><i>Date Instituted: March 26, 2013</i>   | Portion of SOUTH SPRING               | RTC, Binan, Laguna      | Civil Case No. B-9022             | <b>FOR DISMISSAL</b><br><br><b>ONGOING JV NEGOTIATION</b>                           |
| 2  | <b>LA MIRADA ROYALE RESIDENTIAL I, II, III, IV AND V VS. VICENTE R. SANTOS AND LA MIRADA ROYALE RESIDENTIAL ASSOCIATION</b>                                    | CANCELLATION OF CERTIFICATES OF REGISTRATION<br><br><i>Date Instituted: August 22, 2013</i>   | LA MIRADA                             | HLURB QUEZON CITY       | HLURB CASE NO. NTR-HOA-082213-575 | <b>FILED APPEAL MEMORANDUM AT OP</b><br><br><b>PENDING</b>                          |
| 3  | <b>BAYBREEZE EXECUTIVE VILLAGE HOMEOWNERS ASS. VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI</b>  | Development<br><br><i>Date Instituted: November 26, 2013</i>  | BAYBREEZE                             | OFFICE OF THE PRESIDENT | HLURB CASE NO. NCRHOA-112613-1932 | <b>FILED APPEAL MEMORANDUM AT OP</b><br><br><b>PENDING</b>                          |
| 4  | <b>ROSALINA HONRADO VS. EXEQUIEL D. ROBLES, ET., AL. AND SLRDI</b>   | Pay the decreased in area and/or lot replacement<br><br><i>Date Instituted: August 12, 2014</i>   | ORCHARD RES. Phase 02 Block 12 Lot 60 | HLURB Calamba, Laguna   | RIV-081214-4114                   | <b>FILED MOTION TO DISMISSED</b><br><b>September 15, 2014</b><br><br><b>PENDING</b> |
| 5  | <b>PTOLYME DIMENSIONS INC AND SIAPORE MICRO VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI, EAGLERIDGE AND RS</b>                                      | Fraudulent Machination, unsound business practice, election of HOA officers, Annulment of property management contract, quo warranto with prayer for the issuance of a cease and desist order/application for temporary restraining order and or writ of preliminary injunction<br><br><i>Date Instituted: April 13, 2015</i> | EAGLE RIDGE                           | OFFICE OF THE PRESIDENT | HLURB CASE NO. RIV-041315-0741    | <b>FILED APPEAL MEMORANDUM AT OP</b><br><br><b>PENDING</b>                          |
| 6  | <b>GRACE PENDON ET., AL.. VS. EXEQUIEL D. ROBLES ET., AL.</b>  | HUMAN RIGHTS<br><br><i>Summons received on: July 01, 2015</i>   | RIZAL TECHNOPARK                      | CHR QUEZON CITY         | CHR NO. 2015-0217                 | <b>FILED COUNTER-AFFIDAVIT</b><br><br><b>PENDING</b>                                |
| 7  | <b>VISTA VERDE COUNTRY HOMES VS. EXEQUIEL D. ROBLES, JOHNIELLE KEITH NIETO</b>   | VIOLATION OF SEC. 3 (A) GRAVE MISCONDUCT OPPRESSION AND CONDUCT PREJUDICIAL TO THE BEST INTEREST PF THE SERVICE<br><br><i>Summons received on: July 30, 2015</i>  | VISTA VERDE COUNTRY HOME              | OFFICE OF THE OMBUDSMAN | OMB-L-C-15-0169                   | <b>DISMISSED</b><br><br><b>WITH APPEAL AT SC</b><br><br><b>FILED COMMENT</b>        |
| 8  | <b>RENATO CABILZO VS. EXEQUIEL D. ROBLES VICENTE R. SANTOS MARIZA SANTOS-TAN EXALTACION R. JOSEPH FELIZARDO R. SANTOS ANTONIO D. ROBLES LIBERATO D. ROBLES</b> | OTHER DECEITS SYNDICATED ESTAFA LARGE SCALE ESTAFA<br><br><i>Date Instituted: September 18, 2015</i>  | ACROPOLIS MANDALUYONG B 5 L4, 5, 6    | DOJ MANILA              | XV-1-INV-151-02516                | <b>DISMISSED</b><br><br><b>WITH APPEAL AT DOJ</b>                                   |

| NO | CASE TITLE   | NATURE OF CASES   | PROPERTY INVOLVED                        | PENDING COURT                             | CASE NO.                     | STATUS  |
|----|--|---|--|---|------------------------------|---|
| 9  | SPS. MARTIN ERICSON CRUEL AND CZARINA CRUEL VS. MARIZA SANTOS-TAN, SLRDI   | <i>Specific Performance</i><br><br><i>Date Instituted: December 23, 2015</i>  | VALLEY VIEW EXEC.<br>P 1C<br>B 2<br>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>  | ROYALE CEBU ESTATE                       | PROSECUTORS OFFICE OF CEBU                | I.S. NO. VII-INV-16G-0925    | FILED COUNTER AFFIDAVIT<br><br>PENDING  |
| 11 | TIMOTHY JASON PERALEJO VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS, MARIZA SANTOS-TAN, EXALTACION R. JOSEPH, LIBERATO D. ROBLES, FELIZARDO R. SANTOS, IGMIDIO D. ROBLES, LEODEGARIO R. SANTOS, AURORA D. ROBLES, ORESTES R. SANTOS, ROBERTO D. ROBLES, DOMINGA R. ROBLES, ANTONIO D. ROBLES, ANDREA R. ANDRES, | PD 957<br><br><i>Date Instituted: November 27, 2017</i>   | VISTA REAL CLASSICA P UPM<br>B 9<br>L 10 | PROSECUTORS OFFICE OF QUEZON CITY         | NPS XV-03-INV-17K-11187      | DISMISSED (JUNE 2018)<br><br>FILED PETITION FOR REVIEW AT DOJ                 |
| 12 | JERRY GALOPE VS. EXEQUIEL D. ROBLES, SLRDI, ET., AL.   | <i>Quieting of Title</i><br><br><i>Date Instituted: April 20, 2016</i>  | MEADOWOOD CAVITE                         | REGIONAL TRIAL COURT BR. 19 BACOR, CAVITE | BSC-2016-04                  | FILED ANSWER JULY 06, 2018<br><br>WITH MOTION TO SET PRE-TRIAL<br><br>PENDING |
| 13 | DEPT. OF AGRARIAN REFORM/PROVINCIAL TASK FORCE VS. EXEQUIEL D. ROBLES, IGMIDIO D. ROBLES, ET., AL.   | <i>Section 73, RA 6657 as Amended 25 of RA 9700</i><br><br><i>Date Instituted: June 20, 2018</i>                      | BLUEMOUNTAIN ANTIPOLLO                   | PROSECUTORS OFFICE OF ANTIPOLLO           | XV-01-INV-18F-00688          | DISMISSED (OCT. 2018)<br><br>FILED MR   |
| 14 | RUSSEL MIRAFLOR VS. EXEQUIEL D. ROBLES, ET., AL.   | <i>Estafa</i><br><br><i>Date Instituted: June 13, 2018</i>  | VISTA VERDE QUEZON P 2<br>B 41<br>L 35   | PROSECUTORS OFFICE OF LUCENA              | NPS-IV-16-INV-12E-00232      | FILED COUNTER AFFIDAVIT AUG. 2018   |
| 15 | CECILIA CORDERO VS. EXEQUIEL D. ROBLES   | <i>Violation of Sections 4 &amp; 5 in rel to Sec. 39 of PD 957</i><br><br><i>Complaint received on: Oct. 13, 2014</i> | PONTE VERDE BATANGAS P5<br>B7<br>L12     | PROSECUTORS OFFICE OF TANAUAN             | NPSD NO. IV-02-INV-171-01384 | DISMISSED MARCH 2018<br><br>FILED PETITION FOR REVIEW AT DOJ                  |
| 16 | MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL.   | <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            | FILED COMMENT/ OPPOSITION   |
| 17 | MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS AND LIBERATO D. ROBLES, ET., AL.  | Syndicated Estafa   |  | PROSECUTORS OFFICE OF QUEZON CITY         | XV-03-INV-18F-05949          | DISMISSED (NOV. 2018)<br><br>FILED PETITION FOR REVIEW AT DOJ                 |
| 18 | ROMEO LADANO VS. DENNIS BELMONTE EUFEMIA ABEDES EXEQUIEL ROBLES IGMIDIO ROBLES   | Malicious Mischief<br><br><i>Complaint received on: Jan. 23, 2018</i>   | BLUEMOUNTAIN ANTIPOLLO                   | PROSECUTORS OFFICE OF ANTIPOLLO           | XV-01-INV-17J-01001          | DISMISSED<br><br>WITH MR  |
| 19 | NELSON ZAPEDA VS. EXEQUIEL D. ROBLES   | Estafa  | GREENWOODS TAYTAY                        | NATIONAL BUREAU OF INVESTIGATION Manila   | NBI-CCN-C-18-06295           | ONGOING INVESTIGATION   |

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

### **Certain Relationships and Related Transactions**

As previously disclosed, SLRDI entered into a Property-for-Equity Swap with the Registrant in exchange for 10,000,000,000 shares of the latter. As of 31 March 2023, the Corporation has a total of 2,500,000,000 treasury shares which arose from the settlement of intercompany advances between the Registrant and SLRDI.

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

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

Apart from the foregoing, the Registrant does not know of any other parties that fall outside the definition "related parties" under SFAS/IAS No. 24, but with whom the Registrant or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

### **Independent Public Accountant**

As previously disclosed to the SEC and to the PSE on 17 June 2022, at the Annual Stockholders' Meeting, the stockholders agreed to retain Sycip Gorres Velayo & Company ("SGV & Co.") as the external auditor of the Registrant for the year 2022-2023. SGV & Co. is recommended for re-appointment for the year 2023-2024.

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

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

The members of the Audit Committee are the following:

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



Representatives from SGV & Co. are expected to be present at the 2023 Annual Stockholders' Meeting, and have the opportunity to make a statement if they desire to do so. In the event the Corporation receives questions in accordance with the Guidelines for Participation via Remote Communication and Voting in Absentia, the Corporation shall coordinate with SGV & Co. for the response.

For the year 2023-2024, the recommended external auditor of the Registrant shall be SGV & Co., subject to the final recommendation of the Audit Committee.

### **Compensation of Directors and Officers**

The Directors and Officers do not receive any form of compensation except, in the case of Directors, for a per diem of Fifteen Thousand Pesos (PhP15,000.00) per meeting of the Board of Directors.

Apart from the per diem in the amount of Fifteen Thousand Pesos (PhP15,000.00), there are no standard arrangements or other arrangements between the Registrant and the directors and executive officers.

#### **Projected Compensation**

2023

(in Thousands)

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

#### **Actual Compensation**

2022

(in Thousands)

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

**Actual Compensation**  
2021  
(in Thousands)

| (a) Name and Principal Position                             | (b) Year | (c) Salary | (d) Bonus  | (e) Other Annual Compensation |
|---|----------|------------|------------|-------------------------------|
| I. Executive Officers                                       |          | Estimated  | Estimated  | Estimated                     |
| Vicente R. Santos – Chairman                                | 2020     | <u>XXX</u> | <u>XXX</u> | XXX                           |
| Exequiel D. Robles – President/Director                     | 2020     | <u>XXX</u> | <u>XXX</u> | XXX                           |
| David M. Dela Cruz – Executive Vice President               | 2020     | <u>XXX</u> | <u>XXX</u> | XXX                           |
| Mariza Santos-Tan – Treasurer/Director                      | 2020     | <u>XXX</u> | <u>XXX</u> | XXX                           |
| Aurora D. Robles – Assistant Treasurer/Director             | 2020     | <u>XXX</u> | <u>XXX</u> | XXX                           |
| Total for Above   |          | 7,450      | 2,580      | XXX                           |
| II. CEO and Four Most Highly Compensated Executive Officers |          | 7,450      | 2,580      | XXX                           |
| III. All Other Officers as a Group                          |          |            |            |                               |
| Unnamed   |          | 2,130      | 365        | XXX                           |

### Standard Arrangements

Other than payment of reasonable per diem in the amount of Fifteen Thousand Pesos (PhP15,000.00), there are no standard arrangements pursuant to which directors of the Registrant are compensated, directly or indirectly, for any services provided as a director for the last completed fiscal year and the ensuing year.

### Other Arrangements

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

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

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

### Warrants and Options Outstanding

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

## **Voting Procedures**

### **1. Vote Required for Approval or Election**

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

### **2. Method by which the Votes will be Counted**

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

The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting except for the procedural questions determined by the Chairman of the meeting, shall be counted by the Corporate Secretary. The Registrant's stock transfer agent, in conjunction with its external auditor, both independent parties, are also tasked to count votes on any matter properly brought to the vote of the shareholders, including the election of directors.

Stockholders as of record date of 12 May 2023 who have successfully registered their intention to participate in the annual meeting via remote communication and to vote *in absentia*, as duly verified and validated by the Registrant, shall be provided with log-in credentials for the online voting system. Registered stockholders may cast their votes for specific items in the agenda by accomplishing the ballot form provided to them. Upon accessing and downloading the ballot form, the stockholder can vote on each agenda item for on the ballot print-out. A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval. For the election of directors, the stockholder has the option to vote for all nominees, withhold their vote for any of the nominees, or vote for certain nominees only. Registered stockholders may submit their ballots by sending in the accomplished ballot for in JPG or PDF format via e-mail to the Corporation or by accomplishing the online form sent to their respective e-mails. Once all votes have been received, the Corporation shall tabulate the same and announce the results during the Meeting. The Guidelines for Participation via Remote Communication and Voting *in Absentia* shall be accessible on the Registrant's website.

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

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

## OTHER MATTERS

A. The Minutes of the Annual Stockholders' Meeting held on 17 June 2022, a copy of which is attached, will be submitted for the approval of the security holders. The minutes reflect the approval by the stockholders of the following matters:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on 25 June 2021.
2. Elected the following as members of the Board of Directors of the Corporation for the year 2022-2023:

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

3. Messrs. Danilo A. Antonio and Renato C. Francisco were elected as independent directors of the Corporation for the year 2022-2023, pursuant to Rule 38 of the Securities Regulation Code.
4. Appointed Sycip Gorres & Velayo [SGV & Co.] as the Corporation's external auditor for fiscal year 2022-2023.
5. Ratified all acts and resolutions of the Board of Directors and Management for the period from 25 June 2021 to 16 June 2022.

B. The Resolutions of the Board of Directors and Executive Committee of the Corporation for the period from 17 June 2022 to 15 June 2023 will be submitted for the approval of the security holders. The list of the foregoing resolutions is attached.

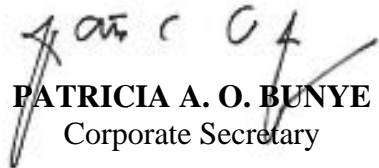
C. Appointment of Sycip Gorres & Velayo [SGV & Co.] as the Corporation's external auditor for fiscal year 2023-2024.

## **SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on 24 May 2023.

**STA. LUCIA LAND, INC.**  
Registrant

By:

  
**PATRICIA A. O. BUNYE**  
Corporate Secretary

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

**ANNUAL STOCKHOLDERS' MEETING**

17 June 2022, 8:00 a.m.  
Held at the Penthouse, Sta. Lucia Mall  
Marcos Highway corner Felix Avenue, Cainta, Rizal  
Via Videoconference

**I. ATTENDANCE**

|   |                      |
|---|----------------------|
| <b>TOTAL NUMBER OF SHARES PRESENT IN PERSON</b>     | <b>1,429,997</b>     |
| <b>TOTAL NUMBER OF SHARES REPRESENTED BY PROXY</b>  | <b>6,701,006,767</b> |
| <b>TOTAL NO. OF SHARES PRESENT/REPRESENTED</b>      | <b>6,702,436,764</b> |
| <b>TOTAL NO. OF SHARES ISSUED &amp; OUTSTANDING</b> | <b>8,196,450,000</b> |
| <b>PERCENTAGE OF SHARES PRESENT/REPRESENTED</b>     | <b>81.77%</b>        |

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

**II. PRESIDING OFFICER; SECRETARY**

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

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

At the request of the Chairman, the Corporate Secretary gave notice that the proceedings were being recorded in accordance with the Anti-Wiretapping Act, in relation to Securities and Exchange Commission ("SEC") Memorandum Circular No. 06, series of 2020 and certified that written notices of the Annual Stockholders' Meeting had been published in the business section of two (2) newspapers of general circulation, the Manila Bulletin and Business Mirror on 26 and 27 May 2022, in print and online format, in compliance with SEC Notice dated 16 February 2022. The Corporate Secretary then certified that a quorum was present for the transaction of business by the stockholders.

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

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

The Corporate Secretary discussed that, based on the List of Stockholders as of 13 May 2022 prepared by the Corporation's Stock Transfer Agent, the Corporation has 262 stockholders.

The Corporate Secretary then discussed the voting rights of each stockholder and voting procedure. Every stockholder shall be entitled to vote during all meetings, including the Annual Stockholders' Meeting, either in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact, through remote communication or *in absentia*, for each share of stock held by him which has voting power upon the matter in question.

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

The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting except for the procedural questions determined by the Chairman of the meeting, shall be in accordance with the Guidelines for Participation via Remote Communication and Voting in *Absentia*, which is available on the Corporation's website.

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

#### **V. READING AND APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 25 JUNE 2021**

The Chairman announced that the next item on the agenda was the review of the Minutes of the Annual Stockholders' Meeting held on 25 June 2021. Copies of the said Minutes were made available on the Corporation's website. Thereafter, the Corporate Secretary announced that the stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty Six Thousand Seven Hundred Sixty Four (6,702,436,764) shares, representing 81.77% of the outstanding capital stock of the Corporation, approved and adopted the following resolution:

**"RESOLVED**, that the Minutes of the Annual Stockholders' Meeting held on 25 June 2021 is hereby approved and adopted."

#### **VI. REPORT ON THE BOARD OF DIRECTORS**

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

Thereafter, the Chief Compliance Officer reported on the attendance of the Board of Directors in Meetings of the Stockholders and Board of Directors from 25 June 2021 to 16 June 2022.

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

## **VII. REPORT OF THE PRESIDENT**

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

## **VIII. APPROVAL AND RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT FOR THE PERIOD FROM 25 JUNE 2021 TO 16 JUNE 2022**

The Chairman then announced that the next item on the agenda was the ratification of all acts of the Board of Directors and the Management of the Corporation for the period from 25 June 2021 to 16 June 2022, a list of which is attached as Annex "C". Thereafter, the Corporate Secretary announced that the stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty Six Thousand Seven Hundred Sixty Four (6,702,436,764) shares, representing 81.77% of the outstanding capital stock of the Corporation, approved the following resolution:

**"RESOLVED**, that all acts of the Board of Directors and the Management of the Corporation for the period from 25 June 2021 to 16 June 2022 are hereby approved and ratified."

## **IX. ELECTION OF DIRECTORS**

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

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

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

Upon the request of the Chairman, the Corporate Secretary announced the nominees for Independent Directors of the Corporation for the year 2022-2023:



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

This was followed by the announcement of the nomination of the following persons to serve as members of the Board of Directors of the Corporation for the year 2022-2023:

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

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

Upon the request of the Chairman, the Corporate Secretary announced that based on the tally of votes of the stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty Six Thousand Seven Hundred Sixty Four (6,702,436,764) shares, representing 81.77% of the outstanding capital stock of the Corporation, as confirmed by the transfer agent, Professional Stock Transfer, Inc., the two (2) nominees for Independent Directors and seven (7) nominees for Directors of the Corporation were declared duly elected as Directors of the Corporation for the year 2022-2023.

**X. APPOINTMENT OF THE EXTERNAL AUDITOR OF THE CORPORATION FOR THE FISCAL YEAR 2022-2023**

It was proposed that Sycip Gorres Velayo and Company be appointed as the external auditor of the Corporation for the fiscal year 2022-2023. Thereafter, the Corporate Secretary announced that stockholders owning Six Billion Seven Hundred Two Million Four Hundred Thirty Six Thousand Seven Hundred Sixty Four (6,702,436,764) shares, representing 81.77% of the outstanding capital stock of the Corporation unanimously approved the following resolution:

**"RESOLVED,** That the appointment of Sycip Gorres Velayo and Company as the external auditor of the Corporation for the fiscal year 2022-2023 is hereby approved and adopted."

**XI. OTHER MATTERS**

Pursuant to the Guidelines for Participation via Remote Communication and Voting in *Absentia*, stockholders were given the opportunity to send their comments and questions by 09 June 2022. There being no questions or comments, the Chairman proceeded to the next item in the Agenda.

**XII. ADJOURNMENT**

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

CERTIFIED CORRECT:

**PATRICIA A. O. BUNYE**  
Corporate Secretary

ATTESTED BY:

**VICENTE R. SANTOS**  
Chairman



**CERTIFICATION**

June 14, 2022

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

1. I am the President of Professional Stock Transfer, Inc. (PSTI) a corporation duly organized and existing under and by virtue of the laws of the Philippines.
2. PSTI is the stock transfer agent of **STA. LUCIA LAND, INC. (SLI)** a corporation duly organized and existing under and by virtue of the laws of the Philippines with principal office at Penthouse, Building III, Sta. Lucia East Grandmall Felix Avenue corner Marcos Highway, Cainta, Rizal.
3. as stock transfer agent of SLI, PSTI maintains the shareholdings records of the shareholders of SLI.
4. that the total shares represented in proxies and in persons for the Annual Stockholders Meeting of Sta. Lucia Land, Inc. scheduled on June 17, 2022 is **6,702,436,764** shares equivalent to **81.7724%** of the total **8,196,450,000** outstanding shares of Sta. Lucia Land, Inc. as of May 13, 2022

This certification is for the Annual Stockholders' Meeting of Sta. Lucia Land, Inc. on June 17, 2022.

  
**JENNY C. SERAFICA**  
President




**STA. LUCIA LSND, INC.  
ANNUAL STOCKHOLDERS' MEETING  
June 17, 2022  
(Total Outstanding Shares: 8,196,450,000 )**

**TOTAL NUMBER OF VOTES**

|             | <u>NO. OF SHARES</u> | <u>%</u>        |
|-------------|----------------------|-----------------|
| PROXIES:    | 6,701,006,767        | 81.7550%        |
| IN PERSON:  | <u>1,429,997</u>     | <u>0.0174%</u>  |
| Total Votes | <u>6,702,436,764</u> | <u>81.7724%</u> |

Submitted by:

  
**JENNY C. SERAFICA**  
President

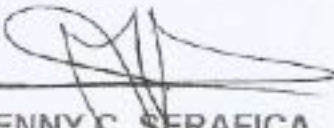


STA. LUCIA LAND, INC.  
ANNUAL STOCKHOLDERS' MEETING  
June 17, 2022  
LIST OF PROXY HOLDER

Total Outstanding Shares : 8,196,450,000

|  | <u>SHARES</u>        | <u>%</u>      |
|--|----------------------|---------------|
| <b>Exaltacion R. Joseph</b>  |                      |               |
| Sta. Lucia Realty & Devt., Inc.                                    | 6,701,005,767        | 81.75%        |
| <b>Anthony Gilbert Antiquiera</b>                                  |                      |               |
| AP Sec., Inc. (PCD) FAO Shareholders'<br>Assoc. of the Philippines | 1,000                | 0.00%         |
| <b>GRAND TOTAL</b>   | <u>6,701,006,767</u> | <u>81.75%</u> |

Submitted by:

  
JENNY C. SERAFICA  
President





**STA.LUCIA LAND, INC.  
ANNUAL STOCKHOLDERS' MEETING  
June 17, 2022**

**LIST OF ATTENDEES:**

**PROXY HOLDER:**

**Exaltacion R. Joseph**

Sta. Lucia Realty & Devt., Inc.

**Anthony Gilbert Antiquiera**

AP Sec., Inc. (PCD) FAO Shareholders' Assoc. of the Philippines

**IN PERSON:**

Vicente R. Santos

Exequiel D. Robles

Mariza Santos Tan

Aurora D. Robles

Antonio D. Robles

Orestes R. Santos

Simeon S. Cua

Danila A. Antonio

Justice Renato C. Francisco (Ret.)

Julius Sanvictores

**OTHER ATTENDEES**

Atty. Patricia O. Bunye

David M. Dela Cruz

Jeremiah T. Pampolina

Crystal I. Prado

Eric T. Dykimching

Ace Franziz D. Cuntapay

Submitted by:



**JENNY C. SERAFICA**  
President



## **THE PRESIDENT'S REPORT**

*Annual Stockholders Meeting 17 June 2022*

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

For year 2021, gross revenues was at a record Php 8.370 Billion resulting in a new high net income of Php 2.840 Billion, an increase of 24% and 66% respectively compared to that of 2020. Our balance sheet continued to expand as total assets increased by 14%, from Php 45.786 Billion to Php 51.993 Billion.

According to a recent report by property advisor Colliers International Philippines, residential developers are encouraged to continue their landbanking initiatives within and outside Metro Manila.

SLI has continued to grow and strengthen its foundation in select provinces through continuous landbanking where the Company has had proven and continued success, including new pioneer areas. Land acquisition and joint venture agreements were approved by the board of directors in the following areas:

1. General Trias (Cavite)
2. Bacoor (Cavite)
3. Biñan (Laguna)
4. Calamba (Laguna)
5. Mabitac (Laguna)
6. Bauan (Batangas)
7. Nasugbu (Batangas)
8. Sto. Tomas (Batangas)
9. Tanauan (Batangas)
10. Lipa (Batangas)
11. Taytay (Rizal)
12. Tanay (Rizal)
13. Pililla (Rizal)
14. Baras (Rizal)
15. Antipolo (Rizal)
16. Plaridel (Bulacan)
17. San Jose Del Monte (Bulacan)
18. Mangaldan (Pangasinan)
19. Lapu-Lapu (Cebu)
20. Sta. Barbara (Iloilo)

- 21.Kidapawan (Cotabato)
- 22.Sta. Cruz (Davao Del Sur)
- 23.Digos (Davao Del Sur)

The organization has also expanded its commercial property portfolio adjacent to our residential communities across the nation. The company continually seeks to unlock the values of these developed properties, serve the needs of the community and maximize its recurring revenues base.

In terms of seals of excellence, your Company was recognized as one of the High Growth Companies in the Asia-Pacific last April 2021 being ranked as Top 288 among the best companies in the region. This award was given by the prestigious Financial Times and Nikkei Asia and is another testament to our commitment to Service, Leadership and Integrity as our core values.

We were looking forward to recovery and together we have achieved that. As our foundation remains strong, we will continue to build on the next level of success and performance to better serve our loyal customers.

Thank you to our Board, our management team and partners, who have been with us as we continue to provide quality real estate community developments to our clients.

Thank you.

**MR. EXEQUIEL D. ROBLES**  
President



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

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

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

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

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

**STA. LUCIA LAND, INC.**  
**Resolutions of the Board of Directors and the Executive Committee**  
**For the Period from 17 June 2022 to 15 June 2023**

| <b>Organizational Meeting of the Board of Directors held on 17 June 2022</b> |   |
|--|---|
| 01   | Resolution approving the Minutes of the Special Meeting of the Board of Directors held on 11 February 2022  |
| 02   | Resolutions authorizing the Corporation to acquire parcels of land located in Batangas  |
| 03   | Resolutions authorizing the Corporation to enter into joint ventures involving the development of projects in Bulacan, Batangas, Rizal, Laguna, Pangasinan, Pampanga and South Cotabato   |
| 04   | Resolutions authorizing the Corporation to avail of loans and credit facilities from Philippine Veterans Bank for up to Three Hundred Fifty Million Pesos (PhP350,000,000.00)   |
| 05   | Resolutions approving the Corporation's Retirement Policy and appointing the trustee of the Corporation's Retirement Plan   |
| <b>Special Meeting of the Executive Committee held on 17 June 2022</b>       |   |
| 06   | Resolutions authorizing the Corporation's President to sign the Consolidation/Subdivision Plan, Building Permit Application, and other necessary documents for all of the condominium and subdivision projects of the Corporation   |
| 07   | Resolutions authorizing the Corporation to negotiate with Manila Water Company, Inc. in entering into an Agreement for the donation of a water distribution system and management in Cainta, Rizal  |
| 08   | Resolutions authorizing a representative to secure, sign, and execute any and all documents before the Davao City Water District in relation to the Sta. Lucia Mall Project   |
| 09   | Resolutions authorizing the Corporation's President to submit, sign, and execute the ECC application before the Department of Environment and Natural Resources ("DENR") in relation to projects in Davao City, North Cotabato, and Baguio District   |
| 10   | Resolutions authorizing a representative to file, process, and transact with various government agencies in relation to the Corporation's projects in Davao City  |
| 11   | Resolutions authorizing the Corporation's President and Executive Vice President to sign the Joint Venture Agreement with First Batangas Industrial Park  |
| 12   | Resolutions authorizing the Corporation to acquire a parcel of land located in Sto. Tomas, Batangas   |
| 13   | Resolutions authorizing the Corporation to negotiate with Hiyas Water Resources, Inc. in entering into a Memorandum of Agreement for a project in Guiguinto, Bulacan  |
| <b>Special Meeting of the Executive Committee held on 22 July 2022</b>       |   |
| 14   | Resolutions authorizing the Corporation to sell properties located in Marikina City to the Republic of the Philippines through the Department of Public Works and Highways ("DPWH")   |
| <b>Special Meeting of the Executive Committee held on 02 August 2022</b>     |   |
| 15   | Resolutions authorizing the Corporation to enter into a Project Partition Agreement with Atlanta Land Corporation for the partition, allocation, and assignment of parcels of land in Cavinti, Laguna in connection with the Lakefront Esplanade Project  |
| 16   | Resolutions authorizing the Corporation to enter into a Project Partition Agreement with Atlanta Land Corporation for the partition, allocation, and assignment of parcels of land in Cavinti, Laguna in connection with The Hamptons Village Project   |
| 17   | Resolutions authorizing a representative to file applications for Development Permits and Licenses, Preliminary Approval of Locational Clearance, and to process and transact with the Bureau of Lands, DENR, DHSUD, Department of Agrarian Reform and Registry of Deeds, and all pertinent government agencies in connection with all subdivision projects located in Davao City |
| 18   | Resolutions authorizing the Corporation to enter into an agreement with Converge Information and Communications Technology Solutions, Inc. for the installation of facilities at a project in Davao City  |

| <b>Special Meeting of the Executive Committee held on 08 September 2022</b> |  |
|---|--|
| 19  | Resolutions authorizing the Corporation to claim payment for just compensation in relation to properties affected by the Road Widening-Molo Blvd project of the DPWH   |
| 20  | Resolutions authorizing the Corporation's President to sign the Subdivision Plan, Building Permit Application, and other necessary documents for a project in Baguio City  |
| 21  | Resolutions authorizing a representative to secure the Barangay Certifications and permits and licenses for subdivision projects in Zamboanga City   |
| 22  | Resolutions authorizing a representative to apply, process, and secure a Building Permit for a subdivision project in Alfonso, Cavite  |
| 23  | Resolutions authorizing representatives to appear in all conciliation and mediation proceedings held in any regional office of the DHSUD and/or Human Settlement Adjudication Commission   |
| <b>Special Meeting of the Executive Committee held on 12 October 2022</b>   |  |
| 24  | Resolutions authorizing the Corporation to enter into an Agreement on the Perpetual Grant of Right of Way with Royale Tagaytay Country Club, Inc.  |
| 25  | Resolutions authorizing the Corporation to enter into an Agreement on the Perpetual Grant of Right of Way with Redbank Realty & Development Corp. and Rancho Palos Verdes Golf & Sports Club, Inc.   |
| 26  | Resolutions authorizing representatives to attend and coordinate with Barangay officials regarding a subdivision project in San Mateo, Rizal   |
| <b>Special Meeting of the Executive Committee held on 03 November 2022</b>  |  |
| 27  | Resolutions authorizing a representative to transact with Davao Light @ Power Co., Inc. for the electric connection of subdivision projects in Davao City  |
| 28  | Resolutions authorizing a representative to file and sign the application for Development Permits for all subdivision projects   |
| <b>Special Meeting of the Board of Directors held on 29 November 2022</b>   |  |
| 29  | Resolution approving the Minutes of the Organizational Meeting of the Board of Directors held on 17 June 2022  |
| 30  | Resolutions authorizing the Corporation to acquire parcels of land located in Batangas and Bulacan   |
| 31  | Resolutions authorizing the Corporation to enter into joint ventures involving the development of projects located in Rizal, Bulacan, Pangasinan, Surigao del Norte, Negros Occidental, Iloilo, Batangas, Quezon City, South Cotabato, Pampanga and Laguna   |
| 32  | Resolutions approving the authority to enter into an unsecured Syndicated Term Loan facility agreement with primary institutional lenders for up to Five Billion Pesos (PhP5,000,000,000.00)   |
| 33  | Resolutions authorizing the Corporation to enter into a facility agency with Rizal Commercial Banking Corporation – Trust Group  |
| 34  | Resolutions authorizing the Corporation to obtain a short-term loan facility from China Banking Corporation  |
| 35  | Resolutions to transact with AP Securities Incorporated and Maybank Securities, Inc.   |
| 36  | Resolutions: (a) authorizing the Corporation to distribute its unrestricted retained earnings in the aggregate amount of Three Hundred Thirty One Million Eight Hundred Fifty Eight Thousand Philippine Pesos (PhP331,858,000.00) in the form of cash dividends to its stockholders of record as of 16 December 2022, in proportion to their respective shareholdings, or Four Centavos (PhP0.04) per share; and (b) setting the distribution of the said cash dividends not later than 27 December 2022 |
| <b>Special Meeting of the Executive Committee held on 29 November 2022</b>  |  |
| 37  | Resolutions authorizing a representative to sign the application for a water line for the Corporation's office in Calamba, Laguna  |
| 38  | Resolutions authorizing a representative to process, sign, and transact with various government agencies in relation to the change of business address to Davao  |
| 39  | Resolutions authorizing a representative to file a formal complaint against Noel Sarmiento and Nel Lascuña   |



|  |   |
|--|---|
| 40   | Resolutions authorizing a representative to file, process, and transact with LGUs for the approval of the Building Permit for projects in Rizal and Laguna  |
| 41   | Resolutions authorizing the Corporation's President to sign and execute the Release, Waiver, and Quitclaim in relation to a parcel of land in Nasugbu, Batangas   |
| <b>Special Meeting of the Executive Committee held on 02 December 2022</b> |   |
| 42   | Resolutions authorizing representatives to file a formal complaint against Ariel Adlawan  |
| <b>Special Meeting of the Executive Committee held on 06 January 2023</b>  |   |
| 43   | Resolutions authorizing the Corporation to apply for permits to install and operate cranes, hoisting elevators, and other equipment for a condominium-condotel project in Brgy. Lahug, Cebu City  |
| <b>Special Meeting of the Executive Committee held on 19 January 2023</b>  |   |
| 44   | Resolutions authorizing a representative to transact with various government agencies in connection with the registration of titles for projects in Imus, Dasmariñas, Alfonso, Tagaytay, and Trece Martires   |
| 45   | Resolutions authorizing a representative to transact with various government agencies in connection with the registration of titles for projects in Bauan, Nasugbu, and Batangas  |
| 46   | Resolutions authorizing a representative to transact with various government agencies in connection with the registration of titles for projects in Antipolo, Marikina, San Mateo, Caloocan, and Valenzuela   |
| 47   | Resolutions authorizing a representative to transact with various government agencies in connection with the registration of titles for projects in Bacoar, Tanza, Kawit, Naic, Gen. Trias, and Trece Martires  |
| 48   | Resolutions authorizing Ms. Tamondong and Mr. Dionisio to transact with various government agencies in connection with the registration of titles   |
| 49   | Resolutions authorizing Mr. Pascual and Mr. Reyes to transact with various government agencies in connection with the registration of titles  |
| 50   | Resolutions authorizing Mr. Mejollo and Mr. Nur to transact with various government agencies in connection with the registration of titles  |
| <b>Special Meeting of the Executive Committee held on 14 February 2023</b> |   |
| 51   | Resolutions authorizing a representative to represent the Corporation before the Bureau of Internal Revenue ("BIR") in connection with the application and processing of the Authority to Print and to allow Raynes Printing Services to print the receipts/invoices    |
| <b>Special Meeting of the Executive Committee held on 16 February 2023</b> |   |
| 52   | Resolutions authorizing representatives to sign the Service Application and other necessary documents to be submitted to MERALCO for a project in Laguna  |
| 53   | Resolutions authorizing a representative to represent the Corporation with various government agencies in processing the insertion of the incomplete technical descriptions of a parcel of land in the name of Teresita Ababao-Borbon, <i>et al</i> located in Batangas |
| 54   | Resolutions authorizing a representative to represent the Corporation with various government agencies in processing the insertion of the incomplete technical descriptions of a parcel of land in the name of Pablo Borbon, <i>et al</i> located in Batangas           |
| 55   | Resolutions authorizing the Corporation's President to sign the Application for Occupancy and Fire Safety Certificate in connection with a project in Iloilo City   |
| 56   | Resolutions authorizing Forms International Enterprises Corporation to apply for an Authority to Print with the BIR and to print, sign, receive, and submit any and/or all documents necessary thereto  |
| <b>Special Meeting of the Executive Committee held on 06 March 2023</b>    |   |
| 57   | Resolutions authorizing a representative to sell a motor vehicle  |
| 58   | Resolutions authorizing a representative to name the billing of MERALCO at Sta. Lucia Prime Marketing Corporation and to sign, execute, and deliver any and all documents in connection therewith   |
| 59   | Resolutions authorizing a representative to sell a second motor vehicle   |

| <b>Special Meeting of the Executive Committee held on 29 March 2023</b> |   |
|---|---|
| 60  | Resolutions authorizing a representative to transact with various government agencies in relation to projects in Palawan  |
| 61  | Resolutions authorizing a representative to apply, process, and secure a Building Permit for a subdivision project in Pililla, Rizal  |
| 62  | Resolutions authorizing the Corporation's President to sign the Application for Occupancy and Fire Safety Certificate in connection with a project in Iloilo City   |
| 63  | Resolutions authorizing a representative to file, process, transact, and sign all applications in connection with the Corporation's transactions with South Cotabato Electric Power Company in relation to projects in South Cotabato   |
| 64  | Resolutions authorizing a representative to apply, process, and secure a Building Permit for a project in Baler, Aurora   |
| 65  | Resolutions authorizing a representative to apply, process, and secure a Building Permit for a project in Nasugbu, Batangas   |
| 66  | Resolutions authorizing a representative to represent the Corporation in transactions with More Electric and Power Corporation and Metro Pacific Iloilo Water, Inc. in relation to the electric and water connection for all subdivision projects located in Iloilo City  |
| 67  | Resolutions authorizing representatives to sign, file, negotiate, and transact with various government agencies for the application for Preliminary Approval of Locational Clearance in connection with a project in Bacolod City   |
| <b>Special Meeting of the Board of Directors held on 30 March 2023</b>  |   |
| 68  | Resolution approving the Minutes of the Special Meeting of the Board of Directors held on 29 November 2022  |
| 69  | Resolutions authorizing the Corporation to acquire parcels of land located in Batangas  |
| 70  | Resolutions authorizing the Corporation to enter into joint ventures involving the development of projects located in Rizal, Batangas, South Cotabato, Laguna, Bulacan and Iloilo   |
| 71  | Resolutions setting the date of the Annual Stockholders' Meeting of the Corporation for the year 2023 on Friday, 16 June 2023, 8:00 a.m., and authorizing the conduct of the Annual Stockholders' Meeting via remote communication  |
| 72  | Resolutions setting the record date on 12 May 2023 for purposes of determining the list of stockholders of the Corporation who are entitled to notice of, and to vote at, the Annual Stockholders' Meeting, and all other deadlines to ensure timely and full compliance with the reportorial/disclosure requirements of both the Securities and Exchange Commission and the Philippine Stock Exchange for the Annual Stockholders' Meeting |
| 73  | Resolutions approving the authority to secure an unsecured long term loan facility of up to One Billion Five Hundred Million Pesos (PhP1,500,000,000.00) with China Banking Corporation   |
| 74  | Resolutions approving the authority to avail and renew credit accommodations from Bank of Commerce in the principal amount of Two Hundred Fifty Million Pesos (PhP250,000,000.00) and a domestic bill purchase line of Fifty Million Pesos (PhP50,000,000.00)   |
| <b>Special Meeting of the Executive Committee held on 30 March 2023</b> |   |
| 75  | Resolutions authorizing the Corporation to transact with Converge Pure Fiber Technology in relation to a project in Angono, Rizal and appointing the authorized representative therefor   |
| <b>Special Meeting of the Executive Committee held on 26 April 2023</b> |   |
| 76  | Resolutions approving the Corporation's Audited Financial Statements for the period ended 31 December 2022  |



## CERTIFICATION

I, **VICENTE R. SANTOS**, Filipino, of legal, and a resident of J9-310 Evangelista Street, Barangay Santolan, Pasig City, Metro Manila after having been duly sworn in accordance with law, do hereby declare that:

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


Done this 05 MAY 2023 2023 in MANDALUYONG CITY



**VICENTE R. SANTOS**  
Affiant

05 MAY 2023  
**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ 2023 in \_\_\_\_\_, affiant presenting competent evidence of his identity, \_\_\_\_\_, bearing his photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_.

Doc. No. 46 ;  
Page No. 11 ;  
Book No. 42 ;  
Series of 2023.

  
**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 6257-23  
Roll Number 47046  
IBP No. 25930505-03-2023/MSM  
PTR No. 5102681001-03-2023/Mandaluyong  
MCLE Compliance No. VI-0026012402.06.2023  
QIF State Center B Bldg.  
Ortigas Avenue, Mandaluyong City

## CERTIFICATION

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

1. I am a Director and the President of **STA. LUCIA LAND, INC.** (the "Corporation").

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

3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

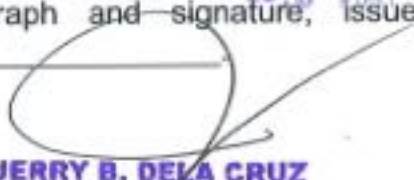
Done this \_\_\_\_\_ 2023 in **MANDALUYONG CITY**

**05 MAY 2023**

  
**EXEQUIEL D. ROBLES**  
Affiant

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ 2023 in \_\_\_\_\_, affiant presenting competent evidence of his identity, \_\_\_\_\_, bearing his photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_

Doc. No. 45 ;  
Page No. 10 ;  
Book No. 22 ;  
Series of 2023.

  
**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0257-23  
Roll Number 47018  
IBP No. 259309/01.03.2023/RSM  
PTR No. 5102600/01.03.2023/RMandaluyong  
MCLE Compliance No. VQ-00330/202.06.2023  
G/F Sola Center II Bldg.  
Origas Avenue, Mandaluyong City

## CERTIFICATION

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

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

Done this \_\_\_\_\_ 2023 in **MANDALUYONG CITY**



**MARIZA R. SANTOS-TAN**  
Affiant

**SUBSCRIBED AND SWORN** to before me this **05 MAY** 2023 in \_\_\_\_\_, affiant presenting competent evidence of her identity, \_\_\_\_\_, bearing her photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_

Doc. No. 41 ;  
Page No. 10 ;  
Book No. 44 ;  
Series of 2023.



**JERRY B. DELA CRUZ**

Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0257-23  
Roll Number 02614  
IBP No. 25503001.01.512.1-005at  
PTR No. 5102680/01.03.2023/Mandaluyong  
MCLE Compliance No. VII-00000 (2022-06-2023)  
G/F State Center II Bldg.  
Ortigas Avenue, Mandaluyong City

## CERTIFICATION

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

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

Done this 05 MAY 2023 2023 in MANDALUYONG CITY

  
**AURORA D. ROBLES**  
Affiant

**SUBSCRIBED AND SWORN** to before me this 05 MAY 2023 2023 in \_\_\_\_\_, affiant presenting competent evidence of her identity, \_\_\_\_\_, bearing her photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_.

Doc. No. 44 ;  
Page No. 10 ;  
Book No. 56 ;  
Series of 2023.

  
**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0251-23  
Roll Number 47/01  
JEP No. 258108801.01 2502150SM  
PTR No. 510260101 03.2023/Mandaluyong  
MCLE Compliance No. VII-0030312/02.06.2023  
G/F State Center II Bldg.  
Ortigas Avenue, Mandaluyong City



## CERTIFICATION

I, **SIMEON S. CUA**, Filipino, of legal, and a resident of 4883 Barasoain cor Chino Roces Street., Makati City, after having been duly sworn in accordance with law, do hereby declare that:

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

Done this 05 MAY 2023 2023 in

  
**SIMEON S. CUA**  
Affiant

05 MAY 2023  
**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ 2023 in  
\_\_\_\_\_, affiant presenting competent evidence of his identity,  
\_\_\_\_\_, bearing his photograph and signature, issued by  
\_\_\_\_\_ and valid until \_\_\_\_\_.

Doc. No. 37 :  
Page No. 9 :  
Book No. 16 :  
Series of 2023.

**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0257-23  
Roll Number 47018  
IBP No. 25830901-03-2023-RSM  
PTR No. 5102680/01.03.2023-Mandaluyong  
MCLE Compliance No. VII-002601202.06.2023  
G/F State Center II Bldg.  
Ortigas Avenue, Mandaluyong City

## CERTIFICATION

I, **ANTONIO D. ROBLES**, Filipino, of legal, and a resident of #53 Achilles corner Odysseus Street, Acropolis Green Subdivision, Libis, Quezon City, after having been duly sworn in accordance with law, do hereby declare that:

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

Done this 05 MAY 2023 2023 in MANDALUYONG CITY

  
**ANTONIO D. ROBLES**  
Affiant

05 MAY 2023

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ 2023 in \_\_\_\_\_, affiant presenting competent evidence of his identity, \_\_\_\_\_, bearing his photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_.

Doc. No. 48;  
Page No. 11;  
Book No. 46;  
Series of 2023.


  
**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0257-23  
Roll Number 47018  
IBF No. 25930901.03.2023/RSM  
PTR No. 51026801.03.2023/Mandaluyong  
MCLE Compliance No. VII-002601202.06.2023  
G/F State Center II Bldg.  
Ortigas Avenue, Mandaluyong City

## CERTIFICATION

I, **ORESTES R. SANTOS**, Filipino, of legal, and a resident of 46 Odysseus Street, Acropolis Subd. Libis, Quezon City, after having been duly sworn in accordance with law, do hereby declare that:


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

Done this 05 MAY 2023 2023 in MANDALUYONG CITY

  
**ORESTES R. SANTOS**  
Affiant

**SUBSCRIBED AND SWORN** to before me this 05 MAY 2023 2023 in \_\_\_\_\_, affiant presenting competent evidence of his identity, \_\_\_\_\_, bearing his photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_.

Doc. No. 47 :  
Page No. 11 :  
Book No. 42 :  
Series of 2023.

  
**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0252-23  
Roll Number 47918  
IBP No. 25030901.00.2023/RSM  
PTR No. 510268/01.03.2023/Mandaluyong  
MCLE Compliance No. VII-0226012/02.05.2023  
G/F State Center II Bldg.  
Ortigas Avenue, Mandaluyong City

## CERTIFICATION OF INDEPENDENT DIRECTORS

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

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

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

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

4. I am related to the following director/officer/substantial shareholder of **STA. LUCIA LAND, INC.** other than the relationship provided under Rule 38.2.3. of the SRC IRR.

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

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

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

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

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

Done this 05 MAY 2023 at MARIKINA CITY

  
**RENATO C. FRANCISCO**

**SUBSCRIBED AND SWORN** to before me this 05 MAY 2023 in \_\_\_\_\_, affiant presenting competent evidence of his identity, \_\_\_\_\_, bearing his photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_.

Doc. No. 39;  
Page No. 9;  
Book No. 12;  
Series of 2023.

  
**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0257-23  
Roll Number 47015  
IDP No. 258029011-03-2023-395M  
PTR No. 510269001-03-2023-Mandaluyong  
MCLE Compliance No. V6-0026012502-05-2023  
G/F State Center 5 Bldg.  
Ortigas Avenue, Mandaluyong City



## CERTIFICATION OF INDEPENDENT DIRECTORS

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

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

| Company / Organization    | Position / Relationship | Period of Service |
|---------------------------|-------------------------|-------------------|
| Landexcel Consulting Inc. | President and CEO       | 23 years          |

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

4. I am related to the following director/officer/substantial shareholder of **STA. LUCIA LAND, INC.** other than the relationship provided under Rule 38.2.3. of the SRC IRR.

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

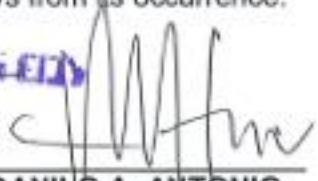
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

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

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

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

Done this 05 MAY 2023 in MANILA, CITY

  
**DANILO A. ANTONIO**

**SUBSCRIBED AND SWORN** to before me this 05 MAY 2023 in MANILA, CITY 2023 in  
\_\_\_\_\_, affiant presenting competent evidence of his identity,  
\_\_\_\_\_, bearing his photograph and signature, issued by  
\_\_\_\_\_, and valid until \_\_\_\_\_.

Doc. No. 38 :  
Page No. 9 :  
Book No. 42 :  
Series of 2023.

**JERRY B. DELA CRUZ**  
Notary Public for Manila City  
Until 31 December 2024  
Appointment No. 6257-23  
Roll Number 47113  
IBP No. 25032011.03.2023-1034  
PTR No. 510266001.03.2023-1554545454  
MCLE Compliance No. VII-05-2023-06.2023  
C.E. Seem Center 8 Reg.  
City of Manila, Manila City

## CERTIFICATION

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

1. I am the Executive Vice President, Chief Financial Officer, and Chief Risk Officer of **STA. LUCIA LAND, INC.** (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

Done this \_\_\_\_\_ 2023 in \_\_\_\_\_

05 MAY 2023

MANDALUYONG CITY

**DAVID M. DELA CRUZ**  
Affiant

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ 2023 in

\_\_\_\_\_, affiant presenting competent evidence of his identity,  
\_\_\_\_\_, bearing his photograph and signature, issued by  
\_\_\_\_\_ and valid until \_\_\_\_\_

Doc. No. 42 ;  
Page No. 10 ;  
Book No. 3A ;  
Series of 2023.

**JERRY B. DELA CRUZ**

Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0287-23  
Roll Number 47046  
IBP No. 25630901.03.2023PSM  
PTR No. 5102600/01.03.2023M, Mandaluyong  
MCLE Compliance No. VII-0026012/02.06.2023  
G/F State Center II Bldg,  
Ortigas Avenue, Mandaluyong City

## CERTIFICATION

I, **PATRICIA A. O. BUNYE**, Filipino, of legal, with office address at the 9th, 10th, 11th and 12th Floors, One Orion, 11th Avenue corner University Parkway, Bonifacio Global City, Taguig 1634, Metro Manila, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am the Corporate Secretary of **STA. LUCIA LAND, INC.** (the "Corporation").

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

3. Based on the corporate records of the Corporation and to the best of my knowledge, no director or officer or nominee for election as director or officer of the Corporation is connected with any government agency or instrumentality.

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

Done this 09 MAY 2023 May 2023 in Taguig City, Metro Manila.

  
**PATRICIA A. O. BUNYE**  
Affiant

09 MAY 2023  
**SUBSCRIBED AND SWORN TO** before me this 09 May 2023, in Taguig City, Metro Manila, with affiant exhibiting to me her Unified Multi-Purpose ID with Common Reference No. \_\_\_\_\_ bearing her photograph and signature issued by the Social Security System.

Doc. No. 283;  
Page No. 58;  
Book No. 1;  
Series of 2023.



  
**FRANCESCA MIKHAELA P. YAZON**  
Notary Public



## CERTIFICATION

I, **CRYSTAL I. PRADO**, Filipino, of legal, and a resident of N409 Phase 4, El Pueblo One Condominium, King Christian Street, Kingspoint Subdivision, Novaliches, Quezon City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am the Assistant Corporate Secretary of **STA. LUCIA LAND, INC.** (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

Done this \_\_\_\_\_ 2023 in \_\_\_\_\_  
**05 MAY 2023**

  
**CRYSTAL I. PRADO**  
Affiant

**SUBSCRIBED AND SWORN** to before me this **05 MAY 2023** 2023 in \_\_\_\_\_, affiant presenting competent evidence of her identity, \_\_\_\_\_, bearing her photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_.

Doc. No. 40 ;  
Page No. 1 ;  
Book No. 12 ;  
Series of 2023.

  
**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 9257-23  
Roll Number 47913  
IBP No. 20000901.03.2023/MSM  
PTR No. 510268001.03.2023/Mandaluyong  
MCLE Compliance No. VII-062601200.06.2023  
G/F State Center II Bldg.  
Ortigas Avenue, Mandaluyong City

## CERTIFICATION

I, **ERIC T. DYKIMCHING**, Filipino, of legal, with office address at the 9th, 10th, 11th and 12th Floors, One Orion, 11th Avenue corner University Parkway, Bonifacio Global City, Taguig 1634, Metro Manila, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am the Assistant Corporate Secretary of **STA. LUCIA LAND, INC.** (the "Corporation").

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

3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

Done this 09 MAY 2023 May 2023 in Taguig City, Metro Manila.

  
**ERIC T. DYKIMCHING**  
Affiant

09 MAY 2023  
**SUBSCRIBED AND SWORN TO** before me this \_\_\_ May 2023, in Taguig City, Metro Manila, with affiant exhibiting to me his Taxpayer Identification No. \_\_\_\_\_ issued by the Bureau of Internal Revenue.

Doc. No. 284;  
Page No. 58;  
Book No. 1;  
Series of 2023.



  
**FRANCESCA MIKHAELA P. YAZON**  
Notary Public

## CERTIFICATION

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


1. I am the Chief Compliance Officer and Vice President – Corporate Planning & Investor Relations of **STA. LUCIA LAND, INC.** (the "Corporation").
2. I am not employed by nor work in the Philippine government.
3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

Done this 05 MAY 2023 2023 in MANILA CITY

  
**JEREMIAH T. PAMPOLINA**  
Affiant

**SUBSCRIBED AND SWORN** to before me this 05 MAY 2023 2023 in \_\_\_\_\_, affiant presenting competent evidence of his identity, \_\_\_\_\_, bearing his photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_

Doc. No. 43 ;  
Page No. 10 ;  
Book No. 44 ;  
Series of 2023.

  
**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0257-23  
Roll Number 47018  
IBP No. 2903090103.2023ARSM  
PTR No. 6102860103.2023Mandaluyong  
MCLE Compliance No. V0-002601202.06.2023  
G/F Suite Center II Bldg.  
Ortigas Avenue, Mandaluyong City

## CERTIFICATION

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

1. I am the Internal Auditor and Data Protection Officer of **STA. LUCIA LAND, INC.** (the "Corporation").

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

3. I shall inform the Corporate Secretary of the Corporation of any change in the abovementioned information within five (5) days from its occurrence.

Done this \_\_\_\_\_ 2023 in \_\_\_\_\_

**ACE FRANZIZ D. CUNTAPAY**  
Affiant

**SUBSCRIBED AND SWORN** to before me this 05 MAY 2023 2023 in \_\_\_\_\_, affiant presenting competent evidence of his identity, \_\_\_\_\_, bearing his photograph and signature, issued by \_\_\_\_\_ and valid until \_\_\_\_\_.

Doc. No. 34 ;  
Page No. 9 ;  
Book No. 66 ;  
Series of 2023.

**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0257-20  
Roll Number 47310  
IBP No. 25901501.00 0003/PSM  
PTR No. 510218001.00.0000/Mandaluyong  
MCLE Compliance No. VII-082601202.00.2023  
G/F Sate Center II Bldg.  
Ortigas Avenue, Mandaluyong City

## **PART II - MANAGEMENT REPORT**

### **I. CONSOLIDATED FINANCIAL STATEMENTS**

Please refer to the attached Consolidated Audited Financial Statements of the Registrant and its Subsidiaries for the year ended 31 December 2022 which were submitted to the Securities and Exchange Commission (“SEC”) (Annex “B” hereof).

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

On 17 June 2022, at the Annual Stockholders’ Meeting of the Registrant, its stockholders agreed to retain Sycip Gorres Velayo & Company (“SGV & Co.”) as the external auditor of the Registrant for the year 2022-2023. Mr. Michael C. Sabado of SGV & Co. is in his sixth year of service as external auditor, in replacement of Ms. Cyril Jasmin B. Valencia. There are no disagreements with SGV & Co. on any matter of accounting and financial disclosure.

#### **(a) Audit and Audit-Related Fees**

P3,450,000\* for 2022, P2,541,000\* for 2021, P2,541,000\* for 2020.

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

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

#### **(b) Tax Fees**

Not applicable

#### **(c) All Other Fees**

Not applicable

#### **(d) Approval Policies and Procedure of the Audit Committee**

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



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

#### **COMPARISON: YEAR END 2022 VS. YEAR END 2021**

#### **RESULTS OF OPERATIONS**

##### Overview of Operations

The Group continued to develop at a steady rate throughout the year as evidenced by its solid balance sheet and exceptional financial results. With the help of increased funding to support the considerable growth in its landbank operations across the country as a result of increased buyer receivable collections and strong fundraising efforts, the total assets of the Group grew by 10% compared to the same period last year. The Group, with the help of its salesforce, was able to raise its real estate sales throughout the year by 14% compared to the real estate sales recorded the previous year as a result of the astounding increase in inventory.

The growing momentum is anticipated to continue in the upcoming years owing to the company's dedication to providing its stakeholders with high-quality land developments.

##### Revenue

During the year, the Group posted a Php1,528 million or 18% increase in its gross revenue. The increase was primarily due to the increase in real estate sales, rental income, and revenue from other sources. Real estate sales increased by Php962 million or 14% compared to the same period last year. The increase was attributable to an increase in sales activities by the Group's marketing arms as well as the increase in property prices. The economic recovery that is taking place from the impact of the pandemic saw the foothold traffic return to normal, and ended rental concessions to tenants. The Group's revenue from its commercial activities saw a large boost of Php305 million or 66%. Other income, consisting of gains from repossession of inventory, penalties and surcharges, and other miscellaneous income increased by Php258 million or 63% during the period. Interest income increased by Php62 million or 12% as compared to the same period last year. As compared to the experienced increase in the other revenue streams, commission income posted a downside of Php59 million or 42% compared to the same period last year.

##### Cost and Expense

The Group incurred total cost and expenses of Php6,465 million during the year. This represents a Php934 million or 17% increase as compared to the same period last year. The increase was primarily attributed to the increase in the cost of rental income, interest expense, and provision for income tax. The cost incurred in its commercial operations increased by Php229 million or 62%. Interest expense arising from outstanding and new borrowings during the year increased by Php167 million or 16% compared to the same period last year. The increase in borrowings was made to support the massive project developments of the Group. Provision for income tax increased by Php446 million or 66% as a result of the experienced increase in revenue during the period. Total selling and administrative expenses also increased by Php99 million or 7% as compared to the same period last year.

## Net Income

As a result of increased sales activities as well as the increase in property prices, the Group's real estate sales rose significantly contributing to the significant increase in the recognized income for the year amounting to Php594 million or 21%. Also, income from commercial operations and income from other sources contributed to the increase in net income during the period.

## **PROJECT AND CAPITAL EXPENDITURES**

Generating increased funding from internally generated funds and active fundraising efforts supported the extensive project developments and continuous landbanking activities of the Group throughout the country. Having a sufficient amount of finances, the Group was able to increase its land asset value by Php582 million during the year. To capture the increasing demand for horizontal and vertical properties as well as to support strategic commercial investments, the Group deployed Php5,592 million in capital funds to its project developments. Overall, the Group allocated Php6,174 million of capital funds to its landbanking and project development activities during the year.

## **FINANCIAL CONDITION**

### Assets

Maintaining its growth momentum as well as the availability of sufficient funding to support the major operating activities of the Group, total assets grew to Php57,410 million as of the year ended 31 December 2022. This amount represents a Php5,417 million or a 10% increase as compared to the same period last year. The significant increase is attributable to the extensive across-the-board landbanking and project development activities of the Group during the period, as evidenced by the significant increase of Php2,745 million or 9% in the real estate inventory. To support the move, the Group has deployed significant collection efforts to its receivables and maximized its access to the debt market increasing its cash and cash equivalents by Php1,397 million or 72% compared to the same period last year. Having a sufficient amount of finances, the Group is positive to maintain the growth momentum in the succeeding years of its operations.

### Liabilities

The Group's total liabilities increased by Php2,444 million or 8% compared to the same period last year. This had closed the Group's total liabilities to Php34,366 million as of 31 December 2022. The increase in the amounts was directly attributable to the maximization of its access to the debt market. Total short-term debts grew by Php1,047 million or 12% comparing the same period last year. The Group has also initiated multiple long-term fundraising activities during the period increasing its long-term debts by Php2,335 million or 22%. The proceeds of the fundraising activities were used to finance the Group's capital commitments as well as to pay out more expensive debts. Accounts and other payables and total contract liabilities decrease by Php646 million or 10% and Php1,032 million or 27%, respectively. Deferred tax liabilities posted an increase of Php735 million or a 39% increase as compared to the same period last year.

## Equity

Total shareholders' equity increased by Php2,973 million or 15%. The increase was primarily due to the recognized net income during the year. It is also during the year that the Group sold 100 million treasury shares at Php2.90 per share contributing to the increase in total shareholder's equity. On 29 November 2022, the Board declared special cash dividends at Php0.04 per share on record as of 16 December 2022. The dividend was declared out of its unrestricted retained earnings.

## Key Performance Indicators

|                                | 31-Dec-22      | 31-Dec-21      |
|--------------------------------|----------------|----------------|
| <b>Current Ratio</b>           | <b>2.13</b>    | <b>2.05</b>    |
| <b>Debt to Equity</b>          | <b>0.99</b>    | <b>0.96</b>    |
| <b>Interest Coverage Ratio</b> | <b>373.28%</b> | <b>333.99%</b> |
| <b>Return on Asset</b>         | <b>5.98%</b>   | <b>5.45%</b>   |
| <b>Return on Equity</b>        | <b>14.90%</b>  | <b>14.15%</b>  |

\*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 2022.

## **Material Changes in the Balance Sheet (+/- 5%) as of December 31, 2022 versus the Balance Sheet as of December 31, 2021**

| in P millions               | HORINZONTAL ANALYSIS |                 |                |              | VERTICAL ANALYSIS |              |             |
|-----------------------------|----------------------|-----------------|----------------|--------------|-------------------|--------------|-------------|
|                             | December 31,         |                 | P              | %            | December 31,      |              | %           |
|                             | 2022                 | 2021            | change         | change       | 2022              | 2021         | change      |
| <b>ASSETS</b>               |                      |                 |                |              |                   |              |             |
| <b>Current Assets</b>       |                      |                 |                |              |                   |              |             |
| Cash and cash equivalents   | 3,343.7              | 1,947.0         | 1,396.7        | 71.7%        | 5.8%              | 3.7%         | 2.1%        |
| Receivables                 | 3,990.5              | 3,023.7         | 966.8          | 32.0%        | 7.0%              | 5.8%         | 1.1%        |
| Contract assets             | 2,112.2              | 1,464.9         | 647.3          | 44.2%        | 3.7%              | 2.8%         | 0.9%        |
| Real estate inventories     | 31,650.1             | 28,905.4        | 2,744.6        | 9.5%         | 55.1%             | 55.6%        | (0.5)%      |
| Other current assets        | 3,815.6              | 4,782.9         | (967.3)        | (20.2)%      | 6.6%              | 9.2%         | (2.6)%      |
| <b>Total Current Assets</b> | <b>44,912.0</b>      | <b>40,123.8</b> | <b>4,788.1</b> | <b>11.9%</b> | <b>78.2%</b>      | <b>77.2%</b> | <b>1.1%</b> |
| <b>Noncurrent Assets</b>    |                      |                 |                |              |                   |              |             |

|   |                 |                 |                |              |               |               |               |
|---|-----------------|-----------------|----------------|--------------|---------------|---------------|---------------|
| Installment contracts receivables - net of current portion                | 1,172.3         | 1,860.9         | (688.6)        | (37.0)%      | 2.0%          | 3.6%          | (1.5)%        |
| Contract assets - net of current portion                                  | 3,046.7         | 2,651.4         | 395.3          | 14.9%        | 5.3%          | 5.1%          | 0.2%          |
| Investment properties   | 6,330.3         | 5,868.2         | 462.1          | 7.9%         | 11.0%         | 11.3%         | (0.3)%        |
| Property and equipment  | 67.6            | 49.7            | 17.9           | 36.0%        | 0.1%          | 0.1%          | 0.0%          |
| Financial assets at fair value through other comprehensive income (FVOCI) | 657.3           | 682.6           | (25.3)         | (3.7)%       | 1.1%          | 1.3%          | (0.2)%        |
| Pension asset   | 0.0             | 1.1             | (1.1)          | (100.0)%     | 0.0%          | 0.0%          | (0.0)%        |
| Other noncurrent assets   | 1,224.2         | 755.5           | 468.6          | 62.0%        | 2.1%          | 1.5%          | 0.7%          |
| <b>Total Noncurrent Assets</b>  | <b>12,498.4</b> | <b>11,869.5</b> | <b>628.9</b>   | <b>5.3%</b>  | <b>21.8%</b>  | <b>22.8%</b>  | <b>(1.1)%</b> |
| <b>TOTAL ASSETS</b>   | <b>57,410.3</b> | <b>51,993.3</b> | <b>5,417.1</b> | <b>10.4%</b> | <b>100.0%</b> | <b>100.0%</b> |               |

## LIABILITIES AND EQUITY

### Current Liabilities

|  |                 |                 |                |             |              |              |               |
|--|-----------------|-----------------|----------------|-------------|--------------|--------------|---------------|
| Short-term debt                        | 9,572.1         | 8,525.3         | 1,046.9        | 12.3%       | 16.7%        | 16.4%        | 0.3%          |
| Accounts and other payables            | 6,106.8         | 6,753.0         | (646.2)        | (9.6)%      | 10.6%        | 13.0%        | (2.4)%        |
| Income tax payable                     | 94.4            | 98.6            | (4.2)          | (4.3)%      | 0.2%         | 0.2%         | (0.0)%        |
| Contract liabilities - current portion | 1,966.1         | 2,577.5         | (611.4)        | (23.7)%     | 3.4%         | 5.0%         | (1.5)%        |
| Long-term debt - current portion       | 3,385.6         | 1,812.2         | 1,573.4        | 86.8%       | 5.9%         | 3.5%         | 2.4%          |
| <b>Total Current Liabilities</b>       | <b>21,125.0</b> | <b>19,766.5</b> | <b>1,358.5</b> | <b>6.9%</b> | <b>36.8%</b> | <b>38.0%</b> | <b>(1.2)%</b> |

### Noncurrent Liabilities

|   |                 |                 |                |             |              |              |               |
|---|-----------------|-----------------|----------------|-------------|--------------|--------------|---------------|
| Long-term debt - net of current portion       | 9,776.2         | 9,014.8         | 761.4          | 8.4%        | 17.0%        | 17.3%        | (0.3)%        |
| Contract liabilities - net of current portion | 818.2           | 1,239.0         | (420.8)        | (34.0)%     | 1.4%         | 2.4%         | (1.0)%        |
| Deferred tax liabilities - net                | 2,636.8         | 1,901.4         | 735.4          | 38.7%       | 4.6%         | 3.7%         | 0.9%          |
| Retirement liabilities                        | 9.6             | 0.0             | 9.6            | 0.0%        | 0.0%         | 0.0%         | 0.0%          |
| <b>Total Noncurrent Liabilities</b>           | <b>13,240.7</b> | <b>12,155.2</b> | <b>1,085.5</b> | <b>8.9%</b> | <b>23.1%</b> | <b>23.4%</b> | <b>(0.3)%</b> |
| <b>Total Liabilities</b>                      | <b>34,365.7</b> | <b>31,921.8</b> | <b>2,444.0</b> | <b>7.7%</b> | <b>59.9%</b> | <b>61.4%</b> | <b>(1.5)%</b> |

### Equity

|  |                 |                 |                |              |               |               |             |
|--|-----------------|-----------------|----------------|--------------|---------------|---------------|-------------|
| Capital stock  | 10,796.5        | 10,796.5        | 0.0            | 0.0%         | 18.8%         | 20.8%         | (2.0)%      |
| Additional paid-in capital                                     | 580.0           | 330.0           | 250.0          | 75.8%        | 1.0%          | 0.6%          | 0.4%        |
| Retained earnings  | 13,066.8        | 10,358.5        | 2,708.3        | 26.1%        | 22.8%         | 19.9%         | 2.8%        |
| Treasury shares  | (1,600.0)       | (1,640.0)       | 40.0           | (2.4)%       | (2.8)%        | (3.2)%        | 0.4%        |
| Net unrealized gain on fair value of financial assets at FVOCI | 200.5           | 225.9           | (25.3)         | (11.2)%      | 0.3%          | 0.4%          | (0.1)%      |
| Remeasurement gains on pension - net of tax                    | 0.8             | 0.7             | 0.1            | 13.3%        | 0.0%          | 0.0%          | 0.0%        |
| <b>Total Equity</b>  | <b>23,044.6</b> | <b>20,071.5</b> | <b>2,973.1</b> | <b>14.8%</b> | <b>40.1%</b>  | <b>38.6%</b>  | <b>1.5%</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                            | <b>57,410.3</b> | <b>51,993.3</b> | <b>5,417.1</b> | <b>10.4%</b> | <b>100.0%</b> | <b>100.0%</b> |             |

72% increase in cash and cash equivalents

*Active fundraising activities on both debt and equity markets deployed during the year primarily contributed to the significant increase in cash and cash equivalents of the Group.*

32% increase in receivables

*The increase in receivables of the Group was primarily due to the significant bump in the recognized real estate sales during the year.*

44% increase in current portion of contract assets

*As the Group was able to deploy more capital funds to its project developments, several projects were completed during the year. On these projects, sales efforts were also increased thus contributing to the noted increase in current contract assets during the year.*

10% increase in real estate inventories

*With a large number of capital investments made for project developments and landbanking activities during the period, real estate inventories increased.*

20% decrease in other current assets

*The decrease was mainly brought on by the transfer of advances to landowners resulting from land acquisitions, which were earlier recorded as other receivables as the contracts have not yet been executed.*

37% decrease in noncurrent portion of installment contract receivables

*The decrease in the account was directly attributable to the change in the classification of receivables. Outstanding receivables previously recognized as noncurrent receivables from completed projects are realized within twelve months.*

15% 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 arising from the completed projects of the Group.*

8% increase in investment property

*The increase in investment property account was due to the deployment of capital funds from the construction of Sta. Lucia Mall Davao.*

36% increase in property and equipment

*To carry out the massive expansion activities, the Group also deployed an increase in capital funds in the acquisition of property and equipment to support its business activities.*

62% increase in other noncurrent assets

*Bigger advances to contractors were recognized during the period arising from the project developments, as a result, the amount reported for other non-current assets increased.*

10% decrease in accounts and other payables

*The settlement of outstanding payables arising from project development activities and expansions on existing properties of the Group had resulted in a decrease in accounts and other payables.*

12% increase in short-term debts

*The Group made the most of its access to the debt markets as a source of extra funding in 2022, increasing its short-term borrowings to maintain a healthy liquidity position.*

24% decrease in contract liabilities - current

*Due to an increase in project development accomplishments during the period, advance payments from buyers whose properties have not yet been constructed that were earlier reported as contract liabilities have now been recognized as income.*

87% increase in long term debts - current portion

*Increase in long term debts was primarily due to the active fundraising activities of the Group deployed during the year, maximizing its access to the debt market.*

8% increase in long term debts - noncurrent portion

*Increase in long term debts was primarily due to the active fundraising activities of the Group deployed during the year, maximizing its access to the debt market.*

39% 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.*

34% decrease in contract liabilities – noncurrent

*Due to an increase in project development accomplishments during the period, advance payments from buyers whose properties have not yet been constructed that were earlier reported as contract liabilities have now been recognized as income.*

76% increase in additional paid-in capital

*The increase is attributed to the selling of 100 million treasury shares at Php2.90 per share during the year.*

26% increase in retained earnings

*The increase was primarily due to the Group's remarkable revenue generation during the year. Comparing the current period to the same period the previous year, net income increased significantly.*

11% 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.*

13% 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, 2022 versus the Income Statement for the year ended December 31, 2021**

| in P millions except per share figure              | HORINZONTAL ANALYSIS |                |                |              | VERTICAL ANALYSIS |              |               |
|--|----------------------|----------------|----------------|--------------|-------------------|--------------|---------------|
|  | December 31,         |                | P              | %            | December 31,      |              | %             |
|  | 2022                 | 2021           | change         | change       | 2022              | 2021         | change        |
| <b>REVENUE</b>                                     |                      |                |                |              |                   |              |               |
| Real estate sales                                  | 7,789.8              | 6,827.2        | 962.6          | 14.1%        | 78.8%             | 81.6%        | (2.7)%        |
| Rental income                                      | 771.3                | 465.9          | 305.4          | 65.6%        | 7.8%              | 5.6%         | 2.2%          |
| Interest income on receivables and contract assets | 573.3                | 517.6          | 55.7           | 10.8%        | 5.8%              | 6.2%         | (0.4)%        |
| Commission income                                  | 82.8                 | 141.6          | (58.8)         | (41.5)%      | 0.8%              | 1.7%         | (0.9)%        |
| Other revenue                                      | 649.6                | 407.6          | 242.1          | 59.4%        | 6.6%              | 4.9%         | 1.7%          |
|  | <b>9,866.8</b>       | <b>8,359.8</b> | <b>1,506.9</b> | <b>18.0%</b> | <b>99.8%</b>      | <b>99.9%</b> | <b>(0.0)%</b> |
| Interest income on cash in banks and investments   | 8.9                  | 2.2            | 6.7            | 306.7%       | 0.1%              | 0.0%         | 0.1%          |
| Dividend income                                    | 7.2                  | 8.7            | (1.6)          | (17.9)%      | 0.1%              | 0.1%         | (0.0)%        |
|  | 16.0                 | 10.9           | 5.1            | 47.1%        | 0.2%              | 0.1%         | 0.0%          |

|  |                |                |                |                |               |               |               |
|--|----------------|----------------|----------------|----------------|---------------|---------------|---------------|
|  | <b>9,882.8</b> | <b>8,370.7</b> | <b>1,512.1</b> | <b>18.1%</b>   | <b>100.0%</b> | <b>100.0%</b> |               |
| <b>COSTS OF SALES AND SERVICES</b>   |                |                |                |                |               |               |               |
| Cost of real estate sales  | 1,946.4        | 1,953.7        | (7.3)          | (0.4)%         | 19.7%         | 23.3%         | (3.6)%        |
| Cost of rental income  | 600.5          | 371.4          | 229.1          | 61.7%          | 6.1%          | 4.4%          | 1.6%          |
|  | <b>2,546.9</b> | <b>2,325.1</b> | <b>221.8</b>   | <b>9.5%</b>    | <b>25.8%</b>  | <b>27.8%</b>  | <b>(2.0)%</b> |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>   |                |                |                |                |               |               |               |
| Commissions  | 855.3          | 797.5          | 57.8           | 7.3%           | 8.7%          | 9.5%          | (0.9)%        |
| Taxes, licenses and fees   | 166.6          | 183.1          | (16.5)         | (9.0)%         | 1.7%          | 2.2%          | (0.5)%        |
| Salaries and wages and other benefits  | 140.0          | 99.5           | 40.6           | 40.8%          | 1.4%          | 1.2%          | 0.2%          |
| Repairs and maintenance  | 117.4          | 85.8           | 31.6           | 36.8%          | 1.2%          | 1.0%          | 0.2%          |
| Representation   | 78.5           | 73.7           | 4.9            | 6.6%           | 0.8%          | 0.9%          | (0.1)%        |
| Advertising  | 60.3           | 62.9           | (2.6)          | (4.2)%         | 0.6%          | 0.8%          | (0.1)%        |
| Transportation, travel, office supplies and miscellaneous  | 60.0           | 68.7           | (8.7)          | (12.6)%        | 0.6%          | 0.8%          | (0.2)%        |
| Professional fees  | 21.2           | 28.9           | (7.7)          | (26.5)%        | 0.2%          | 0.3%          | (0.1)%        |
| Depreciation and amortization  | 20.2           | 17.4           | 2.7            | 15.7%          | 0.2%          | 0.2%          | (0.0)%        |
| Legal expense  | 18.9           | 9.9            | 9.0            | 91.0%          | 0.2%          | 0.1%          | 0.1%          |
| Utilities  | 18.2           | 9.3            | 8.8            | 94.7%          | 0.2%          | 0.1%          | 0.1%          |
| Surcharges and penalties   | 17.6           | 23.6           | (5.9)          | (25.2)%        | 0.2%          | 0.3%          | (0.1)%        |
| Insurance expense  | 6.1            | 6.1            | (0.0)          | (0.4)%         | 0.1%          | 0.1%          | (0.0)%        |
| Software maintenance   | 2.6            | 9.3            | (6.8)          | (72.6)%        | 0.0%          | 0.1%          | (0.1)%        |
| Provision for (Recovery from) expected credit loss   | (16.0)         | 8.1            | (24.2)         | (296.5)%       | (0.2)%        | 0.1%          | (0.3)%        |
|  | <b>1,566.7</b> | <b>1,483.7</b> | <b>83.1</b>    | <b>5.6%</b>    | <b>15.9%</b>  | <b>17.7%</b>  | <b>(1.9)%</b> |
| INTEREST EXPENSE   | 1,219.0        | 1,051.2        | 167.8          | 16.0%          | 12.3%         | 12.6%         | (0.2)%        |
| <b>INCOME BEFORE INCOME TAX</b>  | <b>4,550.2</b> | <b>3,510.8</b> | <b>1,039.4</b> | <b>29.6%</b>   | <b>46.0%</b>  | <b>41.9%</b>  | <b>4.1%</b>   |
| PROVISION FOR INCOME TAX   | 1,116.6        | 671.0          | 445.7          | 66.4%          | 11.3%         | 8.0%          | 3.3%          |
| <b>NET INCOME</b>  | <b>3,433.5</b> | <b>2,839.8</b> | <b>593.7</b>   | <b>20.9%</b>   | <b>34.7%</b>  | <b>33.9%</b>  | <b>0.8%</b>   |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                |                |                |                |               |               |               |
| 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                                     | (25.3)         | (138.8)        | 113.5          | (81.8)%        | (0.3)%        | (1.7)%        | 1.4%          |
| Remeasurement gains on pension - net of tax  | 0.1            | 0.6            | (0.5)          | (82.8)%        | 0.0%          | 0.0%          | (0.0)%        |
|  | <b>(25.2)</b>  | <b>(138.3)</b> | <b>113.0</b>   | <b>(81.8)%</b> | <b>(0.3)%</b> | <b>(1.7)%</b> | <b>1.4%</b>   |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <b>3,408.3</b> | <b>2,701.6</b> | <b>706.7</b>   | <b>26.2%</b>   | <b>34.5%</b>  | <b>32.3%</b>  | <b>2.2%</b>   |
| <b>Basic/Diluted Earnings Per Share</b>  | <b>0.42</b>    | <b>0.35</b>    |                |                |               |               |               |

14% increase in real estate sales

*The increase was attributable to an upsurge in sales activities by the Group's marketing arms as well as the increase in property prices throughout the country.*

66% increase in rental income

*With the economic recovery that is taking place from the impact of the pandemic bringing back the foothold traffic to normal, offered rental concessions to its tenants had ended thus increasing the Group's revenue from its commercial activities.*

12% increase in interest income

*The trend of real estate sales during the year was paralleled by an increase in interest revenue during the year.*

42% decrease in commission income

*The decrease was primarily associated with the financial performance of Sta. Lucia Ventures during the year.*

18% decrease in dividend income

*There was a decreased dividend payout throughout the period, which can be directly linked to the dividends announced from the Group's stake in Philippine Racing Inc. and Manila Jockey Club Inc.*

59% increase in other income

*An increase is brought about by the recording of surcharges and penalties for customer payment default, revenue from hotel operations, and gains from forfeiture.*

62% increase in cost of rental income

*The trend of commercial operations was paralleled by an increase in the cost related to its operations during the year.*

7% increase in commission

*The increase in commission expense during the year was comparable with the rise in real estate transactions recorded.*

9% decrease in taxes, licenses, and fees

*The decrease was primarily attributable to the decrease in real property taxes paid as compared to the same period last year.*

41% 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.*

37% 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.*

7% increase in representation

*The increase was attributable to the increase project development activities and acquisition of raw land for land banking activities.*

27% decrease in professional fees

*Declined required external parties' support during 2022 resulted in the decrease in professional fees.*

25% decrease in surcharges and penalties

*An increase in operating effectiveness during the period was one of the Group's priorities to manage costs. This paved way to decreasing unnecessary and unwanted expenses for the Group.*



16% increase in depreciation and amortization

*With increased capital expenditures for the acquisition of properties and equipment for business operation support, attributable depreciation expense also increased.*

91% increase in legal expense

*Related to the acquisition of raw lands and extensive project developments, legal support costs also increased during the period.*

95% increase in utilities

*Extensive project developments and an increase in the volume of office operations contributed to the increase in utilities incurred during the year.*

73% decrease in software maintenance

*The decrease was attributable to the lesser software maintenance support required during the period.*

13% decrease in transportation, travel, office supplies and miscellaneous

*An increase in operating effectiveness during the period was one of the Group's priorities to manage costs. This paved way to decreasing unnecessary and unwanted expenses for the Group.*

16% increase in interest expense

*The increased utilization of both long-term and short-term loans contributed to increasing recognized interest expenses throughout the period.*

66% increase in provision for income tax

*The increase in provision for income tax is reflective of better performance compared to prior year.*

## **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 were increased by 27% or Php1,444 million as compared the previous year. The shift to 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 Php50 million increase comparing to the previous period. Interest income increased by 8% or Php40 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 Php53 million during the period. Despite the experienced increase with the major revenue stream of the Group, its commercial operation experienced a 13% or Php69 million decrease in 2021. The decrease was primarily due to the rental concessions granted by the Group to its tenants to help them as well as to ease the negative impact brought about by the Covid-19 pandemic.

### Cost and Expense

Total cost and expense recognized during 2021 totaled Php5,530 million. This amount represents a 7% increase comparing to the 2020 amount of Php5,145 million. Total selling and administrative expenses increased by 39% or Php416 million. The increase was primarily due to the increased commission expense brought about by the increase in real estate sales recognized during the year. Commission expense increased by 28% or Php175 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 Php58 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% or Php1,132 million during the period.

## **PROJECT AND CAPITAL EXPENDITURES**

During the period, the Group apportioned Php5,264 million for project and capital expenditures as the Group wants to capture the growing demand for real estate. Part of the allotted amount, Php1,114 million, was 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 Php52,060 million from Php45,786 in 2020. This represents a significant 14% or Php6,274 increase from its current year's performance. The increase was primarily due to the recognized real estate sales contributing a 55% or Php2,115 million increase in receivables arising from the sales. Also, during 2021, as

evidence by the 107% or Php1,004 million increase in cash and 16% or Php4,010 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 Php7,000 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 Php31,988 million. The amount represents a 32% or Php3,900 million increase from the 2020 balance. Accounts and other payables increased by 26% or Php1,411 million from 2020. Short term borrowings also increased by 39% or Php2,376 million.

### Equity

Total stockholders' equity increased by 13% or Php2,374 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 Php0.04 per share.

### Key Performance Indicators

|                                | <b>31-Dec-21</b> | <b>31-Dec-20</b> |
|--------------------------------|------------------|------------------|
| <b>Current Ratio</b>           | <b>2.05</b>      | <b>2.01</b>      |
| <b>Debt to Equity</b>          | <b>0.96</b>      | <b>0.97</b>      |
| <b>Interest Coverage Ratio</b> | <b>333.99%</b>   | <b>341.52%</b>   |
| <b>Return on Asset</b>         | <b>5.45%</b>     | <b>3.73%</b>     |
| <b>Return on Equity</b>        | <b>14.15%</b>    | <b>9.65%</b>     |

\*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**

| in P millions   | HORINZONTAL ANALYSIS |                 |                |              | VERTICAL ANALYSIS    |               |               |
|---|----------------------|-----------------|----------------|--------------|----------------------|---------------|---------------|
|   | December 31,<br>2021 | 2020            | P<br>change    | %<br>change  | December 31,<br>2021 | 2020          | %<br>change   |
| <b>ASSETS</b>   |                      |                 |                |              |                      |               |               |
| <b>Current Assets</b>   |                      |                 |                |              |                      |               |               |
| Cash and cash equivalents   | 1,947.0              | 942.8           | 1,004.1        | 106.5%       | 3.7%                 | 2.1%          | 1.7%          |
| Receivables   | 3,023.7              | 3,494.6         | (470.9)        | (13.5)%      | 5.8%                 | 7.6%          | (1.8)%        |
| Contract assets   | 1,464.9              | 1,880.4         | (415.5)        | (22.1)%      | 2.8%                 | 4.1%          | (1.3)%        |
| Real estate inventories   | 28,905.4             | 24,931.1        | 3,974.3        | 15.9%        | 55.6%                | 54.5%         | 1.1%          |
| Other current assets  | 4,782.9              | 5,401.0         | (618.1)        | (11.4)%      | 9.2%                 | 11.8%         | (2.6)%        |
| <b>Total Current Assets</b>   | <b>40,123.8</b>      | <b>36,649.9</b> | <b>3,473.9</b> | <b>9.5%</b>  | <b>77.2%</b>         | <b>80.0%</b>  | <b>(2.9)%</b> |
| <b>Noncurrent Assets</b>  |                      |                 |                |              |                      |               |               |
| Installment contracts receivables - net of current portion                | 1,860.9              | 1,014.1         | 846.8          | 83.5%        | 3.6%                 | 2.2%          | 1.4%          |
| Contract assets - net of current portion                                  | 2,651.4              | 967.5           | 1,683.9        | 174.1%       | 5.1%                 | 2.1%          | 3.0%          |
| Investment properties   | 5,868.2              | 5,712.4         | 155.8          | 2.7%         | 11.3%                | 12.5%         | (1.2)%        |
| Property and equipment  | 49.7                 | 54.9            | (5.2)          | (9.4)%       | 0.1%                 | 0.1%          | (0.0)%        |
| Financial assets at fair value through other comprehensive income (FVOCI) | 682.6                | 821.4           | (138.8)        | (16.9)%      | 1.3%                 | 1.8%          | (0.5)%        |
| Pension asset   | 1.1                  | 0.3             | 0.7            | 227.8%       | 0.0%                 | 0.0%          | 0.0%          |
| Other noncurrent assets   | 755.5                | 565.3           | 190.2          | 33.7%        | 1.5%                 | 1.2%          | 0.2%          |
| <b>Total Noncurrent Assets</b>  | <b>11,869.5</b>      | <b>9,135.9</b>  | <b>2,733.6</b> | <b>29.9%</b> | <b>22.8%</b>         | <b>20.0%</b>  | <b>2.9%</b>   |
| <b>TOTAL ASSETS</b>   | <b>51,993.3</b>      | <b>45,785.8</b> | <b>6,207.5</b> | <b>13.6%</b> | <b>100.0%</b>        | <b>100.0%</b> |               |
| <b>LIABILITIES AND EQUITY</b>   |                      |                 |                |              |                      |               |               |
| <b>Current Liabilities</b>  |                      |                 |                |              |                      |               |               |
| Short-term debt   | 8,525.3              | 6,149.0         | 2,376.3        | 38.6%        | 16.4%                | 13.4%         | 3.0%          |
| Accounts and other payables   | 6,753.0              | 5,407.8         | 1,345.2        | 24.9%        | 13.0%                | 11.8%         | 1.2%          |
| Income tax payable  | 98.6                 | 87.3            | 11.2           | 12.9%        | 0.2%                 | 0.2%          | (0.0)%        |
| Contract liabilities - current portion                                    | 2,577.5              | 3,569.8         | (992.3)        | (27.8)%      | 5.0%                 | 7.8%          | (2.8)%        |
| Long-term debt - current portion  | 1,812.2              | 3,027.5         | (1,215.3)      | (40.1)%      | 3.5%                 | 6.6%          | (3.1)%        |
| <b>Total Current Liabilities</b>  | <b>19,766.5</b>      | <b>18,241.4</b> | <b>1,525.1</b> | <b>8.4%</b>  | <b>38.0%</b>         | <b>39.8%</b>  | <b>(1.8)%</b> |
| <b>Noncurrent Liabilities</b>   |                      |                 |                |              |                      |               |               |
| Long-term debt - net of current portion                                   | 9,014.8              | 8,002.3         | 1,012.5        | 12.7%        | 17.3%                | 17.5%         | (0.1)%        |
| Contract liabilities - net of current portion                             | 1,239.0              | 401.4           | 837.6          | 208.7%       | 2.4%                 | 0.9%          | 1.5%          |
| Deferred tax liabilities - net  | 1,901.4              | 1,442.9         | 458.5          | 31.8%        | 3.7%                 | 3.2%          | 0.5%          |
| <b>Total Noncurrent Liabilities</b>                                       | <b>12,155.2</b>      | <b>9,846.6</b>  | <b>2,308.7</b> | <b>23.4%</b> | <b>23.4%</b>         | <b>21.5%</b>  | <b>1.9%</b>   |
| <b>Total Liabilities</b>  | <b>31,921.8</b>      | <b>28,088.0</b> | <b>3,833.8</b> | <b>13.6%</b> | <b>61.4%</b>         | <b>61.3%</b>  | <b>0.0%</b>   |
| <b>Equity</b>   |                      |                 |                |              |                      |               |               |
| Capital stock   | 10,796.5             | 10,796.5        | -              | -            | 20.8%                | 23.6%         | (2.8)%        |
| Additional paid-in capital  | 330.0                | 330.0           | -              | -            | 0.6%                 | 0.7%          | (0.1)%        |
| Retained earnings   | 10,358.5             | 7,846.5         | 2,512.0        | 32.0%        | 19.9%                | 17.1%         | 2.8%          |
| Treasury shares   | (1,640.0)            | (1,640.0)       | -              | -            | (3.2)%               | (3.6)%        | 0.4%          |
| Net unrealized gain on fair value of financial assets at FVOCI            | 225.9                | 364.7           | (138.8)        | (38.1)%      | 0.4%                 | 0.8%          | (0.4)%        |
| Remeasurement gains on pension - net of tax                               | 0.7                  | 0.2             | 0.6            | 346.1%       | 0.0%                 | 0.0%          | 0.0%          |

|                                     |                 |                 |                |              |               |               |               |
|-------------------------------------|-----------------|-----------------|----------------|--------------|---------------|---------------|---------------|
| <b>Total Equity</b>                 | <b>20,071.5</b> | <b>17,697.8</b> | <b>2,373.7</b> | <b>13.4%</b> | <b>38.6%</b>  | <b>38.7%</b>  | <b>(0.0)%</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>51,993.3</b> | <b>45,785.8</b> | <b>6,207.5</b> | <b>13.6%</b> | <b>100.0%</b> | <b>100.0%</b> |               |

**107% increase in cash and cash equivalents**

*The increase in cash and cash equivalents was primarily due to the Group's action in the debt market to maintain a strong liquidity position. Also, the Group has put up more payment channels 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 amounts of capital expenditures were deployed for the project developments and land banking activities increasing the amount of real estate inventories during the period.*

**11% decrease in other current assets**

*The decrease was primarily due to the transfer of advances to landowners 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 was the result of continuous lapsing recorded in the books. Less capital expenditures were allocated in acquisition of property and equipment for the Group's operations.*

**17% decrease in financial assets at fair value through other comprehensive income**

*Still with the effect of pandemic, fair value of most investments declined during 2021. Fair market value of financial assets held by the Group decreased in 2021.*

**228% increase in pension assets**

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

34% increase in other noncurrent assets

*As the Group 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 from 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 were initially recorded as liabilities from buyers whose properties are yet to be developed were already recognized as income since there is already an increase in project development accomplishments during the period.*

40% decrease in long term debts - current portion

*During 2021, the Group managed to raise Php7,000 million worth of corporate notes, the proceeds of which were used pay the Php2,000 million bonds matured during the period and to pre-term more expensive loans, part of which was the 7-year Php5,000 million corporate notes a portion of the principal of which are already 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 the non-current portion of long-term debts was primarily due to the Php7,000 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 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**

| in P millions except per share figure                     | HORINZONTAL ANALYSIS |                |                |               | VERTICAL ANALYSIS |               |               |
|---|----------------------|----------------|----------------|---------------|-------------------|---------------|---------------|
|   | December 31,         |                | P              | %             | December 31,      |               | %             |
|   | 2021                 | 2020           | change         | change        | 2021              | 2020          | change        |
| <b>REVENUE</b>  |                      |                |                |               |                   |               |               |
| Real estate sales   | 6,827.2              | 5,383.1        | 1,444.1        | 26.8%         | 81.6%             | 79.6%         | 2.0%          |
| Rental income   | 465.9                | 447.5          | 18.3           | 4.1%          | 5.6%              | 6.6%          | (1.0)%        |
| Interest income   | 519.8                | 479.8          | 40.0           | 8.3%          | 6.2%              | 7.1%          | (0.9)%        |
| Commission income   | 141.6                | 91.5           | 50.1           | 54.8%         | 1.7%              | 1.4%          | 0.3%          |
| Dividend income   | 8.7                  | 9.2            | (0.5)          | (5.2)%        | 0.1%              | 0.1%          | (0.0)%        |
| Others  | 407.6                | 354.8          | 52.7           | 14.9%         | 4.9%              | 5.2%          | (0.4)%        |
|   | <b>8,370.7</b>       | <b>6,766.0</b> | <b>1,604.7</b> | <b>23.7%</b>  | <b>100.0%</b>     | <b>100.0%</b> |               |
| <b>COSTS OF SALES AND SERVICES</b>                        |                      |                |                |               |                   |               |               |
| Cost of real estate sales                                 | 1,953.7              | 2,025.3        | (71.6)         | (3.5)%        | 23.3%             | 29.9%         | (6.6)%        |
| Cost of rental income                                     | 371.4                | 281.2          | 90.2           | 32.1%         | 4.4%              | 4.2%          | 0.3%          |
|   | <b>2,325.1</b>       | <b>2,306.5</b> | <b>18.6</b>    | <b>0.8%</b>   | <b>27.8%</b>      | <b>34.1%</b>  | <b>(6.3)%</b> |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>                |                      |                |                |               |                   |               |               |
| Commissions   | 797.5                | 622.0          | 175.4          | 28.2%         | 9.5%              | 9.2%          | 0.3%          |
| Taxes, licenses and fees                                  | 183.1                | 99.4           | 83.7           | 84.2%         | 2.2%              | 1.5%          | 0.7%          |
| Salaries and wages and other benefits                     | 99.5                 | 85.0           | 14.4           | 17.0%         | 1.2%              | 1.3%          | (0.1)%        |
| Repairs and maintenance                                   | 85.8                 | 41.1           | 44.7           | 108.9%        | 1.0%              | 0.6%          | 0.4%          |
| Representation  | 73.7                 | 49.0           | 24.7           | 50.3%         | 0.9%              | 0.7%          | 0.2%          |
| Advertising   | 62.9                 | 68.7           | (5.8)          | (8.5)%        | 0.8%              | 1.0%          | (0.3)%        |
| Professional fees   | 28.9                 | 16.4           | 12.5           | 76.1%         | 0.3%              | 0.2%          | 0.1%          |
| Surcharges and penalties                                  | 23.6                 | 3.6            | 19.9           | 545.7%        | 0.3%              | 0.1%          | 0.2%          |
| Depreciation and amortization                             | 17.4                 | 21.7           | (4.2)          | (19.5)%       | 0.2%              | 0.3%          | (0.1)%        |
| Legal expense   | 9.9                  | 11.1           | (1.2)          | (10.8)%       | 0.1%              | 0.2%          | (0.0)%        |
| Utilities   | 9.3                  | 6.9            | 2.4            | 34.8%         | 0.1%              | 0.1%          | 0.0%          |
| Software maintenance                                      | 9.3                  | 4.5            | 4.9            | 109.0%        | 0.1%              | 0.1%          | 0.0%          |
| Expected credit loss                                      | 8.1                  | 1.4            | 6.8            | 503.3%        | 0.1%              | 0.0%          | 0.1%          |
| Insurance expense   | 6.1                  | 6.1            | (0.0)          | (0.2)%        | 0.1%              | 0.1%          | (0.0)%        |
| Transportation, travel, office supplies and miscellaneous | 68.7                 | 30.3           | 38.3           | 126.4%        | 0.8%              | 0.4%          | 0.4%          |
|   | <b>1,483.7</b>       | <b>1,067.2</b> | <b>416.4</b>   | <b>39.0%</b>  | <b>17.7%</b>      | <b>15.8%</b>  | <b>2.0%</b>   |
| INTEREST EXPENSE  | 1,051.2              | 993.3          | 57.9           | 5.8%          | 12.6%             | 14.7%         | (2.1)%        |
| <b>INCOME BEFORE INCOME TAX</b>                           | <b>3,510.8</b>       | <b>2,399.0</b> | <b>1,111.8</b> | <b>46.3%</b>  | <b>41.9%</b>      | <b>35.5%</b>  | <b>6.5%</b>   |
| <b>PROVISION FOR INCOME TAX</b>                           | <b>671.0</b>         | <b>691.1</b>   | <b>(20.1)</b>  | <b>(2.9)%</b> | <b>8.0%</b>       | <b>10.2%</b>  | <b>(2.2)%</b> |

|  |                |                |                |              |              |              |             |
|--|----------------|----------------|----------------|--------------|--------------|--------------|-------------|
| <b>NET INCOME</b>  | <b>2,839.8</b> | <b>1,707.9</b> | <b>1,131.9</b> | <b>66.3%</b> | <b>33.9%</b> | <b>25.2%</b> | <b>8.7%</b> |
| <b>OTHER<br/>COMPREHENSIVE<br/>INCOME</b>  |                |                |                |              |              |              |             |
| Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods |                |                |                |              |              |              |             |
| Unrealized losses on fair value of financial assets at FVOCI                                     | (138.8)        | (126.7)        | (12.1)         | 9.6%         | (1.7)%       | (1.9)%       | 0.2%        |
| Remeasurement gains on pension - net of tax  | 0.6            | 2.6            | (2.0)          | (78.4)%      | 0.0%         | 0.0%         | (0.0)%      |
|  | (138.3)        | (124.1)        | (14.1)         | 11.4%        | (1.7)%       | (1.8)%       | 0.2%        |
| <b>TOTAL<br/>COMPREHENSIVE<br/>INCOME</b>  | <b>2,701.6</b> | <b>1,583.8</b> | <b>1,117.8</b> | <b>70.6%</b> | <b>32.3%</b> | <b>23.4%</b> | <b>8.9%</b> |
| <b>Basic/Diluted Earnings<br/>Per Share</b>  | <b>0.35</b>    | <b>0.21</b>    |                |              |              |              |             |

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 of some companies, promotional and other advertising activities remained as usual. Thus, a decrease in expense was noted during period.*

76% increase in professional fees

*External parties were sought into during 2021 to support the implemented fund-raising activities which resulted to increasing the recognized professional fees.*

35% increase in utilities

*The shift to more relaxed quarantine restrictions 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 landbanking 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 in an 8% decline in real estate sales revenue amounting to Php488 million in 2020. Interest income also posted a decline of Php167 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 a decrease in rental revenue of almost 41% or Php364 million in 2020. Other income, which mostly consists of gains from repossession of inventory as well as from penalties and surcharges increased by 21% or Php61 million in 2020.

### Cost and Expense

The temporary halt of the majority of the Group's operation from the community quarantine restrictions resulted to a decrease in total recognized expenses in 2020 amounting to Php929 million or a 15% decrease from the total year expense of Php6,074 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 Php1,067 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 Php1,708 million after tax in 2020.

## **PROJECT AND CAPITAL EXPENDITURES**

The Group apportioned Php5,211 million for project and capital expenditures as the Group wants to capture the growing demand for real estate. A bold move from the Group to become the country's leading real estate company not in sheer size but in ways more meaningful such as quality projects, quality business plans, growth, returns, and innovation. The amount accounts for the continuous development of the Registrant's existing residential and commercial projects and for the financing of newly developed projects. As part of its growth strategy, the Group acquired raw lands for new residential and condominium project developments amounting to Php1,377 million for the year 2020.

## **FINANCIAL CONDITION**

### Assets

The Group's total assets stood strong at Php45,786 million during the year. This represents a 13% increase from the 2019 balance of Php40,352 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 Php3,061 million. Real estate inventory balance amounted to Php24,931 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 Php28,088 million. This amount represents a 16% increase from the previous year's reported total liabilities of Php24,238 million. Majority of the borrowings were availed through short term loans. As a result, short term debts grew by almost 75%, from Php3,521 million in 2019 to Php6,149 million in 2020. Accounts and other payables amounted to Php5,408 million, increased by 13% from Php4,874 million in 2019. Total contract liabilities arising from real estate sales grew by Php514 million or 15% from 2019 reported amount. Deferred tax liabilities also increased by Php488 million or 51%.

### Equity

Total stockholders' equity increased by Php1,584 million in 2020 generated from the net income during the year amounting to Php1,708 million. Financial assets measured at fair through other comprehensive income decrease by Php124 million.

### Key Performance Indicators

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

\*Notes to Key Performance Indicators:

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

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

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2020.

**Material Changes in the Balance Sheet (+/- 5%) as of 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 collections 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 collections 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 declined 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, an 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 sources 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 Php2billion 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 Php2billion 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 the pandemic, the Group had experienced a 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

*A temporary halt of the commercial operations was experienced during the ECQ, thus attributable cost to operate also decreased. Further, only those tenants that are 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.*

## **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.
8. Sta. Lucia Prime
9. NCore Realty

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 135,000, catering to clients all over the Philippines.

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

### On Technology Exploitation

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

In addition to the software, the Registrant's website, developed by CETT Computer Education Network can now be accessed by prospective buyers and investors through the

web address [www.stalucialand.com.ph](http://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 2,985 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 have been 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 (3) to four (4) years. Developments shall also take two (2) to three (3) 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 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 November 29, 2022, subject to securing all required approvals under applicable laws, rules and regulations, the Group was authorized to enter into a 5-year unsecured Syndicated Term Loan facility agreement with primary institutional lenders 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 long-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 is 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 conditions 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 Php6,174 million in 2022. For 2023, the Registrant allocated Php6,500 million for its capital expenditures, including Php6,380 million for project development and Php120 million for land acquisitions.

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

## **INTERIM PERIOD**

### **Result of Operations**

*(Three-month period ended March 31, 2023 compared to the three-month period ended March 31, 2022)*

#### **Revenue**

The Group's financial performance has shown strong growth, with a total revenue increase of 17% or P513 million from the previous period last year. Such growth was attributable to real estate sales, rental income, interest income and other income, which grew by P313 million or 12%, P88 million or 79%, P44 million or 43% and P72 million or 54%, respectively. The increased efforts of the company's marketing arms have played a significant role in the 12% growth in real estate sales. By actively promoting the Group's product offerings, the Group was able to attract more customers and expand the real estate sales. The remarkable 79% growth in rental income can be attributed to the improved foot traffic in the mall. The Group has focused on enhancing the tenant mix and overall shopping experience, which resulted in increased revenue from rentals.

Overall, the Group's financial performance reflects positive growth driven by increased marketing efforts for real estate sales and increased foot traffic in the mall for rental income.

The Group will remain committed to prioritizing these areas and continue its commitment in developing sustainable communities.

### Cost and Expense

The Group experienced a significant 22% or P340 million increase in total cost and expenses compared to the same period last year. This increase is attributed to various expense accounts. The cost of sales and services rose by 45% or P324million, which was directly attributable to the increased real estate sales and rentals. Interest expense grew by 20% brought about by higher borrowings in the debt market. On the other hand, the Group effectively managed its selling and administrative expenses, resulting in an 8% decrease or P43 million. The Group will continue monitoring its cost structure to ensure sustainable growth and profitability. Exploring strategies to diversify revenue streams and maintaining a prudent approach to borrowing will be essential for the company to navigate these financial factors successfully.

### Comprehensive Income

Total comprehensive income of the Group reported increased by 17% or P178 million for the three-month period ending March 31, 2023 as compared to same period last year. The increase was primarily due to the reported increase in net income as well as the increase in the unrealized gains recognized during the period.

### **Financial Condition**

***(Three months ended March 31, 2023 compared to year ended December 31, 2022)***

#### Total Assets

The Group's financial position has shown positive growth, with a 2% increase in total assets or P1,235 million. The increase is mainly driven by an increase in receivables resulting from higher real estate sales. Additionally, the company experienced an increase in cash due to borrowing funds from the debt market to manage liquidity and deploying capital funds to expand its real estate inventory. This growth in assets reflects the company's successful sales generation and strategic financial decisions. The Group will continue to manage its assets effectively, optimize sales, and maintain a healthy balance sheet to sustain its strong financial position and support future growth.

#### Total Liabilities

The Group's total liabilities have not shown any significant movement. However, a noteworthy event during the period is the second drawdown of the syndicated notes facility on March 10, 2023, amounting to P2.55 billion. This drawdown was specifically utilized to pay off maturing loans. It indicates the company's proactive approach in managing its debt obligations and ensuring smooth financial operations. While the overall liabilities have remained stable, the successful drawdown of the syndicated notes facility highlights Group's ability to secure additional financing and effectively address its loan repayment requirements. This strategic decision helps maintain the company's financial stability, liquidity, and ability to pursue growth opportunities.

## Key Performance Indicators

|                         | March 31, 2023 | December 31, 2022 |
|-------------------------|----------------|-------------------|
| Current Ratio           | 2.11           | 2.13              |
| Debt to Equity          | 0.94           | 0.99              |
| Interest Coverage Ratio | 574.01%        | 373.28%           |
| Return on Asset         | 2.14%          | 5.98%             |
| Return on Equity        | 5.17%          | 14.90%            |

\*Notes to Key Performance Indicator:

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

## Material Changes in the Balance Sheet (+/- 5%) as of March 31, 2023 versus the Balance Sheet as of December 31, 2022

| In \$ millions, except per share figures                   | HORIZONTAL ANALYSIS |                   |              |             | VERTICAL ANALYSIS |                   |               |
|--|---------------------|-------------------|--------------|-------------|-------------------|-------------------|---------------|
|  | March 31, 2023      | December 31, 2022 | P Change     | % Change    | March 31, 2023    | December 31, 2022 | % Change      |
| <b>ASSETS</b>  |                     |                   |              |             |                   |                   |               |
| Current Assets:  |                     |                   |              |             |                   |                   |               |
| Cash and cash equivalents                                  | 3,514               | 3,344             | 171          | 5%          | 6.0%              | 5.8%              | 0.2%          |
| Receivables  | 4,169               | 3,990             | 178          | 4%          | 7.1%              | 7.0%              | 0.2%          |
| Contract assets  | 2,359               | 2,112             | 247          | 12%         | 4.0%              | 3.7%              | 0.3%          |
| Real estate inventories                                    | 31,910              | 31,650            | 260          | 1%          | 54.4%             | 55.1%             | (0.7)%        |
| Other current assets                                       | 3,643               | 3,816             | (172)        | (5)%        | 6.2%              | 6.6%              | (0.4)%        |
| <b>Total Current Assets</b>                                | <b>45,595</b>       | <b>44,912</b>     | <b>683</b>   | <b>2%</b>   | <b>77.7%</b>      | <b>78.2%</b>      | <b>(0.5)%</b> |
| Noncurrent Assets:   |                     |                   |              |             |                   |                   |               |
| Installment contracts receivables - net of current portion | 1,278               | 1,172             | 105          | 9%          | 2.2%              | 2.0%              | 0.1%          |
| Contract assets - net of current portion                   | 3,379               | 3,047             | 332          | 11%         | 5.8%              | 5.3%              | 0.5%          |
| Investment properties                                      | 6,422               | 6,330             | 92           | 1%          | 11.0%             | 11.0%             | (0.1)%        |
| Property and equipment                                     | 65                  | 68                | (3)          | (4)%        | 0.1%              | 0.1%              | (0.0)%        |
| Financial assets at FV through OCI                         | 656                 | 657               | (1)          | (0)%        | 1.1%              | 1.1%              | (0.0)%        |
| Pension asset  | -                   | -                 | -            | -           | -                 | -                 | -             |
| Other noncurrent assets                                    | 1,251               | 1,224             | 27           | 2%          | 2.1%              | 2.1%              | 0.0%          |
| <b>Total Noncurrent Assets</b>                             | <b>13,050</b>       | <b>12,498</b>     | <b>552</b>   | <b>4%</b>   | <b>22.3%</b>      | <b>21.8%</b>      | <b>0.5%</b>   |
|  | <b>58,645</b>       | <b>57,410</b>     | <b>1,235</b> | <b>2%</b>   | <b>100.0%</b>     | <b>100.0%</b>     | <b>-</b>      |
| <b>LIABILITIES AND EQUITY</b>                              |                     |                   |              |             |                   |                   |               |
| Current Liabilities:                                       |                     |                   |              |             |                   |                   |               |
| Accounts and other payables                                | 6,410               | 6,107             | 303          | 5%          | 10.9%             | 10.6%             | 0.3%          |
| Short-term debt  | 9,252               | 9,372             | (320)        | (3)%        | 15.8%             | 16.7%             | (0.9)%        |
| Contract liabilities - current portion                     | 1,422               | 1,966             | (544)        | (28)%       | 2.4%              | 3.4%              | (1.0)%        |
| Income tax payable   | 114                 | 94                | 20           | 21%         | 0.2%              | 0.2%              | 0.0%          |
| Long-term debt - current portion                           | 4,415               | 3,386             | 1,030        | 30%         | 7.5%              | 5.9%              | 1.6%          |
| <b>Total Current Liabilities</b>                           | <b>21,614</b>       | <b>21,125</b>     | <b>489</b>   | <b>2%</b>   | <b>36.9%</b>      | <b>36.8%</b>      | <b>0.1%</b>   |
| Noncurrent Liabilities:                                    |                     |                   |              |             |                   |                   |               |
| Long-term debt - net of current portion                    | 9,145               | 9,776             | (632)        | (6)%        | 15.6%             | 17.0%             | (1.4)%        |
| Contract liabilities - net of current portion              | 592                 | 818               | (226)        | (28)%       | 1.0%              | 1.4%              | (0.4)%        |
| Pension liabilities  | 10                  | 10                | -            | -           | 0.0%              | 0.0%              | (0.0)%        |
| Deferred tax liabilities - net                             | 2,986               | 2,637             | 349          | 13%         | 5.1%              | 4.6%              | 0.5%          |
| <b>Total Noncurrent Liabilities</b>                        | <b>12,732</b>       | <b>13,241</b>     | <b>(509)</b> | <b>(4)%</b> | <b>21.7%</b>      | <b>23.1%</b>      | <b>(1.4)%</b> |
| <b>Total Liabilities</b>                                   | <b>34,346</b>       | <b>34,366</b>     | <b>(20)</b>  | <b>(0)%</b> | <b>58.6%</b>      | <b>59.9%</b>      | <b>(1.3)%</b> |
| Equity:  |                     |                   |              |             |                   |                   |               |
| Capital stock  | 10,796              | 10,796            | -            | -           | 18.4%             | 18.8%             | (0.4)%        |
| Additional paid-in capital                                 | 580                 | 580               | -            | -           | 1.0%              | 1.0%              | (0.0)%        |
| Retained earnings  | 14,323              | 13,067            | 1,256        | 10%         | 24.4%             | 22.8%             | 1.7%          |
| Treasury shares  | (1,600)             | (1,600)           | -            | -           | (2.7)%            | (2.8)%            | 0.1%          |
| Net unrealized gain on FV of financial assets at FVOCI     | 199                 | 201               | (1)          | (1)%        | 0.3%              | 0.3%              | (0.0)%        |
| Remeasurement losses on pension liabilities                | 1                   | 1                 | -            | -           | 0.0%              | 0.0%              | (0.0)%        |
| <b>Total Equity</b>  | <b>24,300</b>       | <b>23,045</b>     | <b>1,255</b> | <b>5%</b>   | <b>41.4%</b>      | <b>40.1%</b>      | <b>1.3%</b>   |
|  | <b>58,645</b>       | <b>57,410</b>     | <b>1,235</b> | <b>2%</b>   | <b>100.0%</b>     | <b>100.0%</b>     | <b>-</b>      |

## 5% increase in cash

Cash and cash equivalents increased by 5% due to the company's successful borrowings from the debt market and effective cash collections from sales. These actions have strengthened the company's liquidity position.

**12% increase in current contract assets**

*Contract assets mirrored the same increase as receivables, with the real estate sales from completed projects. The recognition of real estate sales from these completed projects has contributed to the growth in contract assets.*

**5% decrease in other current assets**

*Other current assets decreased by 5% as a result of increased liquidation and decreases in advances from contractors. The company may have liquidated certain assets and reduced the advances made to suppliers and other contractors.*

**9% increase in installment contracts receivables - net of current portion**

*Installment contracts receivables - net of current portion experienced a 9% increase, primarily driven by the surge in real estate sales. The company's successful sales efforts have resulted in higher accounts receivable as customers make payments for their purchases*

**11% increase in contract assets - net of current portion**

*Contract assets mirrored the same increase as receivables, with the real estate sales from completed projects. The recognition of real estate sales from these completed projects has contributed to the growth in contract assets.*

**5% increase in accounts and other payables**

*Accounts and other payables increased by 5% due to the deployment of capital funds to increase inventory. The company invested in expanding its inventory, which led to higher payables to suppliers and other contractors.*

**28% decrease in current contract liabilities**

*Contract liabilities decreased by 28% as the company fulfilled its obligations from previously advanced collections over project completion. The decrease indicates that the company has satisfied its obligations and reduced the liability associated with advanced collections.*

**21% increase in income tax payable**

*Income tax payable increased by 21% due to higher tax liabilities resulting from increased net income. The company's improved profitability has led to a higher tax obligation to be paid.*

**30% increase in current portion long-term debt**

*Long-term debt - current portion increased by 30% as the currently maturing portion of long-term loans required repayment. The increase in this category reflects the need to settle the portion of long-term debt that is due within the next twelve months.*

**6% decrease in long-term debt - noncurrent portion**

*Long-term debt - noncurrent decreased by 6% due to the reclassification of certain debt to the longterm debt - current portion. This reclassification resulted in a shift of liabilities from noncurrent to current due to their near-term maturity.*

**28% decrease in current contract liabilities – net of current portion**

*Contract liabilities decreased by 28% as the company fulfilled its obligations from previously advanced collections over project completion. The decrease indicates that the company has satisfied its obligations and reduced the liability associated with advanced collections.*

### 13% increase in deferred tax liabilities-net

Deferred tax liabilities increased by 13% due to timing differences in tax calculations. These differences in timing, such as recognizing revenue or expenses for tax purposes at different times than for accounting purposes, have led to an increase in the company's deferred tax liabilities.

### 10% increase in retained earnings

Retained earnings increased by 10% as a result of higher net income generated by the company. The retained earnings account represents the cumulative profits the company has earned and retained over time. The growth in net income has contributed to the increase in retained earnings.

#### Material Changes in the Income Statement (+/-5%) for the Three-Month Period Ended March 31, 2023 versus the Income Statement for the Three-Month Period Ended March 31, 2022

| In \$ millions, except per share figures   | HORIZONTAL ANALYSIS         |       |          |          | VERTICAL ANALYSIS           |        |          |
|--|-----------------------------|-------|----------|----------|-----------------------------|--------|----------|
|  | Three Months Ended March 31 |       | P Change | % Change | Three Months Ended March 31 |        | % Change |
|  | 2023                        | 2022  |          |          | 2023                        | 2022   |          |
| <b>REVENUE</b>   |                             |       |          |          |                             |        |          |
| Real estate sales  | 3,023                       | 2,710 | 313      | 12%      | 84.6%                       | 88.6%  | (4.0)%   |
| Rental income  | 200                         | 112   | 88       | 79%      | 5.6%                        | 3.7%   | 1.9%     |
| Interest income  | 146                         | 102   | 44       | 43%      | 4.1%                        | 3.3%   | 0.7%     |
| Commission income  | 1                           | 3     | (3)      | (79)%    | 0.0%                        | 0.1%   | (0.1)%   |
| Dividend income  | -                           | -     | -        | -        | -                           | -      | -        |
| Others   | 204                         | 133   | 72       | 54%      | 5.7%                        | 4.3%   | 1.4%     |
|  | 3,574                       | 3,060 | 513      | 17%      | 100.0%                      | 100.0% | -        |
| <b>COSTS OF SALES AND SERVICES</b>   |                             |       |          |          |                             |        |          |
| Cost of real estate sales  | 894                         | 620   | 274      | 44%      | 25.0%                       | 20.3%  | 4.7%     |
| Cost of rental income  | 151                         | 100   | 50       | 50%      | 4.2%                        | 3.3%   | 0.9%     |
|  | 1,045                       | 721   | 324      | 45.0%    | 29.2%                       | 23.5%  | 5.7%     |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>   |                             |       |          |          |                             |        |          |
| Commissions  | 356                         | 323   | 33       | 10%      | 10.0%                       | 10.6%  | (0.6)%   |
| Representation   | 33                          | 65    | (32)     | (50)%    | 0.9%                        | 2.1%   | (1.2)%   |
| Taxes, licenses and fees   | 49                          | 96    | (47)     | (49)%    | 1.4%                        | 3.1%   | (1.8)%   |
| Salaries and wages and other benefits  | 14                          | 18    | (3)      | (24)%    | 0.4%                        | 0.6%   | (0.2)%   |
| Advertising  | 9                           | 9     | 1        | 9%       | 0.3%                        | 0.3%   | (0.0)%   |
| Repairs and maintenance  | 1                           | 3     | (2)      | (61)%    | 0.0%                        | 0.1%   | (0.1)%   |
| Utilities  | 2                           | 3     | (1)      | (32)%    | 0.1%                        | 0.1%   | (0.0)%   |
| Professional fees  | 9                           | 9     | 0        | 3%       | 0.3%                        | 0.3%   | (0.0)%   |
| Depreciation and amortization  | 4                           | 3     | 1        | 42%      | 0.1%                        | 0.1%   | 0.0%     |
| Expected credit loss   | -                           | -     | -        | -        | -                           | -      | -        |
| Surcharges and penalties   | 5                           | 1     | 4        | 503%     | 0.1%                        | 0.0%   | 0.1%     |
| Legal expense  | 1                           | 2     | (1)      | (58)%    | 0.0%                        | 0.1%   | (0.1)%   |
| Software maintenance   | 0                           | 0     | 0        | 2,132%   | 0.0%                        | 0.0%   | 0.0%     |
| Insurance expense  | 1                           | 1     | 0        | 0%       | 0.0%                        | 0.0%   | (0.0)%   |
| Transportation, travel, office supplies and miscellaneous                              | 14                          | 9     | 4        | 47%      | 0.4%                        | 0.3%   | 0.1%     |
|  | 499                         | 543   | (43)     | (8)%     | 14.0%                       | 17.7%  | (3.8)%   |
| <b>INTEREST EXPENSE</b>  | 354                         | 294   | 59       | 20%      | 9.9%                        | 9.6%   | 0.3%     |
| <b>INCOME BEFORE INCOME TAX</b>  | 1,676                       | 1,502 | 173      | 12%      | 46.9%                       | 49.1%  | (2.2)%   |
| <b>PROVISION FOR INCOME TAX</b>  | 420                         | 376   | 44       | 12%      | 11.7%                       | 12.3%  | (0.5)%   |
| <b>NET INCOME</b>  | 1,256                       | 1,127 | 130      | 12%      | 35.2%                       | 36.8%  | (1.7)%   |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                             |       |          |          |                             |        |          |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: |                             |       |          |          |                             |        |          |
| Unrealized gains on FV of financial assets at FVOCI                                    | (1)                         | (49)  | 48       | (98)%    | (0.0)%                      | (1.6)% | 1.6%     |
| Remeasurement gains (losses) on pension liabilities - net of tax                       | -                           | -     | -        | -        | -                           | -      | -        |
|  | (1)                         | (49)  | 48       | (98)%    | (0.0)%                      | (1.6)% | 1.6%     |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | 1,255                       | 1,077 | 178      | 17%      | 35.1%                       | 35.2%  | (0.1)%   |

### 12% increase in real estate sales

Real estate sales grew by 12%, indicating a positive trend in the company's sales performance in the real estate. The growth can be attributed to increased marketing efforts and improved market demand for properties in the area where the Group's development are situated.

**79% increase in rental income**

*Rental income saw a significant growth of 79%, reflecting the company's efforts in leasing out properties and generating rental revenue. This increase can be attributed to increased foot traffic in the malls and effective property management strategies as well as the decrease in extended rental concessions.*

**79% increase in interest income**

*Interest income increased by 43%, is directly attributable to the trend of real estate sales. This growth can be attributed to more buyers availing installment terms in their property purchase.*

**79% decrease in commission income**

*Commission income experienced a decline of 79%, which indicates a decrease in the company's earnings from commission-based activities. This decline could be attributed to a decrease in transaction volumes.*

**54% increase in other income**

*Other income showed a notable growth of 54%, reflecting additional sources of revenue beyond the core operations of the company. This growth could be attributed to income from penalties and surcharges and from repossessions.*

**44% increase in cost of real estate sales**

*Cost of real estate sales increased by 44%, highlighting the higher costs associated with selling real estate properties.*

**50% increase in cost of rental income**

*Cost of rental income rose by 50%, indicating increased expenses related to maintaining and managing rental properties. This increase can be attributed to higher maintenance and repair costs, property taxes, and utilities.*

**10% increase in commission expense**

*Commissions expense increased by 10%, suggesting higher costs incurred in paying commissions to agents or brokers. This increase can be attributed to higher sales volumes during the period.*

**50% decrease in representation expense**

*Representation expenses decreased by 50%, indicating cost reduction measures in activities related to representation and business development. This decrease can be attributed to streamlining of operations, renegotiating contracts with agents, or utilizing internal resources.*

**49% decrease in taxes, licenses and fees**

*Taxes, licenses, and fees decreased by 49%, suggesting a reduction in regulatory expenses.*

**24% decrease in salaries, wages and other benefits**

*Salaries, wages, and other benefits decreased by 24%, indicating potential cost-cutting measures in employee compensation and benefits. This decrease is a result of workforce optimization, or implementation of cost-saving initiatives.*

**9% increase in advertising expenses**

*Advertising expenses increased by 9%, suggesting the company's increased investment in marketing and promotional activities. This increase can be attributed to efforts to expand market reach, enhance brand visibility, and attract potential buyers or tenants.*

**61% decrease in repairs and maintenance expenses**

*Repairs and maintenance expenses decreased by 61%, indicating potentially efficient maintenance practices or reduced repair needs. This decrease could be a result of improved property condition, preventive maintenance measures, or cost-saving initiatives.*

**32% decrease in utilities expenses**

*Utilities expenses decreased by 32%, indicating potential cost-saving measures in utility usage. This decrease is attributed to energy-saving initiatives and improved efficiency in consumption.*

**5% increase in professional fees**

*Professional fees increased by 5%, reflecting the company's engagement of external professionals for specialized services. This increase can be attributed to advisory services required for specific projects or compliance needs.*

**42% increase in depreciation and amortization**

*Depreciation and amortization expenses increased by 42%, suggesting higher depreciation charges on the company's assets. This increase can be attributed to the acquisition of new assets, expansion of property portfolios.*

**503% increase in surcharges and penalties**

*Surcharges and penalties significantly increased by 503%, can be attributed to regulatory fees related to specific activities.*

**58% decrease in legal expenses**

*Legal expenses decreased by 58%, suggesting potential cost reductions in legal services. This decrease is a result of internal legal expertise, negotiated fee structures, or decreased litigation activity.*

**2,132% increase in software maintenance**

*Software maintenance expenses dramatically increased by 2,132% or P4 million, indicating higher costs associated with maintaining software systems. This increase can be attributed to system upgrades and maintenance*

**47% increase in transportation, travel, office supplies and miscellaneous expenses**

*Transportation, travel, office supplies, and miscellaneous expenses increased by 47%, reflecting increased expenditure in these operational areas. This increase can be attributed to business expansion, increased travel requirements, and increase office supply needs.*

**20% increase in interest expense**

*Interest expense increased by 20%, suggesting higher costs incurred from interest payments on borrowings. This increase can be attributed to increased borrowing levels and higher interest rates in the debt market.*

**12% increase in provision for income tax**

*Provision for income tax increased by 12%, indicating a higher amount set aside for income tax obligations. This increase can be attributed to higher net income.*

## **98% decrease in unrealized gains on the fair value of financial assets at FVOCI**

*Unrealized gains on the fair value of financial assets at FVOCI decreased by 98%, suggesting a significant decline in the value of financial assets held at fair value through other comprehensive income. This decrease can be attributed to market fluctuations valuation.*

## **IV. BUSINESS AND GENERAL INFORMATION**

### **A. Description of Business**

#### **1. Business Development**

The Registrant was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on 06 December 1966 under the name Zipporah Mining and Industrial Corporation to engage in mining. On 14 August 1996, the Registrant's Articles of Incorporation was amended (a) changing the corporate name to Zipporah Realty Holdings, Inc. (ZRHI); and (b) transposing the original primary purpose to secondary purpose from being a mining firm to a real estate company, the primary purpose of which is to acquire by purchase, lease, donation, or otherwise, and to own, use, improve, develop and hold for investment or otherwise, real estate of all kinds, improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances. In 2007, majority of the shares of ZRHI was acquired by Sta. Lucia Realty & Development, Inc. (SLRDI) through a property-share swap and changed its company name to Sta. Lucia Land, Inc. upon board approval. SLI is 80.7696% owned by SLRDI as of 31 March 2023.

#### **2. Restructuring**

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

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

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

|   |                                 |
|---|---------------------------------|
| Alta Vista de Subic                           | Monte Verde Royale              |
| Alta Vista Residential Estate and Golf Course | La Breza Tower (Mother Ignacia) |
| Caliraya Spring Golf Marina                   | Neopolitan Estate               |
| Costa Verde Cavite                            | Palm Coast Marina Bayside       |



|  |  |
|--|--|
| Davao Riverfront                         | Palo Alto Executive Village              |
| Eagle Ridge Commercial                   | Pinewoods Golf & Country Estate          |
| Glenrose Park Carcar Cebu                | Pueblo del Sol                           |
| Greenwoods Commercial                    | Rizal Technopark                         |
| Greenwoods South                         | South Pacific Golf & Leisure Estates     |
| Lakewood City                            | Southfield Executive Village             |
| Manville Royal Subd.                     | Sta. Lucia East Grand Mall Sites 1, 2, 3 |
| Metropoli Residenza de Libis Residential | Tagaytay Royale Estate Commercial        |
| Metropolis Greens                        | Vistamar Residential Estate              |

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

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

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

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

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

### 3. Subsidiaries

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

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

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

#### **4. Employees/Officers**

As of 31 December 2022, the Registrant has the following number of employees/officers including:

| <b>DEPARTMENT</b>                       | <b>COUNT</b> |
|---|--------------|
| Office of the Chairman/Administrator    | 1            |
| Office of the EVP/CFO                   | 1            |
| Accounting                              | 21           |
| Administration                          | 8            |
| Advertising & Promotions                | 4            |
| Asset Management                        | 82           |
| Commercial Business                     | 2            |
| Const. Permit & Post Const. (VRS)       | 1            |
| Corporate Planning & Investor Relations | 2            |
| Credit & Finance                        | 6            |
| Hotels                                  | 1            |
| Human Resources                         | 4            |
| Internal Audit & Controllershship       | 15           |
| Management Information System           | 9            |
| Project Development                     | 29           |
| Purchasing                              | 6            |
| Sales & Marketing                       | 20           |
| Special Projects                        | 2            |
| Treasury                                | 6            |
| Sta Lucia Homes/Customer Service        | 5            |
| <b>Total</b>                            | <b>225</b>   |

The Company foresees an increase in its manpower complement by 40 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 (5) years.

Vacation leaves, sick leaves, 13th month pay, and retirement benefits are provided to employees, among others, subject to company policies and procedures. In addition, the 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 (1) year, from July 10, 2022 to June 30, 2023, 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.

## **5. Major 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 recognized the 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 2022, the Group assures its commitment with its response to the pandemic as the possibility of prolonging social and market uncertainty stands.

The Philippines, as one of the countries in Asia that was 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 continuing 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 objective of OFWs which is to have their own property. Based on SLI's sales report, it has always been a significant number of OFWs who have 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 to the changes in Peso, interest rates, and costs in construction. However, the Company adopted appropriate risk management procedures to lessen and address the risks it faces.

## **6. Nature of Business/Product Line**

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

## **7. Description of Market/Clients**

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

The 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.

## **8. 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 of 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% to 40% downpayment, provision of construction materials by accredited suppliers, and a 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)

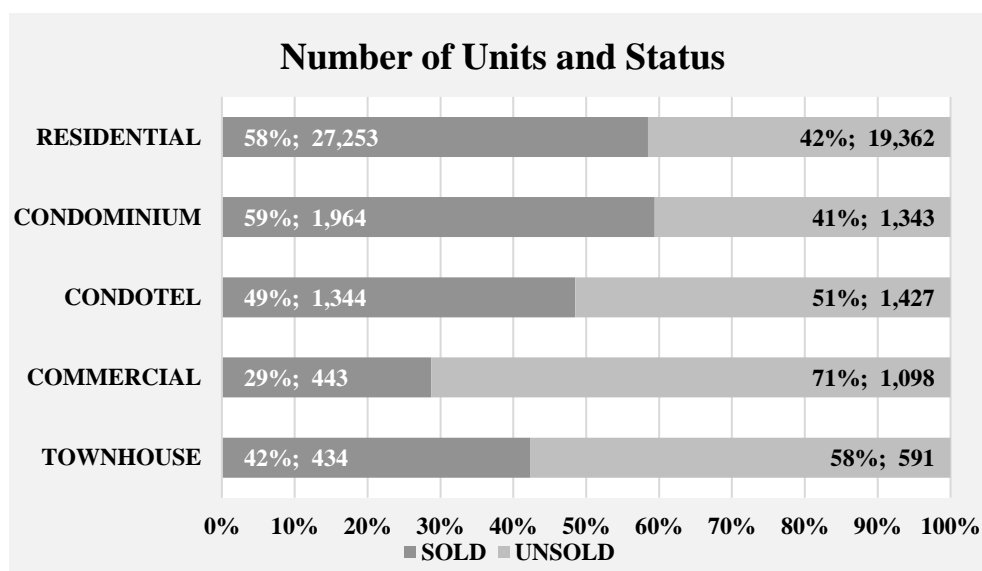
**Step 3:** Concrete Works (Pavement, Curbs & Gutter, Sidewalk, Perimeter Fencing)

**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.

As of December 31, 2022, the Group has already developed over 12,000 has. of land into over 250 projects strategically located in 13 regions and over 70 cities and municipalities in the country.



Almost 87% of the Group's product mix is composed of residential and commercial developments. Of the whole product mix, 84% represents residential properties. As of December 31, 2022, 57% of its products were sold and 43% remains in its inventory.

## **Completed Projects**

As of December 31, 2022, the Company completed the development of the following projects:

### **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 ha. and is approximately eight (8) kilometers from Metro Manila. The total project development cost was approximately Php22 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 have 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 (6) buildings all of which are only six (6) floors high, ensuring a more spacious and less confining living space for the harried modern homeowner of today. It is a housing development that suits the lifestyle and wants of the young, modern professional.

### **El Pueblo Verde**

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

and commercial centers. El Pueblo Verde is situated near the Gerona Municipal Hall and town center.

### **Glenrose Taytay**

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

### **Grand Villas Bauan**

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

### **Green Meadows Dasmarinas**

Located in the progressive city of Dasmariñas in Cavite, Green Meadows brings the best of nature as well as modern comforts within 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 outskirt towns of Pavia and Jaro, Green Meadows is designed around Lake Victoria, a 5-hectare man-made lake whose tranquil setting is the inspiration for gatherings, celebrations, and good old family fun. Come down to the lake for a ride on a boat or in a kayak, skim over the water in a jet ski, or go for a whole afternoon of fishing.

### **Green Meadows Tarlac**

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

### **Green Peak Heights**

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

### **Greenland Newtown**

Greenland Newton is a master-planned residential property located in San Mateo, Rizal. Only ten (10) minutes away from Quezon City, 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 southwestern and southeastern 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 is a location for both work and play and a laid-back sanctuary for relaxation. The project is strategically situated near notable landmarks such as 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 Php557 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 Php359 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 is approximately Php61 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. Beautifully set up in the majestic island of Palawan, you can enjoy green landscapes, white sand shores, crystal clear waters, and exotic wildlife. Marbella is only four (4) 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-hectare residential subdivision development situated in Dasmarinas Cavite. A first-class development, Mesilo lies in 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 a playground and a swimming pool for the recreation of future residents, as well as a multi-purpose clubhouse with open basketball and tennis courts.

### **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 the 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 townhouses for sale with saleable area of 15,610 sqm. The project was launched in 2013 and was completed in 2016.

### **Orchard Towers**

Orchard Towers features four (4) 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 the Greater Manila Area, the Palo Alto Executive Village showcases a 78-hectare Forest Reserve; a 53-ha. Open Space that features a Sta. Lucia Country Club complete with leisure amenities such as a 6-lane ten-pin 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, making it 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 the bonus of being near one of the most 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 1Premiere 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 residents but a host of public and commercial establishments that will cater to your family's needs. It has 11 residential lots for sale under SLI, which has a saleable area of 3,654 sqm. 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 five (5) minutes away from the 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 (3) 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 ha. 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 Php75 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 sqm. designed to give you prime choices.

### **Villa Chiara Tagaytay**

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

### **Woodside Garden Village**

The Woodside Garden Ville is located in 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 are 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:

| <b>PROJECT</b>                          | <b>LOCATION</b>   | <b>SALEABLE AREA</b> | <b>ASSIGNED TO SLI</b> |
|---|-------------------|----------------------|------------------------|
| 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                 |

| PROJECT                             | LOCATION    | SALEABLE AREA | ASSIGNED TO SLI |
|-------------------------------------|-------------|---------------|-----------------|
| 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 Php4,710.00 million and (ii) several parcels of land amounting to Php6,018.50 million with assumption of mortgage in the amount of Php723.60 million in favor of the Company. This additional Php10 billion subscription was consummated on May 20, 2008, the day the SEC approved the Company's application to increase its authorized capital stock from Php2 billion divided into 2,000,000,000 common shares to Php16 billion divided into 16,000,000,000 common shares.

### **Selected Ongoing Development Projects**

#### **Acropolis Loyola**

Nestled at the rolling hills of Quezon City and bordering the panoramic view of Marikina Valley, Acropolis Loyola offers unprecedented Metro Manila living. The average size of its lots is 300 sqm., selling at an average price of Php95,000 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 lakehouses. 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 ha., with 137 lots developed selling at an average price of Php8,000 per sqm. The total project development cost is around Php311 million.

### **Golden Meadows Biñan**

Golden Meadow Biñan is one of Sta. Lucia's quality projects with a community that exudes the warmth, joy, and love of family located in 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 nature's as well as modern comforts within reach. As a first-class city, Dasmariñas is both a center for commerce and an industrial hub. Residents of Green Meadows can find all the essentials and conveniences of city living just a few minutes drive from home. Green Meadows Residential Estates is nestled within the rolling terrain of the Orchard Golf and Country Club. This scenic and serene haven has been designated as a bird and wildlife sanctuary, with its teeming foliage and various species of birds.

### **Greenmeadows Iloilo**

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

### **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 ha. 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 is 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. 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 offers 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 in Lian, Batangas.

## Woodridge Iloilo and The Groove

Woodridge Iloilo is located at Metropolis Drive, Bitoon, Jaro, Iloilo. It is accessible to the 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<br>EXPENDITURES | PERCENTAGE<br>TO REVENUES |
|------|-------------------------|---------------------------|
| 2022 | 6,173,620,510.00        | 62%                       |
| 2021 | 5,263,928,666.00        | 63%                       |
| 2020 | 5,210,659,113.00        | 76%                       |

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

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

#### B. Business of Issuer

The Registrant’s primary purpose is to deal, engage or otherwise acquire an interest in land or real estate development, whether in the Philippines or elsewhere, to acquire, purchase, sell, convey, encumber, lease, rent, erect, construct, alter, develop, hold, manage, operate, administer or otherwise deal in and dispose of, for itself or for others, for profit and advantage, residential, commercial, industrial, recreational, urban and other kinds of real property, such as horizontal and vertical developments as stated in its latest Amended Articles of Incorporation as of 16 June 2016. Please refer to “Real Property Development” and “Development Activities” sections for the detailed descriptions of the products that are and will be distributed by the Registrant.

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

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

## 1. Residential Projects

### a. Horizontal Developments

#### i. Residential Lots

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

Since 2007, the Company has completed 151 residential subdivision projects and is currently developing 119 residential subdivision projects involving a total of 46,615 units with average selling prices per unit ranging from ₱400,000.00 to ₱12,000,000.00. Required downpayments are usually 15% to 20%, payable in 6 months to 1 year.

### b. Vertical Developments

#### i. Townhouses

Townhouse projects are comprised of residential housing units with independent and identical houses that are built adjacent to each other, with a row sharing one- or two-house walls. These projects have higher development costs, are built on smaller land areas (i.e., six to seven hectares), and are developed in phases. The 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 ₱2,980,000.00 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. The balance of 80% is paid through in-house or bank financing.

#### ii. Condominiums

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

| Condominium Project  | Location      |
|----------------------|---------------|
| East Bel Air Tower 1 | Cainta, Rizal |
| East Bel Air Tower 3 | Cainta, Rizal |

|   |                       |
|---|-----------------------|
| East Bel Air Tower 4                            | Cainta, Rizal         |
| La Mirada Tower                                 | Lapu-lapu City, Cebu  |
| Neopolitan Condominium 1                        | Fairview, Quezon City |
| Splendido Taal Tower 1                          | Laurel, Batangas      |
| Sta. Lucia Residenze – Monte Carlo<br>(Tower 1) | Cainta, Rizal         |
| The Orchard Pasig Tower                         | Pasig City            |

and currently has two (2) ongoing projects, one (1) in Cainta, Rizal (Sta. Lucia Residenze – Madrid (Tower 3)) and one (1) in Jaro, Iloilo, (Greenmeadows Condominium). The usual required downpayment ranges from 15% to 20%, payable in two (2) to three (3) years. The balance of 80% is paid through in-house or bank financing.

### iii. Condotels

Condotel projects are condominium units being sold to individual buyers but are managed and operated as a hotel. For condotel projects, unit buyers are given the option to purchase a condominium unit or a condotel unit. A condotel unit is placed under a rental program initially for 15 years where it is rented out like a typical hotel room. An experienced management company, with common shareholders and directors as SLI, handles all operations, maintenance, and management of the units under the rental program. Rental income from the units is shared between the 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 of the Company's condotels in the Philippines.

The Company has completed the following ten condotel projects:

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

and currently has eight (8) ongoing projects in (i) Quezon City (The Tribute), (ii) Puerto Princessa (Sotogrande Palawan), (iii) Cebu (Nivel Hills) (iv) two in Baguio

City (Sotogrande Baguio Tower 1 and 2), and (v) three in Batangas (Sotogrande Bauan, Nasacosta Peaks Tower 1 and 2).

Average selling prices per unit range from Php85,000.00 to Php160,000.00 per sqm with required downpayments of 20%, payable in two to three years while the balance of 80% is paid through in-house or bank financing.

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

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

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

## 2. Commercial Properties

### a. Mall

#### Sta. Lucia East Grand Mall (“SLEGM”)

The SLEGM is a comprehensive commercial, entertainment, and leisure facility with a full range department store, supermarket, movie theater, fast food chains, bookstore, specialty boutiques for clothing, accessories, telecommunication, and hobby stores. The SLEGM is comprised of three four-storey buildings with a gross floor area (“GFA”) of 180,000 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. 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.

#### Sta. Lucia Mall Davao

As of December 31, 2022, the construction of the Sta. Lucia Mall Davao, the second mall of the company located along the Philippine Japan Friendship Highway (formerly Diversion Road) in Panacan, Davao City, is already at 80.04% 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.

### b. 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, 2022, this building is already accepting reservations for interested tenants.

### c. 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 1,541 commercial lots covering 172.31 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 three 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.

### 3. Services

#### a. Housing / Construction

The Company also ventured into housing construction services through its wholly-owned subsidiary, Sta. Lucia Homes, Inc. ("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 Php26,000.00 per sqm to Php30,000.00 per sqm. Payment terms require a 20% downpayment that is payable up to six (6) 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 landowners in key provinces.

#### b. Marketing

The Company is currently conducting marketing services through its subsidiary, Santalucia Ventures Inc. ("SVI"). SVI was incorporated with the primary purpose of marketing, operating, and 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.

#### c. 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% to 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 of up to a maximum of 10 years. For 2021, around 95% of SLI's customers availed of the sale on installment facility with terms of five (5) years or less.

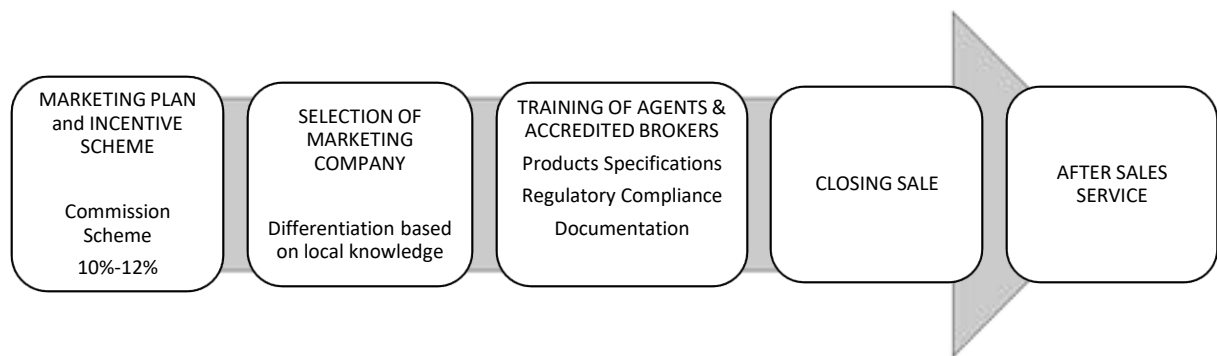
## **C. Distribution Methods of the Products**

### **1. Sales Process**

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

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

The following diagram illustrates the Registrant's sales process:



## 2. Marketing and Distribution

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

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

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

Envisioned to become the leading real estate marketing organization in the country, Royale Homes Marketing Corporation was founded on 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 ("OPMC") 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. (“MPI”) 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 on 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 Philippine real estate industry, Asian Pacific Group of Companies (“APGC”) is a global network of companies that specializes in real estate marketing and property development. Composed of five (5) 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 a sales force of over 50,000 worldwide. Its nationwide inventory of real estate properties amounts to a total of Php5.4 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 include Sta. Lucia Global Inc. and 1Premier Land Marketing Company.

#### **D. Competition**

The residential market is still a highly under-served market with the housing backlog projected to reach 5.6 million by 2030 (myproperty.ph). In this segment, the 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 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, is 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 employ 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.

#### **E. 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 are contracted out to qualified and accredited independent contractors. Terms with contractors usually include a 10% to 40% downpayment, provision of construction materials by accredited

suppliers, and a 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 a limited number of contractors and suppliers.

#### **F. Customers**

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

The 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.

#### **G. 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 ("ECC") 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 laws which govern its various businesses.

#### **H. Environmental Compliance**

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

#### **I. Transactions with Related Parties**

The related amounts and outstanding balances from related party transactions (RPT) in 2022 and 2021 follow:

|  | 2022                |                     |   |                                    |
|--|---------------------|---------------------|---|------------------------------------|
|  | Volume              | Outstanding         | Terms                                   | Conditions                         |
| <b>Trade receivables (Note 6)</b>  |                     |                     |   |                                    |
| <i>Ultimate Parent Company (SLRDI)</i>   |                     |                     |   |                                    |
| Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee | <b>P277,180,712</b> | <b>P623,745,541</b> | Due and demandable; noninterest-bearing | Unsecured; no impairment (Note 15) |
| <i>Affiliate (SLECC)</i>   |                     |                     |   |                                    |
| Rental and management fee (Note 15) (d)  | <b>5,870,134</b>    | <b>51,066,801</b>   | Due and demandable; noninterest-bearing | Unsecured; no impairment           |

| 2022   |                    |                     |  |  |
|--|--------------------|---------------------|--|--|
|  | Volume             | Outstanding         | Terms                                      | Conditions                               |
| <b><i>Affiliate (Mall Tenants)</i></b>   |                    |                     |  |  |
| Rental income (d)  | 29,798,303         | 71,910,759          | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
|  |                    | <b>P856,301,865</b> |  |  |
| <b>Non-trade receivables (Note 6)</b>  |                    |                     |  |  |
| <b><i>Affiliate (Marketing Arm)</i></b>  |                    |                     |  |  |
| Advances (e)   | P–                 | P921,832            | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| <b>Key officers and directors (Note 6) (f)</b>   | <b>P21,274,570</b> | <b>P107,402,765</b> | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| <b>Trade payables (Note 12)</b>  |                    |                     |  |  |
| <b><i>Ultimate Parent Company (SLRDI)</i></b>  |                    |                     |  |  |
| Advances   | P–                 | P17,202,827         | Payable on demand;<br>noninterest bearing  | Unsecured                                |
| <b><i>Advances from shareholders</i></b>   |                    |                     |  |  |
| Advances   | –                  | 14,711,492          | Payable on demand;<br>noninterest bearing  | Unsecured                                |
|  |                    | <b>P31,914,319</b>  |  |  |
| <b>Short-term Debt (Note 14) (e)</b>   |                    |                     |  |  |
| Ultimate Parent Company (SLRDI)<br>Principal   | P–                 | P1,500,000,000      | Payable on demand;<br>interest bearing     | Unsecured                                |
| Interest expense   | 59,083,333         |                     |  |  |
|  |                    |                     |  |  |
| 2021   |                    |                     |  |  |
|  | Volume             | Outstanding         | Terms                                      | Conditions                               |
| <b>Trade receivables (Note 6)</b>  |                    |                     |  |  |
| <b><i>Ultimate Parent Company (SLRDI)</i></b>  |                    |                     |  |  |
| Sharing of expenses, collection from<br>buyers collected by SLRDI, unremitted<br>share of SLRDI, marketing fee<br><i>Affiliate (SLECC)</i> | (P129,315,548)     | P456,143,593        | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment<br>(Note 15) |
| Rental and management fee<br>(Note 15) (d)<br><i>Affiliate (Mall Tenants)</i>  | 7,976,670          | 45,196,667          | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| Rental income (d)  | 5,616,030          | 42,112,456          | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
|  |                    | <b>P543,452,716</b> |  |  |
| <b>Non-trade receivables (Note 6)</b>  |                    |                     |  |  |
| <b><i>Affiliate (Marketing Arm)</i></b>  |                    |                     |  |  |
| Advances €   | P–                 | P921,832            | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| <b>Key officers and directors (Note 6) (f)</b>   | <b>P12,997,779</b> | <b>P86,128,195</b>  | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| <b>Trade payables (Note 12)</b>  |                    |                     |  |  |
| <b><i>Ultimate Parent Company (SLRDI)</i></b>  |                    |                     |  |  |
| Advances   | (P53,063,561)      | P3,254,988          | Payable on demand;<br>noninterest bearing  | Unsecured                                |
| <b><i>Advances from shareholders</i></b>   |                    |                     |  |  |
| Advances   | (1,634,610)        | 14,711,492          | Payable on demand;<br>noninterest bearing  | Unsecured                                |
|  |                    | <b>P17,966,480</b>  |  |  |
| <b><i>Affiliate (SLECC)</i></b>  |                    |                     |  |  |
| Rental and management fee<br>(Note 15) (d)   | (7,142,523)        | 37,219,997          | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| <b><i>Affiliate (Mall Tenants)</i></b>   |                    |                     |  |  |
| Rental income (d)  | (20,776,640)       | 36,496,426          | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
|  |                    | <b>P73,716,423</b>  |  |  |
| <b>Short-term Debt (Note 14) €</b>   |                    |                     |  |  |
| Ultimate Parent Company (SLRDI) Principal  | P300,000,000       | P1,500,000,000      | Payable on demand;<br>interest bearing     | Unsecured                                |
| Interest expense   | 57,556,250         | –                   |  |  |

The significant transactions with related parties are as follows:

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

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, SLI and SLRDI entered into several memorandums of agreement wherein SLI 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 SLI, 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% - SLRDI; 40% API share. SLI 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% - SLRDI; 45% ARSBS share. SLI shall be entitled to 75% of SLRDI’s share in the joint arrangement and a 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. SLI shall be entitled to 75% of SLRDI’s share in the joint arrangement and a 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. SLI shall be entitled to 75% of SLRDI’s share in the joint arrangement and a 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 Php264.69 million, Php144.48 million, and Php152.58 million in 2022, 2021, and 2020, respectively. The share amounting Php66.17 million, Php28.61 million and Php38.14 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2022, 2021 and 2020, respectively.

- B. SLECC and SLI 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 for SLECC’s services, SLI 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 Php71.91 million and Php42.11 million in 2022 and 2021, 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.

There were no advances made in 2022 and 2021.

- D. The Parent Company made noninterest-bearing cash advances to officers and directors which are subject to liquidation. These advances amounted to Php25.99 million and Php76.5 million in 2022 and 2021, respectively.

As of December 31, 2022 and 2021, 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:

|                                    | 2022                  | 2021           |
|------------------------------------|-----------------------|----------------|
| Short-term employee benefits       | <b>₱16,943,850.00</b> | ₱15,403,500.00 |
| Post-employment benefits (Note 20) | <b>640,730.00</b>     | 582,482.00     |
|                                    | <b>₱17,584,580.00</b> | ₱15,985,982.00 |

#### 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.

#### **J. Intellectual Property**

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

| Design mark/ logo   | Registration No. | Trademark             | Status                       | Expiration Date   |
|---|------------------|-----------------------|------------------------------|-------------------|
|  | 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](http://www.stalucialand.com.ph).

#### **K. Present Employees**

The Registrant has 225 officers, employees and contractuels. The Registrant has embarked to support the increasing demand of workforce for its increasing operations. Hence it anticipates to increase additional employees for the next ensuing year though no exact number of employees is assumed.

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

#### **L. Development Activities**

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

##### Completed Projects

As of 31 December 2022, the Registrant completed the development of the following projects:

| PROJECT NAME   | LOCATION                 | PROJECT TYPE | YEAR |
|--|--------------------------|--------------|------|
| Aldea Residences                                       | Pakiad, Oton, Iloilo     | Horizontal   | 2021 |
| Altea Ciudades Davao                                   | Tigatto, Davao City      | Horizontal   | 2021 |
| Antipolo Greenland                                     | Antipolo City, Rizal     | Horizontal   | 2013 |
| Aqua Mira At Saddle Cluster A                          | Tanza, Cavite            | Vertical     | 2020 |
| Aqua Mira At Saddle Cluster B                          | Tanza, Cavite            | Vertical     | 2020 |
| Aqua Mira At Saddle Cluster C                          | Tanza, Cavite            | Vertical     | 2020 |
| Arterra Residences At Discovery Bay                    | Lapu-Lapu City, Cebu     | Vertical     | 2018 |
| Blue Mountains Commercial And Residential Estates Ph 2 | Sta. Cruz, Antipolo City | Horizontal   | 2021 |
| Blue Ridge At Monterosa                                | Pakiad, Oton, Iloilo     | Horizontal   | 2021 |

| PROJECT NAME                                | LOCATION                                     | PROJECT TYPE | YEAR |
|---|--|--------------|------|
| Cainta Greenland Ph 3B                      | Pasong Matanda, Cainta, Rizal                | Horizontal   | 2020 |
| Cainta Greenland Ph 3B1                     | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 3B2                     | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 4C1                     | Sta. Ana, Taytay, Rizal                      | Horizontal   | 2021 |
| Cainta Greenland Ph 4C2                     | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 4J1                     | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 9B                      | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 9C                      | Sta. Ana, Taytay, Rizal                      | Horizontal   | 2020 |
| Catalina Lake Residences Palawan            | Tagburos, Puerto Princesa City               | Horizontal   | 2020 |
| Club Morocco                                | Subic, Zambales                              | Horizontal   | 2015 |
| Colinas Verdes Ph 3, 3A & 3B                | Tungkong Mangga, San Jose Del Monte, Bulacan | Horizontal   | 2020 |
| Costa Del Sol Ph 1                          | Sto. Niño, Iloilo City                       | Horizontal   | 2019 |
| Crown Residences At Harbor Springs          | Boracay, Puerto Princesa                     | Vertical     | 2019 |
| East Bel-Air Residences (Stradella) Tower 2 | Cainta, Rizal                                | Vertical     | 2014 |
| East Bel-Air Residences Tower 1             | Cainta, Rizal                                | Vertical     | 2013 |
| East Bel-Air Residences Tower 3             | Cainta, Rizal                                | Vertical     | 2020 |
| East Bel-Air Residences Tower 4             | Cainta, Rizal                                | Vertical     | 2021 |
| El Pueblo Verde                             | San Antonio, Gerona, Tarlac                  | Horizontal   | 2019 |
| Glenrose Taytay Ph 2B                       | Taytay, Rizal                                | Horizontal   | 2017 |
| Golden Meadows Biñan (Sta. Rosa) Ph 2D      | Sta. Rosa, Laguna                            | Horizontal   | 2020 |
| Golden Meadows Biñan (Sta. Rosa) Ph 2D1     | Sta. Rosa, Laguna                            | Horizontal   | 2020 |
| Grand Villas Bauan                          | Bauan, Batangas                              | Horizontal   | 2016 |
| Green Meadows At Orchard Ph 2               | Dasmariñas, Cavite                           | Horizontal   | 2021 |
| Green Meadows At Orchard Ph 2A              | Dasmariñas, Cavite                           | Horizontal   | 2021 |
| Green Meadows Iloilo Ph 1                   | Tacas, Jaro, Iloilo City                     | Horizontal   | 2017 |
| Green Meadows Tarlac                        | Paniqui, Tarlac                              | Horizontal   | 2013 |
| Green Peak Heights Ph 1                     | Pinugay, Baras, Rizal                        | Horizontal   | 2020 |
| Green Ridge Executive Ph 4A                 | Pantok, Binangonan, Rizal                    | Horizontal   | 2020 |
| Greenland Newtown Ph 2B                     | Ampid, San Mateo, Rizal                      | Horizontal   | 2019 |
| Greenland Newtown Ph 2C                     | Ampid, San Mateo, Rizal                      | Horizontal   | 2019 |
| Greenville Heights Ph 1B                    | Cebu City, Cebu                              | Horizontal   | 2019 |
| Greenwoods Executive Village Ph 1A1         | Palatiw, Pasig City                          | Horizontal   | 2019 |
| Greenwoods Executive Village Ph 1A2         | Palatiw, Pasig City                          | Horizontal   | 2019 |
| Greenwoods Executive Village Ph 2K1         | Magsiay, Cainta, Rizal                       | Horizontal   | 2018 |



| PROJECT NAME                              | LOCATION                                 | PROJECT TYPE | YEAR |
|---|--|--------------|------|
| Greenwoods Executive Village Ph 3A2       | San Miguel, Pasig City                   | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 540       | San Andres, Cainta, Rizal                | Horizontal   | 2021 |
| Greenwoods Executive Village Ph 6S9 *& 10 | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8A1       | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8A2       | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8A3       | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8A4       | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8D6       | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 8D7       | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 8F3 & 8F4 | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8F5       | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 8G1       | San Juan, Cainta, Rizal                  | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 9B1       | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2019 |
| Greenwoods Executive Village Ph 9D1       | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 9E        | San Juan, Cainta, Rizal                  | Horizontal   | 2019 |
| Greenwoods Executive Village Ph 9F        | San Juan, Cainta, Rizal                  | Horizontal   | 2021 |
| Greenwoods North Ph 2                     | Gapan, Nueva Ecija                       | Horizontal   | 2020 |
| Greenwoods North Ph 3                     | Gapan, Nueva Ecija                       | Horizontal   | 2020 |
| Hampton Residences                        | Pantok, Binangonan, Rizal                | Horizontal   | 2021 |
| La Breza Tower                            | Mother Ignacia Street, Quezon City       | Vertical     | 2011 |
| La Huerta Ph 1 & 2                        | Calamba, Laguna                          | Horizontal   | 2021 |
| La Mirada Tower                           | Lapu-Lapu City, Cebu                     | Vertical     | 2010 |
| Luxurre Residences Cavite                 | Alfonso, Cavite                          | Horizontal   | 2013 |
| Marbella Residences Palawan Ph 1A         | San Pedro, Puerto Princesa City, Palawan | Horizontal   | 2020 |
| Mesilo Nueva Vida                         | Dasmariñas, Cavite                       | Horizontal   | 2015 |
| Metropolis East Ph 1B                     | Pag-asa, Binangonan, Rizal               | Horizontal   | 2019 |
| Metropolis East Ph 1C                     | Pag-asa, Binangonan, Rizal               | Horizontal   | 2019 |

| PROJECT NAME  | LOCATION                        | PROJECT TYPE | YEAR |
|---|---------------------------------|--------------|------|
| Metropolis East Ph 1D                                   | Pag-asa, Binangonan, Rizal      | Horizontal   | 2021 |
| Metropolis East Ph 2                                    | Pag-asa, Binangonan, Rizal      | Horizontal   | 2019 |
| Metropolis East Ph 2A                                   | Pag-asa, Binangonan, Rizal      | Horizontal   | 2021 |
| Metropolis Iloilo Ph 2                                  | Jaro, Iloilo                    | Horizontal   | 2019 |
| Metropolis North Ph 2B                                  | Calumpit, Bulacan               | Horizontal   | 2022 |
| Neopolitan Condominium Tower 1                          | Fairview, Quezon City           | Vertical     | 2015 |
| Nottingham Villas Iloilo                                | Tagbac, Jaro, Iloilo            | Vertical     | 2019 |
| Nottingham Villas Palawan                               | San Pedro, Puerto Princesa City | Vertical     | 2019 |
| Nottingham Villas Taytay                                | Sta. Ana, Taytay, Rizal         | Vertical     | 2017 |
| Orchard Residential Estate And Golf Country Club Ph 1A2 | Dasmariñas, Cavite              | Horizontal   | 2020 |
| Orchard Tower (The Olive)                               | Amang Rodriguez, Pasig City     | Vertical     | 2019 |
| Ponte Verde Davao (Sandoval) Ph 2                       | Communal, Davao City            | Horizontal   | 2021 |
| Ponte Verde Davao (So) Ph 3                             | Communal, Davao City            | Horizontal   | 2022 |
| Ponte Verde Davao Ph 1                                  | Communal, Davao City            | Horizontal   | 2020 |
| Pueblo Del Sol Ph 2                                     | Tagaytay City, Cavite           | Horizontal   | 2016 |
| Rizal Technopark Ph 2D1                                 | San Juan, Taytay, Rizal         | Horizontal   | 2019 |
| Rizal Technopark Ph 2F                                  | San Juan, Taytay, Rizal         | Horizontal   | 2019 |
| Rizal Technopark Ph 2G                                  | San Juan, Taytay, Rizal         | Horizontal   | 2019 |
| Rizal Technopark Ph 2H                                  | San Juan, Taytay, Rizal         | Horizontal   | 2019 |
| Rizal Technopark Ph 2S1                                 | San Juan, Taytay, Rizal         | Horizontal   | 2019 |
| Rockville Cavite  | Kaytitingga, Alfonso, Cavite    | Horizontal   | 2019 |
| Sierra Vista Ph 2A                                      | Novaliches, Quezon City         | Horizontal   | 2012 |
| Soto Grande Ph 2  | Tagaytay City, Cavite           | Horizontal   | 2015 |
| Soto Grande Ph 3  | Tagaytay City, Cavite           | Horizontal   | 2015 |
| Sotogrande Hotel Davao                                  | Davao City, Davao               | Vertical     | 2019 |
| Sotogrande Iloilo Tower 1                               | Jaro, Iloilo City               | Vertical     | 2018 |
| Sotogrande Iloilo Tower 2                               | Jaro, Iloilo City               | Vertical     | 2020 |
| Sotogrande Katipunan                                    | Katipunan Ave., Quezon City     | Vertical     | 2020 |
| Sotogrande Neopolitan Tower 2                           | Fairview, Quezon City           | Vertical     | 2015 |
| Sotogrande Palawan Tower 1                              | Tagburos, Puerto Princesa City  | Vertical     | 2022 |
| South Groove Davao                                      | Davao City, Davao               | Horizontal   | 2015 |
| South Spring Residential Estate Ph 1C                   | Canlalay, Biñan, Laguna         | Horizontal   | 2019 |
| South Spring Residential Estate Ph 1C1                  | Canlalay, Biñan, Laguna         | Horizontal   | 2019 |
| South Spring Residential Estate Ph 1C2                  | Canlalay, Biñan, Laguna         | Horizontal   | 2019 |

| PROJECT NAME                             | LOCATION                              | PROJECT TYPE | YEAR |
|--|---------------------------------------|--------------|------|
| South Spring Residential Estate Ph 1D    | Canlalay, Biñan, Laguna               | Horizontal   | 2019 |
| South Spring Residential Estate Ph 1E    | Canlalay, Biñan, Laguna               | Horizontal   | 2019 |
| South Spring Residential Estate Ph 1F    | Canlalay, Biñan, Laguna               | Horizontal   | 2019 |
| Splendido Tower 1                        | Laurel, Batangas                      | Vertical     | 2010 |
| Splendido Tower 2                        | Laurel, Batangas                      | Vertical     | 2015 |
| Sta Lucia East Mall                      | Cainta, Rizal                         | Vertical     | 1993 |
| Sta. Barbara Royale Ph 1A                | Tandang Sora, Quezon City             | Horizontal   | 2014 |
| Sta. Lucia Residenze Monte Carlo Tower 1 | Cainta, Rizal                         | Vertical     | 2013 |
| Sta. Lucia Residenze Santorini Tower 2   | Cainta, Rizal                         | Vertical     | 2018 |
| Sugarland Estates                        | Trece Martires, Cavite                | Horizontal   | 2013 |
| Summerhills Executive Ph 4               | Dela Paz, Antipolo City               | Horizontal   | 2020 |
| Summerhills Executive Ph 4A & 4B         | Dela Paz, Antipolo City               | Horizontal   | 2020 |
| Summit Point Ph 3                        | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3A                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3B                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3C                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3D                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3E                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Valencia Townhouse Iloilo                | Pakiad, Oton, Iloilo                  | Vertical     | 2021 |
| Valle Verde Davao Ph 1                   | Panacan, Davao City                   | Horizontal   | 2020 |
| Vermont Park Ph 1E                       | Mayamot, Antipolo, Rizal              | Horizontal   | 2017 |
| Vermont Park Ph 4I                       | Mayamot, Antipolo, Rizal              | Horizontal   | 2017 |
| Villa Chiara Ph 1A & 1B                  | Iruhin, Tagaytay City                 | Horizontal   | 2017 |
| Woodridge Iloilo                         | Tagbac, Jaro, Iloilo City             | Horizontal   | 2021 |
| Woodside Garden Village Ph 2C            | Labit West, Urdaneta City, Pangasinan | Horizontal   | 2020 |
| Yanarra Residences Ph 1A                 | Natipunan, Nasugbu, Batangas          | Horizontal   | 2021 |

#### Ongoing Projects:

The table below summarizes the Registrant's ongoing development projects as of 31 December 2022:

| 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 Monte Rizal                 | -          | Halayahayin, Pililla, Rizal                   |
| 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                              |
| Buena Vida Residencia            | -          | Brgy. Rizal, Silay, Negros Occidental         |
| Cambridge Place Batangas         | Ph 1A      | Darasa, Tanauan City, Batangas                |
| Catalina Lake Orion              | -          | Bataan  |
| Catalina Lake Residences Bauan   | -          | Balayong & Manghinao I, Batangas              |
| Catalina Lake Residences Bauan   | Ph 2/2A/2B | Balayong & San Deodor, Bauan, Batangas        |
| Centro Verde Laguna              | -          | Calamba, Laguna                               |
| Centro Verde Pangasinan          | -          | Bayambang, Pangasinan                         |
| Club Morocco                     | Ph 2       | Brgy. Cawag, Subic, Zambales                  |
| Club Morocco                     | Ph 4B      | Brgy. Cawag, 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 (Splendido)         | -          | 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                      |
| Evergreen Estates Rizal          | -          | Rizal   |
| Fairmont Lake Residences         | -          | Silway-8, Polomolok, South Cotabato           |
| Golden Meadows Biñan (Sta. Rosa) | Ph 1A      | Sta. Rosa, Laguna                             |
| Golden Meadows Biñan (Sta. Rosa) | Ph 2C      | Sta. Rosa, Laguna                             |
| Golden Meadows Biñan (Sta. Rosa) | Ph 2E      | Sta. Rosa, Laguna                             |
| Golden Meadows Biñan (Sta. Rosa) | Ph 2D2     | Sta. Rosa, Laguna                             |
| Golden Meadows Palawan           | -          | Sta. Lourdes, Puerto Princesa City, Palawan   |
| Green Meadows Bauan              | Ph 1 & 1A  | Cupang & As-is, Bauan, Batangas               |

| PROJECT NAME                  | PHASE      | LOCATION                                    |
|-------------------------------|------------|---|
| 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 8A5     | San Andres, Cainta, Rizal                   |
| Greenwoods Executive Village  | Ph 8D8     | Sta. Ana, Taytay, Rizal                     |
| Greenwoods Executive Village  | Ph 8F6     | 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 Mirada Royale              | Ph 1A1     | Plaridel, Bulacan                           |
| La Mirada Royale              | Ph 1C      | Plaridel, Bulacan                           |
| La Reserva Pacifica           |            | Baler, Aurora                               |
| La Vista                      | -          | Poblacion, Makilala, North Cotabato         |
| La Vista Executive Village    |            | Brgy. Bilaran, Nasugbu, Batangas            |
| 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                   |            | Sta. Barbara, Iloilo                        |
| Monte Verde                   | Ph 5       | Kiagot, Digos City, Davao Del Sur           |
| 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                |
| Monte Vista Rizal             | -          | Rizal                                       |
| Monteverde Royale             | Ph 4C      | Muzon, Taytay, Rizal                        |
| Nasa Costa Cove               | Ph 1       | Natipuan, Nasugbu, Batangas                 |
| Nasa Costa Cove               | Ph 1A & 1B | Natipuan, Nasugbu, Batangas                 |
| Nasa Costa Peak               | Tower 1    | Natipuan, Nasugbu, Batangas                 |
| Nasa Costa Peak               | Tower 2    | Natipuan, Nasugbu, Batangas                 |
| Nasasugbu Town Center         |            | Brgy. Lumbangan, Nasugbu, Batangas          |

| PROJECT NAME                                     | PHASE       | LOCATION                                    |
|--|-------------|---|
| 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                       | Ph 1        | Glamang, Polomolok, South Cotabato          |
| Orchard Residences Polomok                       | Ph 2        | Glamang, Polomolok, South Cotabato          |
| Orchard Residential Estate And Golf Country Club | Ph 5B       | Dasmariñas, Cavite                          |
| Palo Alto  | Ph 1        | Pinugay, Baras, Rizal                       |
| Palo Alto  | Ph 3        | Pinugay, Baras, Rizal                       |
| Parkhills Subdivision                            | -           | Rizal                                       |
| Ponte Verde Davao (Martinez)                     | Ph 4        | Communal, Davao City                        |
| Ponte Verde Palawan                              |             | Brgy. Irawan, Puerto Princesa               |
| Ponte Verde Rizal                                | -           | Halayhayin, Pililla, Rizal                  |
| 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                     |
| Rizal Technopark                                 | Ph 2B1      | San Juan, Taytay, Rizal                     |
| Rizal Technopark                                 | Ph 2D2      | San Juan, Taytay, Rizal                     |
| Saddle And Clubs Leisure Park                    | Ph 2        | Naic/Tanza, Cavite                          |
| 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 (Catalina Residences)           | -           | Balayong & Manghiniao I, Batangas           |
| Sotogrande Tomas Morato (The Tribute)            | -           | Tomas Morato, Quezon City                   |
| South Coast                                      | Ph 1        | Matabungcay, Lian, Batangas                 |
| South Coast                                      | Ph 1A       | Matabungcay, Lian, Batangas                 |
| South Spring Residential Estate                  | Ph 1G       | Canlalay, Biñan, Laguna                     |
| South Spring Residential Estate                  | Ph 1H       | Canlalay, Biñan, Laguna                     |
| Spring Oaks Residence                            | Ph 4        | Los Baños, Laguna                           |
| St. Charbel South                                | Ph 3        | Dasmariñas, Cavite                          |
| Sta. Lucia Mall Davao                            | -           | Communal, Davao City                        |
| Sta. Lucia Residenze – Madrid                    | Tower 3     | Cainta, Rizal                               |
| Summit Point                                     | Ph 4        | Inosluban, Lipa City, Batangas              |

| PROJECT NAME          | PHASE | LOCATION                                     |
|-----------------------|-------|--|
| Terreno Highlands     |       | Sampaloc, Tanay, Rizal                       |
| Tierra Verde Digos    | -     | Colorado, Digos City, Davao Del Sur          |
| Tupi Property         |       | Tupi, South Cotabato                         |
| Valencia Homes        | -     | Rizal, Avenue, Puerto Princesa City, Palawan |
| Valle Verde Lapu-Lapu | -     | Cebu City, Cebu                              |
| Valleyview Executive  | Ph 2D | Munting Dilaw, Antipolo City                 |
| Valleyview Executive  | Ph 2A | Munting Dilaw, Antipolo City                 |
| Yanarra Residences    | Ph 2A | Natipunan, Nasugbu, Batangas                 |

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

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

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

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

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

On 09 February 2011 at the meeting of the Executive Committee, the Registrant has entered into a joint venture agreement with Sta. Lucia Realty and Development, Inc. for a development of a commercial subdivision located in Barrio of Dumuclay, Batangas City. In addition, the Registrant also entered a joint venture agreement with Anamel Builders Corporation (ABC) to develop a parcel of land owned by ABC located in the City of Gapan Nueva Ecija, with an aggregate area of 136,059 square meters in a residential subdivision.

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

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

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

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

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

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

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

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



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

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

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

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

A. Resolutions authorizing the Registrant to acquire the following:

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

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

1. Development of Rizal Techno Park Taytay, 10,100 sqm;
2. Development of a new project in Puerto Princesa, 20,000 sqm;
3. Development of land in Palawan, 61,315sqm;
4. Development of parcel of land located in Greenwoods South, 32,314sqm;
5. Expansion in Davao, 9,841sqm;
6. Development of new project in Cebu, 537,011sqm;

7. Development of project in Davao, 36,913sqm; and
8. Development of project on Ponte Verde, Davao, 28,000sqm.

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

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

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

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

1. Development of a project located in Ponte Verde, Davao with an area of 36,915 sq.m.;
2. Development of a new project located in Eden, Davao City with an area of 985,292 sq.m.;
3. Development of another project in Ponte Verde, Davao with an area of 28,751 sq.m.;
4. Development of a new project in Cainta, Rizal with an area of 16,026 sq.m.;
5. Development of new project in Taytay, Rizal with an area of 8,318 sq.m.;
6. Development of seven (7) new projects located in Barrio San Miguel, Pasig City with an aggregate area of 8,423 sq.m.;
7. Development of a new project in Bauan, Batangas with an area of 246,653 sq.m.;
8. Development of a new project in Binangonan, Rizal with an area of 24,492.62 sq.m.;
9. Development of a new project in Sta. Rosa, Laguna with an area of 27,500 sq.m.; and
10. Development of a new project in Barrio Pasong Matanda, Cainta, Rizal with an area of 51,969 sq.m.

The Registrant also resolved to purchase the following lands:

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

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

1. Development of a project located in San Juan Cainta with an area of 8,697 sqm
2. Development of a new project in Brgy. Tagbueros Puerto Princesa Palawan with an area of 12,000

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

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

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

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

B. Authorizing the Registrant to acquire the following:

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

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

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

1. Development of a project located in Pavia and Manduriao, Iloilo City with an area of 688,477 sq.m.;
2. Development of a project located in Bo. Sacsac, Cebu with an area of 33,848 sq.m.;
3. Development of a project located in Bauan, Batangas with an area of 84,339 .m.;
4. Development of a project located in Bo. Dela Paz, Biñan, Laguna with an area of 13,700 sq.m.;

5. Development of a project located in Sto. Tomas, Batangas with an area of 37,746 sq.m.;
6. Development of a project located in Binangonan, Rizal with an area of 28,535.62 sq.m.;
7. Development of a project located in Dasmariñas, Cavite with an area of 44,692 sq.m.;
8. Development of a project located in Bo. Mayamot, Antipolo City with an area of 8,471 sq.m.;
9. Development of a project located in Brgy. Sta. Ana, Taytay, Rizal with an area of 7,725 sq.m.

B. Authorizing the Registrant to acquire the following:

1. Parcel of land located in Cavite with an area of 34,382 sq.m.;
2. Parcel of land located in Bo. Dela Paz, Biñan, Laguna with an area of 10,322 sq.m.;
3. Parcel of land located in Bo. Sinalhan, Sta. Rosa, Laguna with an area of 5,500 sq.m.;
4. Parcel of land located in Santolan, Pasig City with an area of 1,977.50 sq.m.;
5. 21 parcels of land located in Calamba, Laguna with a total aggregate area of 315,361.97 sq.m.;
6. Parcel of land located in n San Antonio, Biñan, Laguna with an area of 2,000 sq.m.
7. Parcel of land located in Dasmariñas, Cavite with an area of 300,000 sq.m.;
8. 11 parcels of land located in Bo. Manghiniao I, Bauan, Batangas with a total aggregate area of 89,942 sq.m.;
9. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 11,522 sq.m.;
10. 8 parcels of land located in Bauan, Batangas with a total aggregate area of 85,455 sq.m.;
11. 3 parcels of land located in Biñan, Laguna with a total aggregate area of 16,622 sq.m.;
12. 2 parcels of land located in Matinao, Polomolok, Gen. Santos City with a total aggregate area of 95,579 sq.m.;
13. Parcel of land located in Brgy. Iruhin, Tagaytay City with an area of 299 sq.m.

On 17 June 2016, at the Organizational Meeting of the Board of Directors, the following were approved by the Board:

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

1. Development of a project located in Brgy. Tagburos, Puerto Princesa, Palawan with an area of 187,115.50 sq.m.;
2. Development of a project located in Silay City, Negros Occidental with an area of 677,880 sq.m.;
4. Development of a project located in Brgy. Sta. Ana, Taytay, Rizal with an area of 3,053 sq.m.; and
5. Development of a project located in Bo. Mayamot, Antipolo City with an area of 8,471 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in District of Jaro, Iloilo City with a total area of 7,500 sq.m.;
2. Parcel of land located in Bo. Inosluban, Lipa City, Batangas with an area of 27,752 sq.m.;
3. Parcel of land located in Biñan, Laguna with an area of 13,302 sq.m.;
4. Parcel of land located in Bo. Sinalhan, Sta. Rosa, Laguna with an area of 14,814 sq.m.;
5. Parcel of land located in Bo. Tiniguiban, Puerto Princesa, Palawan with an area of 37,895 sq.m.;
6. Parcel of land located in Sta. Barbara, Iloilo City with an area of 104,464 sq.m.;
7. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 11,759 sq.m.;
8. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 13,464 sq.m.;
9. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 5,569 sq.m.;
10. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 14,444 sq.m.;
11. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 12,933 sq.m.;
12. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 17,884 sq.m.;
13. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 12,904 sq.m.;
14. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 15,594 sq.m.;
15. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 5,166 sq.m.;
16. Parcel of land located in Bo. Balayong, Bauan, Batangas with an area of 10,927 sq.m.;
17. Parcel of land located in Brgy. Ulango, Calamba, Laguna with an area of 12,688 sq.m.;
18. Parcel of land located in Biñan, Laguna with an area of 3,130 sq.m.;
19. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 16,832 sq.m.;
20. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 15,781 sq.m.;
21. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 11,628 sq.m.;
22. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 16,636 sq.m.;
23. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 18,064 sq.m.;
24. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 16,636 sq.m.;
25. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 11,595 sq.m.;

26. Parcel of land located Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 96,295 sq.m.;
27. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 40,538 sq.m.;
28. Parcel of land located in Bo. Pulanbato, Cebu City with an area of 13,819 sq.m.;
29. Parcel of land located in Bo. Darangan, Binangonan, Rizal with an area of 29,170 sq.m.;
30. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 11,595 sq.m.;
31. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 96,295 sq.m.;
32. Parcel of land located in Brgy. Cabugao Sur, Sta. Barbara, Iloilo City with an area of 40,538 sq.m.;
33. Parcel of land located in Bo. Canlalay, Biñan, Laguna with an area of 2,609 sq.m.;
34. Parcel of land located in Zamboanga City with an area of 267,657 sq.m.;
35. Parcel of land located in Zamboanga City with an area of 18,600 sq.m.; and
36. Parcel of land located in Brgy. Tagburos, Puerto Princesa, Palawan with an area of 187,115.50 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 23 November 2016 at the principal office of the Registrant, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

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

1. Development of a project located in Jaro, Iloilo with an area of 96,422 sq.m.;
2. Development of a project located in Batangas with a total area of 119,389 sq.m.;
3. Development of a project located in Cebu City with an area of 12,792 sq.m.;
4. Development of a project located in Rizal with a total area of 308,340 sq.m.;
5. Development of a project located in Davao City with an area of 300,000 sq.m.;
6. Development of a project located in Pasig City with an area of 7,329 sq.m.;
7. Development of a project located in Nueva Ecija with an area of 98,848 sq.m.; and
8. Development of a project located in Tagaytay City with an area of 29,640 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Jaro, Iloilo with a total area of 216,520 sq.m.;
2. Parcel of land located in Baguio City with an area of 9,822 sq.m.;
3. Parcel of land located in Tagaytay City with an area of 21,888 sq.m.;

4. Parcel of land located in Panacan, Davao City with an area of 28,751 sq.m.;
5. Parcels of land located in Calamba with a total area of 107,514 sq.m.;
6. Parcels of land located in Batangas with a total area of 142,677 sq.m.;
7. Parcel of land located in Rizal with an area of 208 sq.m.;
8. Parcel of land located in Quezon with an area of 4,211 sq.m.; and
9. Parcels of land located in Antipolo City with a total area of 6,072 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 17 February 2017 at the principal office of the Registrant, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

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

1. Development of a project located in Cebu with a total area of 8,644 sq.m.;
2. Development of a project located in Davao with a total area of 891,804 sq.m.;
3. Development of a project located in Batangas with a total area of 444,769 sq.m.;
4. Development of a project located in Nasugbu, Batangas covering various titles; and
5. Development of a project located in Rizal with an area of 47,607 sq.m.;

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Davao with a total area of 67,695 sq.m.;
2. Parcel of land located in Batangas with an area of 8,118 sq.m.;
3. Parcel of land located in Palawan with an area of 3,721 sq.m.;
4. Parcels of land located in Rizal with a total area of 4,613 sq.m.;
5. Parcels of land located in Iloilo with a total area of 7,394 sq.m.; and
6. Parcel of land located in Cavite with an area of 8,848 sq.m..

At the Special Meeting of the Board of Directors of the Registrant held on 27 April 2017 at the Choi Garden, Greenhills, San Juan City, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

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

1. Development of a project located in Cebu with an area of 8,470 sq.m.;
2. Development of a project located in Davao with a total area of 901,804 sq.m.;
3. Development of a project located in Batangas with an area of 254,836 sq.m.;
4. Development of a project located in Iloilo with a total area of 34,551 sq.m.;
5. Development of a project located in Rizal with a total area of 15,662 sq.m.;
6. Development of a project located in Aurora with an area of 490,173.56 sq.m.; and
7. Development of a project located in Cavite with an area of 35,054 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Cavite with an area of 11,684 sq.m.;
2. Parcel of land located in Batangas with a total area of 19,309 sq.m.;
3. Parcel of land located in Davao with a total area of 248,889 sq.m.;
4. Parcels of land located in Iloilo with an area of 8,527 sq.m.;
5. Parcels of land located in Rizal with an area of 159,696 sq.m.;

On 22 June 2017, the following resolutions were approved by the Board of Directors:

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

1. Development of a project located in Cavite with an area of 46,739 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Pangasinan with an area of 121,496 sq.m.;
2. Parcels of land located in Batangas with a total area of 124,677 sq.m.;
- and
3. Parcels of land located in Iloilo with a total area of 58,731 sq.m.

At the Special Meeting of the Executive Committee held on 14 September 2017 at the principal office of the Registrant, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolution authorizing the Registrant to enter into a joint venture involving the development of a project located in Palawan with a total area of 212,890 sq.m.;

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Marikina City with a total area of 355,310 sq.m.;
2. Parcel of land located in Quezon City with a total area of 53,133 sq.m.;
3. Parcel of land located in Palawan with a total area of 23,461 sq.m.;
4. Parcel of land located in Batangas with a total area of 31,254 sq.m.;
5. Parcel of land located in Davao with a total area of 22,991 sq.m.;
6. Parcel of land located in Laguna with a total area of 17,339.29 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 08 January 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

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

1. Development of a project located in Baguio City with an area of 1,949 sq.m.;
2. Development of a project located in Bulacan with a total area of 715,410 sq.m.;
3. Development of a project located in Quezon City with an area of 1,560 sq.m.;
4. Development of a project located in Cavite with an area of 8,109 sq.m.;



5. Development of a project located in Rizal with a total area of 68,493 sq.m.;
6. Development of a project located in Batangas with an area of 383,069 sq.m.;
7. Development of a project located in Palawan with a total area of 178,762 sq.m.; and
8. Development of a project located in Negros Occidental with an area of 69,000 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Dagupan City with an area of 803 sq.m.;
2. Parcel of land located in Cavite with an area of 8,109 sq.m.;
3. Parcels of land located in Laguna with a total area of 62,369 sq.m.;
4. Parcels of land located in Batangas with a total area of 524,015 sq.m.;
5. Parcels of land located in Rizal with a total area of 29,465 sq.m.;
6. Parcel of land located in Iloilo with an area of 99,778 sq.m.;
7. Parcel of land located in Davao with an area of 50,000 sq.m.; and
8. Parcel of land located in General Santos City with an area of 239,000 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 07 February 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

- A. Resolution authorizing the Registrant to enter into a joint venture involving the development of a project located in Pangasinan with an area of 67,176.50 sq.m.;
- B. Resolution authorizing the Registrant to acquire a parcel of land located in Pangasinan with an area of 67,176.50 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 24 April 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Bauan, Batangas with a total area of 14,870 sq.m.;
2. Parcels of land located in Carmen, Cebu with a total area of 231,280 sq.m.;
3. Parcels of land located in Sta. Barbara, Iloilo with a total area of 70,200 sq.m.;
4. Parcel of land located in Plaridel, Bulacan with an area of 3,155.50 sq.m.;
5. Parcel of land located in San Mateo, Rizal with an area of 160,003 sq.m.;
6. Parcel of land located in Puerto Princesa, Palawan with an area of 11,058 sq.m.;
7. Parcel of land located in Davao City with an area of 50,000 sq.m.;
8. Parcel of land located in San Pascual, Batangas with an area of 26,008 sq.m.; and
9. Parcel of land located in Dasmariñas, Cavite with an area of 6,081 sq.m.

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

1. Development of a project located in Mandaue, Cebu with an area of 317,543 sq.m.;
2. Development of a project located in Dagupan, Pangasinan with an area of 12,328 sq.m.;
3. Development of a project located in Angono, Rizal with an area of 50,532 sq.m.;
4. Development of a project located in Batangas with an area of 215,481 sq.m.; and
5. Development of a project located in Dasmariñas, Cavite with an area of 38,431 sq.m.

At the Organizational Meeting of the Board of Directors of the Registrant held on 21 June 2018, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

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

1. Development of a project located in Davao del Sur with a total area of 14,299 sq.m.;
2. Development of a project located in Iloilo City with an area of 48,000 sq.m.;
3. Development of a project located in Quezon City with a total area of 1,103 sq.m.; and
4. Development of a project located in Rizal with an area of 7,104 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Batangas with a total area of 205,882 sq.m.;
2. Parcels of land located in Davao del Sur with a total area of 90,000 sq.m.;
3. Parcels of land located in Laguna with a total area of 187,658 sq.m.;
4. Parcels of land located in Pangasinan with a total area of 78,156 sq.m.;
5. Parcel of land located in Quezon with an area of 8,386 sq.m.;
6. Parcel of land located in Rizal with an area of 12,000 sq.m.;
7. Parcel of land located in Zambales with an area of 35,588 sq.m.; and
8. Parcel of land located in Iloilo with an area of 18,872 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 28 September 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

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

1. Development of a project located in Rizal with an area of 18,222 sq.m.;
2. Development of projects located in Batangas with a total area of 60,621 sq.m.;
3. Development of a project located in Antipolo City with an area of 51,630 sq.m.; and
4. Development of a project located in Bulacan with an area of 14,038 sq.m.

B. Resolutions authorizing the Registrant to enter into a joint venture with Sta. Lucia Realty & Dev., Inc. and the Armed Forces of the Philippines Retirement and Separation Benefits System (“AFPRSBS”) for the development of a project located in Iloilo City with an area of 3,484 sq.m. The same was also approved by the Related Party Transactions Committee to ensure the absence of conflict of interest;

C. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Davao del Sur with a total area of 141,642 sq.m.;
2. Parcels of land located in Iloilo with a total area of 121,808 sq.m.;
3. Parcels of land located in Antipolo with a total area of 266,002 sq.m.;
4. Parcels of land located in Nueva Ecija with a total area of 207 sq.m.;
5. Parcels of land located in General Santos City with a total area of 243,168 sq.m.;
6. Parcels of land located in Rizal with a total area of 183,888 sq.m.
7. Parcel of land located in Batangas with an area of 11,419 sq.m.; and
8. Parcel of land located in Laguna with an area of 13,332.60 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 07 December 2018 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

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

1. Development of projects located in Iloilo with a total area of 56,483 sq.m.;
2. Development of a project located in Pasig City with an area of 2,106 sq.m.;
3. Development of a project located in Batangas with an area of 12,152 sq.m.;
4. Development of projects located in Bulacan with a total area of 20,349 sq.m.;
5. Development of projects located in Rizal with a total area of 11,576 sq.m.;
6. Development of a project located in Laguna with an area of 15,003 sq.m.; and
7. Development of a project located in Davao del Sur with an area of 37,550 sq.m.

B. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Palawan with a total area of 128,120 sq.m.;
2. Parcels of land located in Batangas with a total area of 787,797 sq.m.;
3. A parcel of land located in Davao del Sur with an area of 57,928 sq.m.;
4. Parcels of land located in Cavite with a total area of 16,739 sq.m.; and
5. A parcel of land located in Laguna with an area of 153,354 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 28 February 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

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

1. Development of a project located in Binangonan, Rizal with an area of 11,212 sq.m.;
2. Development of a project located in Puerto Princesa, Palawan with an area of 189,369 sq.m.;
3. Development of a project located in Taytay, Rizal with an area of 18,603 sq.m.;
4. Development of a project located in Digos, Davao del Sur with an area of 37,550 sq.m.; and
5. Development of a project located in Bulacan with an area of 14,038 sq.m.

B. Resolutions authorizing the Registrant to enter into a joint venture with Sta. Lucia Realty & Dev., Inc. for the development of a project located in Dasmarinas, Cavite with an area of 8,253 sq.m. The same was also approved by the Related Party Transactions Committee to ensure the absence of conflict of interest;

C. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in South Cotabato with a total area of 576,456 sq.m.;
2. Parcels of land located in Bauan, Batangas with a total area of 720,698 sq.m.; and
3. Parcels of land located in Digos, Davao del Sur with a total area of 113,612 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 20 March 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to open bank accounts with China Banking Corporation for joint venture projects with La Panday Properties Philippines, Inc.;

B. Resolutions authorizing the Registrant to open bank accounts with BDO Unibank, Inc. for joint venture projects with La Panday Properties Philippines, Inc.;

At the Special Meeting of the Board of Directors of the Registrant held on 07 May 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

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

- C. Development of projects located in Sto. Tomas, Batangas with a total area of 383,069 sq. m.;
2. Development of projects located in Davao City with a total area of 110,951 sq. m.;

3. Development of projects located in Cavite with a total area of 1,526,899 sq. m.;
4. Development of a project located in Cebu with an area of 5,336 sq. m.;
5. Development of a project located in Iloilo with an area of 146,203 sq. m.;
6. Development of a project located in Lian, Batangas with an area of 40,242 sq. m.; and
7. Development of a project located in Bulacan with a total area of 6,311 sq. m.

B. Resolutions authorizing the Registrant to enter into the following joint ventures with Sta. Lucia Realty & Dev., Inc.:

1. Development of projects located in Bulacan with a total area of 38,725 sq. m.;
2. Development of a project located in Batangas with an area of 12,296 sq. m.;
3. Development of a project located in Cavite with an area of 29,516 sq. m.;
4. Development of a project located in Rizal with an area of 13,721 sq. m.; and
5. Development of a project located in Iloilo with an area of 40,764 sq. m.

The same were also approved by the Related Party Transactions Committee to ensure the absence of conflict of interest;

C. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Calamba, Laguna with a total area of 171,204 sq. m.;
2. Parcels of land located in Davao City with a total area of 45,062 sq. m.;
3. Parcels of land located in Iloilo with a total area of 51,866 sq. m.;
4. Parcels of land located in Sta. Rosa, Laguna with a total area of 8,151 sq. m.;
5. Parcel of land located in Negros Oriental with an area of 140,000 sq. m.;
6. Parcel of land located in Pasig City with an area of 3,972 sq. m.; and
7. Parcel of land located in Palawan with an area of 206,919 sq. m.

D. Resolutions authorizing the Registrant to acquire 2,562,490 shares of stock of Uni-Asia Properties Inc.

At the Organizational Meeting of the Board of Directors of the Registrant held on 28 June 2019, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Batangas with a total area of 75,935 sq.m.;
2. Parcels of land located in Davao del Sur with a total area of 119,150 sq.m.;
3. Parcels of land located in Laguna with a total area of 2,963 sq.m.;
4. Parcels of land located in Bulacan with a total area of 12,621 sq.m.;
5. Parcel of land located in Palawan with an area of 3,400 sq.m.; and
6. Parcel of land located in Davao with an area of 60,000 sq.m.

- B. Resolutions authorizing the Registrant to enter into a joint venture involving the development of a project located in Laguna with an area of 15,486 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 22 August 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

- A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Batangas with a total area of 53,910 sq.m.;
2. Parcel of land located in Davao with an area of 41,270 sq.m.; and
3. Condominium unit with appurtenant parking space located in Davao with a total area of 114.18 sq.m.

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

- E. Development of a project located in Davao del Sur with an area of 119,150 sq.m.;
2. Development of a project located in Cavite with an area of 8,253 sq.m.; and
  3. Development of projects located in Rizal with a total area of 16,613 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 08 October 2019 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

- A. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Batangas with an area of 450 sq.m.;
2. Parcel of land located in Zambales with an area of 35,588 sq.m.;
3. Parcel of land located in Davao with an area of 74,490 sq.m.; and
4. Parcel of land located in Rizal with an area of 917 sq.m.;

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

1. Development of a project located in Rizal with an area of 45,649 sq.m.; and
2. Development of a project located in Davao with an area of 221,973 sq.m.;

At the Special Meeting of the Board of Directors of the Registrant held on 13 February 2020 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

- A. Resolutions authorizing the Registrant to acquire the following:

- F. Parcels of land located in Palawan with a total area of 387,576 sq.m.;
2. Parcel of land located in Iloilo with an area of 38,745 sq.m.;
  3. Parcels of land located in Batangas with a total area of 68,690 sq.m.;
  4. Parcels of land located in Bataan with a total area of 82,916 sq.m.;
  5. Parcels of land located in Laguna with a total area of 707,530 sq.m.;
  6. Parcel of land located in Pangasinan with an area of 6,282 sq.m.;
  7. Parcel of land located in Rizal with an area of 447,790 sq.m.;
  8. Parcels of land located in Bulacan with a total area of 10,620 sq.m.;

9. Parcel of land located in Surigao del Norte with an area of 65,409 sq.m.; and
10. Parcel of land located in Davao City with an area of 50,000 sq.m.

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

1. Development of projects located in Rizal with a total area of 122,787 sq.m.;
2. Development of a project located in Bataan with an area of 377,043 sq.m.;
- and
3. Development of a project located in Pangasinan with an area of 218,545 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 21 May 2020 at its principal office, at which meeting a quorum was present and acting throughout, the directors approved the resolutions authorizing the Registrant to acquire a parcel of land located in San Mateo, Rizal with an area of 17,112 sq.m.

At the Organizational Meeting of the Board of Directors of the Registrant held on 20 August 2020 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Davao del Sur with an area of 57,928 sq.m.;
2. Parcels of land located in Laguna with a total area of 39,735 sq.m.;
3. Parcel of land located in Batangas with an area of 14,623 sq.m.; and
4. Parcel of land located in Rizal with an area of 12,525 sq.m.

B. Resolutions authorizing the Registrant to enter into a joint venture involving the following:

1. Development of a project located in Zambales with an area of 179,508 sq.m.;
- and
2. Development of a project located in Pampanga with an area of 180,719 sq. m.

At the Special Meeting of the Board of Directors of the Registrant held on 10 December 2020 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. A parcel of land located in Bulacan with an area of 13,567 sq.m.;
2. Parcels of land located in Batangas with a total area of 76,160 sq.m.;
3. A parcel of land located in San Pablo City with an area of 9,594 sq.m.; and
4. A parcel of land located in Laguna with an area of 26,971 sq.m.

B. Resolutions authorizing the Registrant to acquire a parcel of land located in Rizal with an area of 168,379 sq.m. from SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy;

C. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy, involving the following:

1. Development of a project located in Rizal with an area of 5,745 sq. m.;
2. Development of a project located in Pampanga with an area of 180,719 sq. m.; and
3. Development of a project located in Pangasinan with an area of 67,620 sq. m.

At the Special Meeting of the Board of Directors of the Registrant held on 12 March 2021 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcel of land located in Davao del Sur with an area of 8,227 sq.m.;
2. Parcel of land located in Iloilo with an area of 25,000 sq.m.; and
3. Parcel of land located in Batangas with an area of 4,998 sq.m.

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

1. Development of a project located in Rizal with an area of 5,866 sq.m.;
2. Development of a project located in Davao del Sur with an area of 10,000 sq.m.;
3. Development of a project located in Lapu-Lapu City with an area of 71,047 sq.m; and
4. Development of a project located in Batangas with an area of 216,787 sq.m.

C. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy, involving the following:

1. Development of a project located in Cavite with an area of 39,076 sq.m.;
2. Development of a project located in Rizal with an area of 526,270 sq.m.; and
3. Development of projects located in Batangas with a total area of 427,952 sq.m.

At the Organizational Meeting of the Board of Directors of the Registrant held on 25 June 2021 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Rizal with a total area of 17,214 sq.m.;
2. Parcels of land located in Batangas with a total area of 102,018 sq.m; and
3. Parcel of land located in Cotabato with an area of 52,149 sq.m.

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



1. Development of projects located in Rizal with a total area of 186,930 sq.m.;
2. Development of projects located in Bulacan with a total area of 24,839 sq.m.;
- and
3. Development of projects located in Laguna with a total area of 140,820 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 02 September 2021 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Batangas with a total area of 349,594 sq.m; and
2. Parcels of land located in Rizal with a total area of 118,274 sq.m.

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

1. Development of projects located in Rizal with a total area of 13,515 sq.m.; and
2. Development of projects located in Batangas with a total area of 30,518 sq.m.

C. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy, involving the development of a project located in Rizal with an area of 595,232.70 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 09 December 2021 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Registrant to acquire the following:

1. Parcels of land located in Batangas with a total area of 29,741 sq.m;
2. Parcels of land located in Laguna with a total area of 241,163 sq.m;
3. Parcel of land located in Davao with an area of 139,516 sq.m;
4. Parcels of land located in Pangasinan with a total area of 133,697 sq.m; and
5. Parcels of land located in Rizal with a total area of 240,550 sq.m.

B. Resolutions authorizing the Registrant to enter into joint ventures involving the development of the following:

1. A project located in Batangas with an area of 57,759 sq.m;
2. A project located in Cavite with an area of 95,944 sq.m; and
3. A project located in Rizal with an area of 28,920 sq.m.

D. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI, the terms of which were duly reported to, and approved by, the Related Party Transactions Committee pursuant to the Registrant's Material Related Party Transactions Policy, involving the development of projects located in Batangas with a total area of 400,564 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 11 February 2022 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

- A. Resolutions authorizing the Registrant to acquire the following:
  - 1. A parcel of land located in Batangas with an area of 192,250 sq.m.; and
  - 2. A parcel of land located in Laguna with an area of 131,163 sq.m.
- B. Resolutions authorizing the Registrant to enter into joint ventures involving the development of the following:
  - 1. A project located in Rizal with an area of 80,868 sq.m.; and
  - 2. Projects located in Batangas with a total area of 75,936 sq.m.
- E. Resolutions authorizing the Registrant to enter into joint ventures with SLRDI involving the development of the following:
  - 1. Projects located in Rizal with a total area of 137,146 sq.m.;
  - 2. Projects located in Batangas with a total area of 527,779 sq.m.; and
  - 3. A project located in Cotabato with an area of 68,665 sq.m.

At the Organizational Meeting of the Board of Directors of the Registrant held on 17 June 2022 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

- A. Resolutions authorizing the Corporation to acquire parcels of land located in Batangas with a total area of 23,770 sq.m.:
- B. Resolutions authorizing the Corporation to enter into joint ventures involving the following:
  - 1. Development of a project located in Bulacan with an area of 84,051 sq.m.;
  - 2. Development of projects located in Batangas with a total area of 363,321 sq.m.;
  - 3. Development of projects located in Rizal with a total area of 644,887 sq.m.;
  - 4. Development of projects located in Laguna with a total area of 167,906 sq.m.;
  - 5. Development of projects located in Pangasinan with a total area of 176,042 sq.m.;
  - 6. Development of a project located in Pampanga with an area of 13,669 sq.m.; and
  - 7. Development of a project located in South Cotabato with an area of 77,979 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 29 November 2022 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

- A. Resolutions authorizing the Corporation to acquire the following:
  - 1. A parcel of land located in Batangas with an area of 24,699 sq.m; and

2. A parcel of land located in Bulacan with an area of 16,349 sq.m

B. Resolutions authorizing the Corporation to enter into joint ventures involving the following:

1. Development of a project located in Bulacan with an area of 71,432 sq.m.;
2. Development of projects located in Batangas with a total area of 353,323 sq.m.;
3. Development of projects located in Rizal with a total area of 121,576 sq.m.;
4. Development of a project located in Laguna with an area of 131,163 sq.m.;
5. Development of projects located in Pangasinan with a total area of 135,617 sq.m.;
6. Development of a project located in Quezon City with an area of 2,538 sq.m.; and
7. Development of a project located in Iloilo with an area of 578,254 sq.m.;
8. Development of projects located in Surigao Del Norte with a total area of 115,293 sq.m.;
9. Development of projects located in Negros Occidental with a total area of 618,710 sq.m.;
10. Development of a project located in South Cotabato with an area of 91,889 sq.m.; and
11. Development of projects located in Pampanga with a total area of 29,517 sq.m.

At the Special Meeting of the Board of Directors of the Registrant held on 30 March 2023 at its principal office, at which meeting a quorum was present and acting throughout, the following were discussed and approved:

A. Resolutions authorizing the Corporation to acquire parcels of land located in Batangas with a total area of 79,054 sq.m.;

B. Resolutions authorizing the Corporation to enter into joint ventures involving the following:

1. Development of a project located in Bulacan with an area of 16,349 sq.m.;
2. Development of projects located in Batangas with a total area of 156,232 sq.m.;
3. Development of projects located in Rizal with a total area of 21,526 sq.m.;
4. Development of a project located in Laguna with an area of 106,079 sq.m.;
5. Development of a project located in Iloilo with an area of 3,484 sq.m.; and
6. Development of a project located in South Cotabato with an area of 49,603 sq.m.

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

| YEAR | PROJECT<br>EXPENDITURES | PERCENTAGE<br>TO REVENUES |
|------|-------------------------|---------------------------|
| 2022 | 6,173,620,510.00        | 62%                       |
| 2021 | 5,263,928,666.00        | 63%                       |
| 2020 | 5,210,659,113.00        | 76%                       |

## **M. 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 date 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.

| <b>LOCATION</b>     | <b>AREA (SQM)</b> | <b>LAND USE</b>        |
|---------------------|-------------------|------------------------|
| Baguio              | 29,466            | Residential/Commercial |
| Bataan              | 82,916            | Residential/Commercial |
| Batangas            | 3,025,440         | Residential/Commercial |
| Bulacan             | 61,469            | Residential/Commercial |
| Cavite              | 365,241           | Residential/Commercial |
| Cebu                | 245,099           | Residential/Commercial |
| Davao               | 2,944,892         | Residential/Commercial |
| General Santos City | 243,168           | Residential/Commercial |
| Iloilo              | 1,207,996         | Residential/Commercial |
| Laguna              | 2,403,962         | Residential/Commercial |
| Metro Manila        | 422,041           | Residential/Commercial |
| Negros Oriental     | 140,000           | Residential/Commercial |
| Nueva Ecija         | 207               | Residential/Commercial |
| Palawan             | 927,799           | Residential/Commercial |
| Pampanga            | 180,719           | Residential/Commercial |
| Pangasinan          | 401,329           | Residential/Commercial |
| Quezon              | 12,597            | Residential/Commercial |
| Rizal               | 1,856,429         | Residential/Commercial |
| South Cotabato      | 588,552           | Residential/Commercial |
| Surigao Del Norte   | 65,409            | Residential/Commercial |
| Zambales            | 35,588            | Residential/Commercial |
| Zamboanga           | 286,257           | Residential/Commercial |
| <b>TOTAL</b>        | <b>15,526,576</b> |                        |

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 (5) years:

| <b>REGION</b>                  | <b>Percentage Concentration of Land banking</b> |
|--------------------------------|---|
| Region 4A – CALABARZON         | 49.36%  |
| Region 11 - Davao Region       | 18.97%  |
| Region 6 - Western Visayas     | 8.68%   |
| Region 4B MIMAROPA             | 5.98%   |
| Region 12 – SOCCSKSARGEN       | 5.36%   |
| NCR                            | 2.72%   |
| Region 1 - Ilocos Region       | 2.58%   |
| Region 3 - Central Luzon       | 2.32%   |
| Region 9 – Zamboanga Peninsula | 1.84%   |
| Region 7 - Central Visayas     | 1.58%   |
| Region 13 – CARAGA             | 0.42%   |
| CAR                            | 0.19%   |
| <b>TOTAL</b>                   | <b>100.00%</b>                                  |

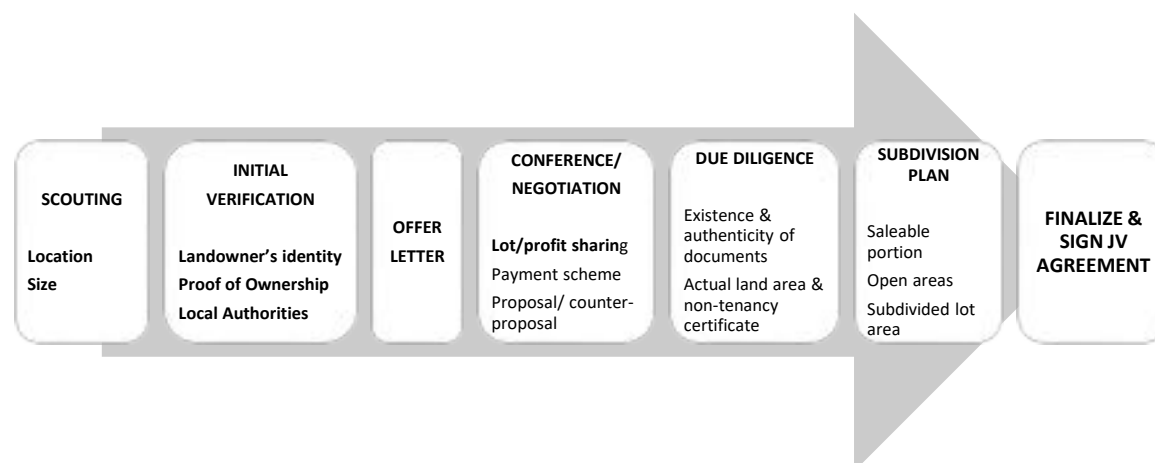
In the next 12 months, the Company intends to acquire properties located in Laguna, Batangas, Bulacan, Davao, and Cotabato.

The Company intends to take advantage of its local knowledge, development expertise, track record, and local connections to successfully implement its land banking strategy.

### **Joint Ventures**

The Company has historically adopted a JV business model where the Company enters into joint venture arrangements with landowners 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 a 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.

The Company is looking at acquiring an interest in several new areas through JV agreements for the next five (5) years. The table below summarizes these target locations and land areas:

| <b>REGION</b>          | <b>Percentage<br/>Concentration of<br/>Land banking</b> |
|------------------------|---|
| Region 4A – CALABARZON | 59.35%  |

|                            |                |
|----------------------------|----------------|
| Region 11 – Davao Region   | 12.06%         |
| Region 6 – Western Visayas | 10.76%         |
| Region 3 – Central Luzon   | 9.73%          |
| Region 4B – MIMAROPA       | 2.90%          |
| Region 7 – Central Visayas | 2.00%          |
| Region 1 – Ilocos Region   | 1.63%          |
| Region 12 – SOCCSKSARGEN   | 0.67%          |
| NCR                        | 0.44%          |
| Region 13 – CARAGA         | 0.43%          |
| CAR                        | 0.01%          |
| <b>TOTAL</b>               | <b>100.00%</b> |

The new JVs being targeted in Cavite, Iloilo, and Davao are expansions of existing projects and can be found in contiguous lots.

## **2. Investment Property**

The Registrant's investment properties primarily consist of the Sta. Lucia East Grand Mall, Sta. Lucia Business Center, both located in Cainta, Rizal and the under-development Ponte Verde Mall in Davao. For a detailed discussion, refer to the Commercial Properties portion.

## **3. Property and equipment**

The Registrant's main office is based at the Penthouse, Building 3 of Sta. Lucia Mall located at Cainta, Rizal. It owns several office equipment, furniture and fixtures and transportation equipment which are all used in the ordinary course of operations.

The Registrant does not intend to acquire significant properties in the next 12 months except those needed in the ordinary course of business.

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

### A. Market Information

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

| <b><u>2023 (Interim Period)</u></b> |                           |                           |                           |                           |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                     | 1st Quarter<br>Date/Price | 2nd Quarter<br>Date/Price | 3rd Quarter<br>Date/Price | 4th Quarter<br>Date/Price |
| HIGH                                | 06 Jan./P3.20             | N/A                       | N/A                       | N/A                       |
| LOW                                 | 10 Jan./P3.00             | N/A                       | N/A                       | N/A                       |
| <b><u>2022</u></b>                  |                           |                           |                           |                           |
|                                     | 1st Quarter<br>Date/Price | 2nd Quarter<br>Date/Price | 3rd Quarter<br>Date/Price | 4th Quarter<br>Date/Price |
| HIGH                                | 23 Feb./P2.94             | 07 Jun./P3.16             | 14 Sep./P3.16             | 29 Dec./P3.25             |
| LOW                                 | 23 Mar./P2.51             | 07 Apr./P2.75             | 03 Aug./P2.73             | 02 Nov./P2.74             |
| <b><u>2021</u></b>                  |                           |                           |                           |                           |
|                                     | 1st Quarter<br>Date/Price | 2nd Quarter<br>Date/Price | 3rd Quarter<br>Date/Price | 4th Quarter<br>Date/Price |
| HIGH                                | 15 Jan./P2.68             | 25 Jun./P3.55             | 15 Jul./P3.31             | 19 Nov./P3.03             |
| LOW                                 | 05 Jan./P1.92             | 14 Apr./P2.20             | 26 Jul./P2.56             | 28 Dec./P2.61             |
| <b><u>2020</u></b>                  |                           |                           |                           |                           |
|                                     | 1st Quarter<br>Date/Price | 2nd Quarter<br>Date/Price | 3rd Quarter<br>Date/Price | 4th Quarter<br>Date/Price |
| HIGH                                | 24 Jan./P2.58             | 02 Apr./P2.04             | 08 Sep./P2.00             | 07 Dec./P2.28             |
| LOW                                 | 23 Mar./P1.83             | 02 Jun./P1.79             | 19 Aug./P1.70             | 05 Nov./P1.81             |



## Price Information as of the latest practicable trading date:

As of 23 May 2023, the Registrant's shares stood at closing price of P3.26.

### B. Holders

Based on the 31 March 2023 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 March 2023

| RANK | NAME  | TOTAL SHARES  | PERCENTAGE (%) |
|------|---|---------------|----------------|
| 1    | STA. LUCIA REALTY & DEVELOPMENT, INC.   | 6,701,005,767 | 81.7550        |
| 2    | PCD NOMINEE CORPORATION (EXCLUDING TREASURY SHARES)<br>Filipino - 1,566,432,606<br>Non-Filipino - 807,001 | 1,567,239,607 | 19.1210        |
| 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    | LINTONG, 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   | VALDEZ, AMBROSIO &/OR FELISA VALDEZ   | 50,000        | 0.0006         |
| 14   | LINTONG, ANTHONY FRANCIS H.   | 40,000        | 0.0005         |
| 15   | LINTONG, GAIL MAUREEN H.  | 40,000        | 0.0005         |
| 16   | LINTONG, HARRY JAMES H.   | 40,000        | 0.0005         |
| 17   | LINTONG, JOHN PATRICK H.  | 40,000        | 0.0005         |
| 18   | LINTONG, JULIE ANN KRISHA H.  | 40,000        | 0.0005         |
| 19   | G & L SECURITIES CO., INC.  | 30,000        | 0.0004         |
| 20   | SUN HUNG KAI SECURITIES (PHILS.), INC.  | 30,000        | 0.0004         |

Total Outstanding Shares – 8,296,450,000

### C. Foreign Equity

Foreign equity is held by a sole stockholder, PCD Nominee Corp. - Non-Filipino, which owns Eight Hundred Seven Thousand One (807,001) common shares of stock as of 31 March 2023.

### D. Dividends

In 2022, SLI declared a special cash dividend to all stockholders of record as of December 16, 2022 in the amount of Php0.04 per share. Payment date was set on December 27, 2022.

In 2021, SLI declared a special cash dividend to all stockholders of record as of 23 December 2021 in the amount of Php0.04 per share. Payment date was set on 27 December 2021.

No cash dividends were declared for the year 2020.

The Registrant's current dividend policy provides for dividends up to 25% of the prior fiscal year's net income after tax, subject to:

- (i) availability of unrestricted retained earnings,
- (ii) implementation of business plans,
- (iii) contractual obligations,
- (iv) working capital requirements, and
- (v) the approval of the Board.

The declaration and payment of dividends is subject to compliance annually or as often as the Board of Directors may deem appropriate, in cash or in kind and/or in additional shares from its surplus profits. The ability of the Registrant to pay dividends will depend on its retained earnings level and financial condition.

For the past two (2) years, the Registrant complied with its dividend payout policy of up to 25% of the prior fiscal year's net income after tax, subject to the restrictions set forth above.

None of the Subsidiaries have declared dividends in the last three years and none have any set dividend policy.

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

#### **E. Recent Sale of Unregistered Securities**

In the past three (3) years, the Registrant entered into the following transactions exempt from the registration requirements of the Securities and Regulation Code ("SRC"):

- On 19 March 2018, the Registrant issued seven-year Corporate Notes totaling ₱5.00 billion with the Lead Underwriter as the Sole Arranger and Bookrunner. The notes were sold to Primary Institutional Lenders not exceeding 19. The offer price was 100%. As the notes were offered exclusively to Primary Institutional Lenders in the Philippines, the transactions were considered exempt transactions pursuant to Section 10.1 of the SRC and Rule 10.1.4 of the IRRs, and no notice of exemption from the registration requirements under the SRC and IRRs is required to be filed with the SEC.
- On 15 March 2021, the Registrant issued three- and five- year Corporate Notes totaling ₱7.00 billion, consisting of:
  - 1. Tranche A Notes amounting to ₱3.70 billion and having a maturity of three (3) years from issue date;
  - 2. Tranche B Notes amounting to ₱3.30 billion and having a maturity of five (5) years from issue date.

On 30 March 2021 and 25 May 2021, the Registrant issued ₱1.00 billion Tranche B Notes and ₱1.90 billion Tranche A Notes, respectively. RCBC Capital Corporation was the Lead Arranger and Sole Bookrunner. The offer price was 100%. As the notes were offered exclusively to Primary Institutional Lenders in the Philippines, the transactions were considered exempt transactions pursuant to Section 10.1 of the SRC and Rule 10.1.4 of the IRRs, and no notice of exemption from the registration requirements under the SRC and IRRs is required to be filed with the SEC. On December 12, 2022, the Company signed a Php3.75 billion unsecured syndicated term loan facility. RCBC Capital Corporation was the Lead Arranger while serving as co-lead arrangers were BPI Capital Corp. and BDO Capital & Investment Corp.

1. On December 22, 2022, the Company drew ₱1.20 billion having a five (5)-year maturity from the date of issue.
2. The remaining ₱2.55 billion having a five (5)-year maturity from the date of issue is expected to be drawn by March 10, 2023.

Apart from the foregoing, there are no recent sales of unregistered or exempt securities.

## **VI. COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES**

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

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

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

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

# COVER SHEET

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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)

**2022**

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Month Day  
(Fiscal Year)

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Month Day  
(Annual Meeting)

**N/A**

(Secondary License Type, If Applicable)

**SEC**

Dept. Requiring this Doc.

Amended Articles Number/Section

**263**

Total No. of Stockholders

Total Amount of Borrowings

**22,800,141,043**

Domestic

**0**

Foreign

To be accomplished by SEC Personnel concerned

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## **STA. LUCIA LAND, INC. AND SUBSIDIARIES**

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(Company's Full Name)

Penthouse Building 3, Sta. Lucia East Grand Mall,  
Marcos Highway Cor. Imelda Ave., Cainta Rizal

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(Company Address)

(632) 8681-7332

---

(Telephone Number)

**December 31, 2022**

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(Year Ending)

**Annual Report – SEC Form 17-A**

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(Form Type)

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(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, 2022**

2. Commission identification number: **31050**

3. BIR Tax Identification No.: **000-152-291-000**

**STA. LUCIA LAND, INC. AND SUBSIDIARIES**

4. Exact name of issuer as specified in its charter

**Republic of the Philippines**

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

6. Industry Classification Code:  (SEC 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

**Common**

Number of shares of common  
Stock outstanding

**8,296,450,000**

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

**Yes [x] No [ ]**

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

---

12. Indicate by checkmark whether the registrant:

a. has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

**Yes [x] No [ ]**

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

**Yes [x] No [ ]**

## **TABLE OF CONTENTS**

### **PART I – BUSINESS AND GENERAL INFORMATION**

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| <b>PART I – BUSINESS AND GENERAL INFORMATION</b> |
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**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 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.

On November 23, 2022, the Company sold 100 million treasury shares at P2.90 per share as a fund-raising initiative for working-capital and expansion projects. The authority to sell treasury shares was approved during the Special Meeting of the Board of Directors on July 8, 2014. The sale increased the total outstanding shares to 8,296.45 million shares.

As of December 31, 2022, the Company is 80.77% owned by SLRDI.

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 April 26, 2023.

## **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 151 residential subdivision projects and is currently developing 119 residential subdivision projects involving a total of 46,615 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 eight residential condominium projects:

| Condominium Project                          | Location              |
|--|-----------------------|
| East Bel Air Tower 1                         | Cainta, Rizal         |
| East Bel Air Tower 3                         | Cainta, Rizal         |
| East Bel Air Tower 4                         | 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 two (2) ongoing projects, one in (1) in Cainta, Rizal (Sta. Lucia Residence – Madrid (Tower 3)) and one (1) in Jaro, Iloilo, (Greenmeadows Condominium). The usual required downpayment ranges from 15% to 20%, payable in two (2) to three (30) years. Balance of 80% is paid through in-house or bank financing.

#### Condotel

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 eight 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) three in Batangas (Sotogrande Bauan, Nasacosta Peaks Tower 1 and 2).

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. 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.

#### Sta. Lucia Mall Davao

As of December 31, 2022, the construction of the Sta. Lucia Mall Davao, the second mall of the company located along the Philippine Japan Friendship Highway (formerly Diversion road) in Panacan, Davao City, is already at its 80.04% 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, 2022, 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 1,541 commercial lots covering 172.31 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)

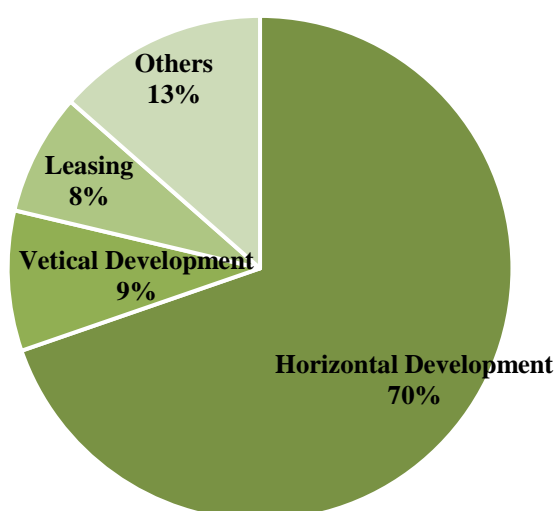
On January 9, 2013, the Parent Company filed an application with SEC for the incorporation of one of its wholly owned subsidiary Sta. Lucia Homes, Inc., the primary purpose of which is to construct, develop, improve, mortgage, pledge and deal with residential structure for lot buyers of the Group. The 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:

### Revenue Contribution per Segment



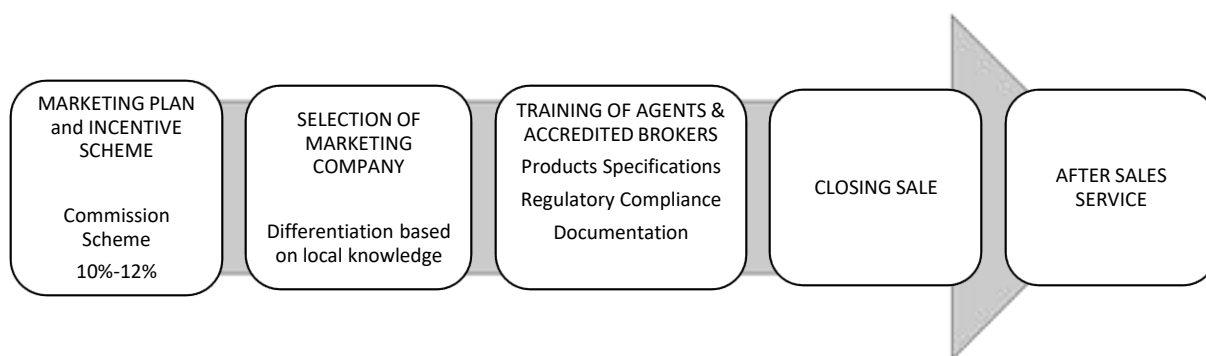
## 1.3 Distribution Methods of the Products

### 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 135,000 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.

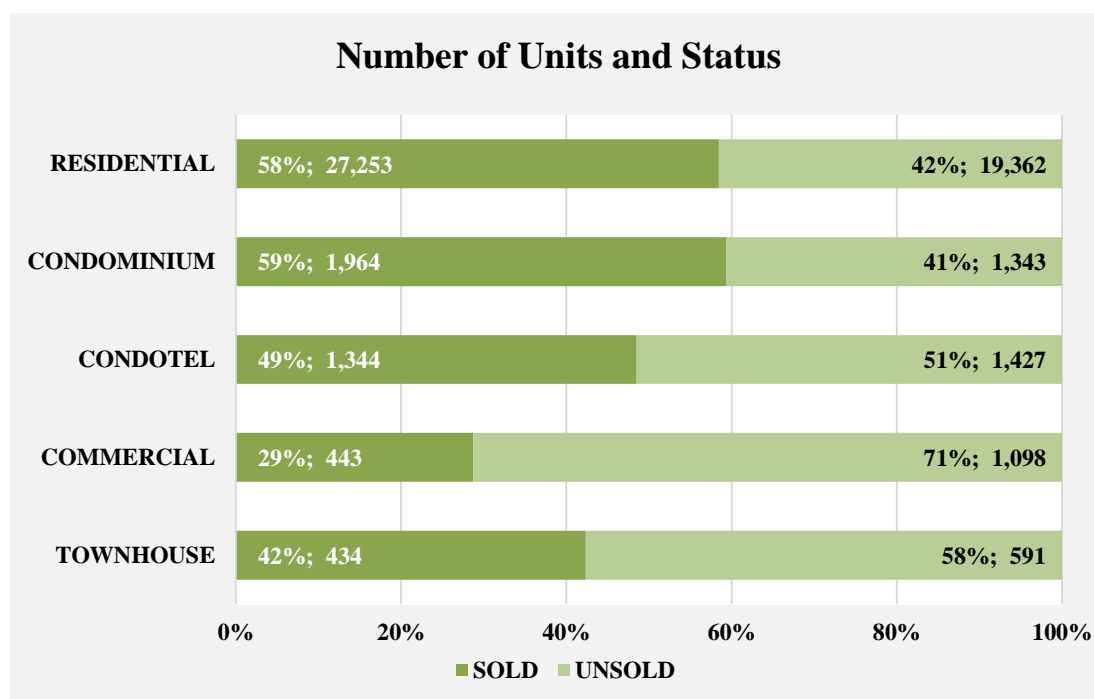
Once the Company has acquired an interest in land for development, it will begin the project development process. In addition to obtaining the required government regulatory approvals, this process involves the planning of the potential project, including master planning and design. Site development 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.

As of December 31, 2022, the Group have already developed over 12,000 has of land into over 250 projects strategically located on 13 regions and over 70 cities and municipalities in the country.



Almost 87% of the Group's product mix is composed of residential and commercial developments. Of the whole product mix, 84% represents residential properties. As of December 31, 2022, 57% of its products were sold and 43% remains in its inventory.

### Completed Projects

As of December 31, 2022, the Company completed the development of the following projects:

| PROJECT NAME   | LOCATION                                     | PROJECT TYPE | YEAR |
|--|--|--------------|------|
| Aldea Residences                                       | Pakiad, Oton, Iloilo                         | Horizontal   | 2021 |
| Altea Ciudades Davao                                   | Tigatto, Davao City                          | Horizontal   | 2021 |
| Antipolo Greenland                                     | Antipolo City, Rizal                         | Horizontal   | 2013 |
| Aqua Mira At Saddle Cluster A                          | Tanza, Cavite                                | Vertical     | 2020 |
| Aqua Mira At Saddle Cluster B                          | Tanza, Cavite                                | Vertical     | 2020 |
| Aqua Mira At Saddle Cluster C                          | Tanza, Cavite                                | Vertical     | 2020 |
| Arterra Residences At Discovery Bay                    | Lapu-Lapu City, Cebu                         | Vertical     | 2018 |
| Blue Mountains Commercial And Residential Estates Ph 2 | Sta. Cruz, Antipolo City                     | Horizontal   | 2021 |
| Blue Ridge At Monterosa                                | Pakiad, Oton, Iloilo                         | Horizontal   | 2021 |
| Cainta Greenland Ph 3B                                 | Pasong Matanda, Cainta, Rizal                | Horizontal   | 2020 |
| Cainta Greenland Ph 3B1                                | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 3B2                                | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 4C1                                | Sta. Ana, Taytay, Rizal                      | Horizontal   | 2021 |
| Cainta Greenland Ph 4C2                                | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 4J1                                | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 9B                                 | San Juan, Cainta, Rizal                      | Horizontal   | 2020 |
| Cainta Greenland Ph 9C                                 | Sta. Ana, Taytay, Rizal                      | Horizontal   | 2020 |
| Catalina Lake Residences Palawan                       | Tagburos, Puerto Princesa City               | Horizontal   | 2020 |
| Club Morocco   | Subic, Zambales                              | Horizontal   | 2015 |
| Colinas Verdes Ph 3, 3A & 3B                           | Tungkong Mangga, San Jose Del Monte, Bulacan | Horizontal   | 2020 |
| Costa Del Sol Ph 1                                     | Sto. Niño, Iloilo City                       | Horizontal   | 2019 |
| Crown Residences At Harbor Springs                     | Boracay, Puerto Princesa                     | Vertical     | 2019 |
| East Bel-Air Residences (Stradella) Tower 2            | Cainta, Rizal                                | Vertical     | 2014 |
| East Bel-Air Residences Tower 1                        | Cainta, Rizal                                | Vertical     | 2013 |
| East Bel-Air Residences Tower 3                        | Cainta, Rizal                                | Vertical     | 2020 |
| East Bel-Air Residences Tower 4                        | Cainta, Rizal                                | Vertical     | 2021 |
| El Pueblo Verde  | San Antonio, Gerona, Tarlac                  | Horizontal   | 2019 |
| Glenrose Taytay Ph 2B                                  | Taytay, Rizal                                | Horizontal   | 2017 |
| Golden Meadows Biñan (Sta. Rosa) Ph 2D                 | Sta. Rosa, Laguna                            | Horizontal   | 2020 |
| Golden Meadows Biñan (Sta. Rosa) Ph 2D1                | Sta. Rosa, Laguna                            | Horizontal   | 2020 |
| Grand Villas Bauan                                     | Bauan, Batangas                              | Horizontal   | 2016 |
| Green Meadows At Orchard Ph 2                          | Dasmariñas, Cavite                           | Horizontal   | 2021 |
| Green Meadows At Orchard Ph 2A                         | Dasmariñas, Cavite                           | Horizontal   | 2021 |
| Green Meadows Iloilo Ph 1                              | Tacas, Jaro, Iloilo City                     | Horizontal   | 2017 |
| Green Meadows Tarlac                                   | Paniqui, Tarlac                              | Horizontal   | 2013 |
| Green Peak Heights Ph 1                                | Pinugay, Baras, Rizal                        | Horizontal   | 2020 |
| Green Ridge Executive Ph 4A                            | Pantok, Binangonan, Rizal                    | Horizontal   | 2020 |
| Greenland Newtown Ph 2B                                | Ampid, San Mateo, Rizal                      | Horizontal   | 2019 |
| Greenland Newtown Ph 2C                                | Ampid, San Mateo, Rizal                      | Horizontal   | 2019 |
| Greenville Heights Ph 1B                               | Cebu City, Cebu                              | Horizontal   | 2019 |
| Greenwoods Executive Village Ph 1A1                    | Palatiw, Pasig City                          | Horizontal   | 2019 |

| PROJECT NAME  | LOCATION                                 | PROJECT TYPE | YEAR |
|---|--|--------------|------|
| Greenwoods Executive Village Ph 1A2                     | Palatiw, Pasig City                      | Horizontal   | 2019 |
| Greenwoods Executive Village Ph 2K1                     | Magsiay, Cainta, Rizal                   | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 3A2                     | San Miguel, Pasig City                   | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 540                     | San Andres, Cainta, Rizal                | Horizontal   | 2021 |
| Greenwoods Executive Village Ph 6S9<br>*& 10            | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8A1                     | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8A2                     | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8A3                     | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8A4                     | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8D6                     | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 8D7                     | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 8F3<br>& 8F4            | San Andres, Cainta, Rizal                | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 8F5                     | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 8G1                     | San Juan, Cainta, Rizal                  | Horizontal   | 2018 |
| Greenwoods Executive Village Ph 9B1                     | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2019 |
| Greenwoods Executive Village Ph 9D1                     | Sta. Ana, Taytay, Rizal                  | Horizontal   | 2022 |
| Greenwoods Executive Village Ph 9E                      | San Juan, Cainta, Rizal                  | Horizontal   | 2019 |
| Greenwoods Executive Village Ph 9F                      | San Juan, Cainta, Rizal                  | Horizontal   | 2021 |
| Greenwoods North Ph 2                                   | Gapan, Nueva Ecija                       | Horizontal   | 2020 |
| Greenwoods North Ph 3                                   | Gapan, Nueva Ecija                       | Horizontal   | 2020 |
| Hampton Residences                                      | Pantok, Binangonan, Rizal                | Horizontal   | 2021 |
| La Breza Tower  | Mother Ignacia Street, Quezon City       | Vertical     | 2011 |
| La Huerta Ph 1 & 2                                      | Calamba, Laguna                          | Horizontal   | 2021 |
| La Mirada Tower   | Lapu-Lapu City, Cebu                     | Vertical     | 2010 |
| Luxurre Residences Cavite                               | Alfonso, Cavite                          | Horizontal   | 2013 |
| Marbella Residences Palawan Ph 1A                       | San Pedro, Puerto Princesa City, Palawan | Horizontal   | 2020 |
| Mesilo Nueva Vida                                       | Dasmariñas, Cavite                       | Horizontal   | 2015 |
| Metropolis East Ph 1B                                   | Pag-asa, Binangonan, Rizal               | Horizontal   | 2019 |
| Metropolis East Ph 1C                                   | Pag-asa, Binangonan, Rizal               | Horizontal   | 2019 |
| Metropolis East Ph 1D                                   | Pag-asa, Binangonan, Rizal               | Horizontal   | 2021 |
| Metropolis East Ph 2                                    | Pag-asa, Binangonan, Rizal               | Horizontal   | 2019 |
| Metropolis East Ph 2A                                   | Pag-asa, Binangonan, Rizal               | Horizontal   | 2021 |
| Metropolis Iloilo Ph 2                                  | Jaro, Iloilo                             | Horizontal   | 2019 |
| Metropolis North Ph 2B                                  | Calumpit, Bulacan                        | Horizontal   | 2022 |
| Neopolitan Condominium Tower 1                          | Fairview, Quezon City                    | Vertical     | 2015 |
| Nottingham Villas Iloilo                                | Tagbac, Jaro, Iloilo                     | Vertical     | 2019 |
| Nottingham Villas Palawan                               | San Pedro, Puerto Princesa City          | Vertical     | 2019 |
| Nottingham Villas Taytay                                | Sta. Ana, Taytay, Rizal                  | Vertical     | 2017 |
| Orchard Residential Estate And Golf Country Club Ph 1A2 | Dasmariñas, Cavite                       | Horizontal   | 2020 |
| Orchard Tower (The Olive)                               | Amang Rodriguez, Pasig City              | Vertical     | 2019 |
| Ponte Verde Davao (Sandoval) Ph 2                       | Communal, Davao City                     | Horizontal   | 2021 |
| Ponte Verde Davao (So) Ph 3                             | Communal, Davao City                     | Horizontal   | 2022 |
| Ponte Verde Davao Ph 1                                  | Communal, Davao City                     | Horizontal   | 2020 |
| Pueblo Del Sol Ph 2                                     | Tagaytay City, Cavite                    | Horizontal   | 2016 |
| Rizal Technopark Ph 2D1                                 | San Juan, Taytay, Rizal                  | Horizontal   | 2019 |
| Rizal Technopark Ph 2F                                  | San Juan, Taytay, Rizal                  | Horizontal   | 2019 |
| Rizal Technopark Ph 2G                                  | San Juan, Taytay, Rizal                  | Horizontal   | 2019 |
| Rizal Technopark Ph 2H                                  | San Juan, Taytay, Rizal                  | Horizontal   | 2019 |

| PROJECT NAME                             | LOCATION                              | PROJECT TYPE | YEAR |
|--|---------------------------------------|--------------|------|
| Rizal Technopark Ph 2S1                  | San Juan, Taytay, Rizal               | Horizontal   | 2019 |
| Rockville Cavite                         | Kaytitingga, Alfonso, Cavite          | Horizontal   | 2019 |
| Sierra Vista Ph 2A                       | Novaliches, Quezon City               | Horizontal   | 2012 |
| Soto Grande Ph 2                         | Tagaytay City, Cavite                 | Horizontal   | 2015 |
| Soto Grande Ph 3                         | Tagaytay City, Cavite                 | Horizontal   | 2015 |
| Sotogrande Hotel Davao                   | Davao City, Davao                     | Vertical     | 2019 |
| Sotogrande Iloilo Tower 1                | Jaro, Iloilo City                     | Vertical     | 2018 |
| Sotogrande Iloilo Tower 2                | Jaro, Iloilo City                     | Vertical     | 2020 |
| Sotogrande Katipunan                     | Katipunan Ave., Quezon City           | Vertical     | 2020 |
| Sotogrande Neopolitan Tower 2            | Fairview, Quezon City                 | Vertical     | 2015 |
| Sotogrande Palawan Tower 1               | Tagburos, Puerto Princesa City        | Vertical     | 2022 |
| South Groove Davao                       | Davao City, Davao                     | Horizontal   | 2015 |
| South Spring Residential Estate Ph 1C    | Canlalay, Biñan, Laguna               | Horizontal   | 2019 |
| South Spring Residential Estate Ph 1C1   | Canlalay, Biñan, Laguna               | Horizontal   | 2019 |
| South Spring Residential Estate Ph 1C2   | Canlalay, Biñan, Laguna               | Horizontal   | 2019 |
| South Spring Residential Estate Ph 1D    | Canlalay, Biñan, Laguna               | Horizontal   | 2019 |
| South Spring Residential Estate Ph 1E    | Canlalay, Biñan, Laguna               | Horizontal   | 2019 |
| South Spring Residential Estate Ph 1F    | Canlalay, Biñan, Laguna               | Horizontal   | 2019 |
| Splendido Tower 1                        | Laurel, Batangas                      | Vertical     | 2010 |
| Splendido Tower 2                        | Laurel, Batangas                      | Vertical     | 2015 |
| Sta Lucia East Mall                      | Cainta, Rizal                         | Vertical     | 1993 |
| Sta. Barbara Royale Ph 1A                | Tandang Sora, Quezon City             | Horizontal   | 2014 |
| Sta. Lucia Residenze Monte Carlo Tower 1 | Cainta, Rizal                         | Vertical     | 2013 |
| Sta. Lucia Residenze Santorini Tower 2   | Cainta, Rizal                         | Vertical     | 2018 |
| Sugarland Estates                        | Trece Martires, Cavite                | Horizontal   | 2013 |
| Summerhills Executive Ph 4               | Dela Paz, Antipolo City               | Horizontal   | 2020 |
| Summerhills Executive Ph 4A & 4B         | Dela Paz, Antipolo City               | Horizontal   | 2020 |
| Summit Point Ph 3                        | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3A                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3B                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3C                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3D                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Summit Point Ph 3E                       | Sta. Teresita, Sto. Tomas, Batangas   | Horizontal   | 2020 |
| Valencia Towhouse Iloilo                 | Pakiad, Oton, Iloilo                  | Vertical     | 2021 |
| Valle Verde Davao Ph 1                   | Panacan, Davao City                   | Horizontal   | 2020 |
| Vermont Park Ph 1E                       | Mayamot, Antipolo, Rizal              | Horizontal   | 2017 |
| Vermont Park Ph 4I                       | Mayamot, Antipolo, Rizal              | Horizontal   | 2017 |
| Villa Chiara Ph 1A & 1B                  | Iruhin, Tagaytay City                 | Horizontal   | 2017 |
| Woodridge Iloilo                         | Tagbac, Jaro, Iloilo City             | Horizontal   | 2021 |
| Woodside Garden Village Ph 2C            | Labit West, Urdaneta City, Pangasinan | Horizontal   | 2020 |
| Yanarra Residences Ph 1A                 | Natipunan, Nasugbu, Batangas          | Horizontal   | 2021 |

### **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

commence and an industrial hub. Green Meadows Residential Estates is nestled within the rolling terrain of the Orchard Golf and Country Club.

### **Green Meadows Iloilo**

Green Meadows is Iloilo's first lake community. Located within the 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 Dasmarinas Cavite. A first class development, Mesilo lies at a secluded island-like plateau and is surrounded by a naturally formed creek.

### **Metropolis East – Binangonan**

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

### **Neopolitan Condominiums Tower 1**

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



### **Nottingham Villas Iloilo**

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

### **Nottingham Villas Palawan**

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

### **Nottingham Villas Townhouse**

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

### **Orchard Towers**

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

### **Palo Alto Executive Village**

Cocooned at the boundary of Antipolo, Tanay and Baras and practically a quick drive away from Greater Manila Area. Palo Alto Executive Village showcases a 78-hectare Forest Reserves; 53-ha. Open Space that features a Sta Lucia Country Club complete with 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 Residence**

Sta. Lucia Residence 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, 2022:

| 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 Monte Rizal                 | -          | Halayahayin, Pililla, Rizal                   |
| 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                              |
| Buena Vida Residencia            | -          | Brgy. Rizal, Silay, Negros Occidental         |
| Cambridge Place Batangas         | Ph 1A      | Darasa, Tanauan City, Batangas                |
| Catalina Lake Orion              | -          | Bataan  |
| Catalina Lake Residences Bauan   | -          | Balayong & Manghiniao I, Batangas             |
| Catalina Lake Residences Bauan   | Ph 2/2A/2B | Balayong & San Deodor, Bauan, Batangas        |
| Centro Verde Laguna              | -          | Calamba, Laguna                               |
| Centro Verde Pangasinan          | -          | Bayambang, Pangasinan                         |
| Club Morocco                     | Ph 2       | Brgy. Cawag, Subic, Zambales                  |
| Club Morocco                     | Ph 4B      | Brgy. Cawag, 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 (Splendido)         | -          | 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                      |
| Evergreen Estates Rizal          | -          | Rizal   |
| Fairmont Lake Residences         | -          | Silway-8, Polomolok, South Cotabato           |
| Golden Meadows Biñan (Sta. Rosa) | Ph 1A      | Sta. Rosa, Laguna                             |
| Golden Meadows Biñan (Sta. Rosa) | Ph 2C      | Sta. Rosa, Laguna                             |

| PROJECT NAME                     | PHASE      | LOCATION                                    |
|----------------------------------|------------|---|
| Golden Meadows Biñan (Sta. Rosa) | Ph 2E      | Sta. Rosa, Laguna                           |
| Golden Meadows Biñan (Sta. Rosa) | Ph 2D2     | Sta. Rosa, Laguna                           |
| Golden Meadows Palawan           | -          | Sta. Lourdes, Puerto Princesa City, Palawan |
| 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 8A5     | San Andres, Cainta, Rizal                   |
| Greenwoods Executive Village     | Ph 8D8     | Sta. Ana, Taytay, Rizal                     |
| Greenwoods Executive Village     | Ph 8F6     | 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 Mirada Royale                 | Ph 1A1     | Plaridel, Bulacan                           |
| La Mirada Royale                 | Ph 1C      | Plaridel, Bulacan                           |
| La Reserva Pacifica              |            | Baler, Aurora                               |
| La Vista                         | -          | Poblacion, Makilala, North Cotabato         |
| La Vista Executive Village       |            | Brgy. Bilaran, Nasugbu, Batangas            |
| 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                      |            | Sta. Barbara, Iloilo                        |
| Monte Verde                      | Ph 5       | Kiagot, Digos City, Davao Del Sur           |
| 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                |
| Monte Vista Rizal                | -          | Rizal                                       |
| Monteverde Royale                | Ph 4C      | Muzon, Taytay, Rizal                        |
| Nasa Costa Cove                  | Ph 1       | Natipuan, Nasugbu, Batangas                 |
| Nasa Costa Cove                  | Ph 1A & 1B | Natipuan, Nasugbu, Batangas                 |
| Nasa Costa Peak                  | Tower 1    | Natipuan, Nasugbu, Batangas                 |
| Nasa Costa Peak                  | Tower 2    | Natipuan, Nasugbu, Batangas                 |
| Nasasugbu Town Center            |            | Brgy. Lumbangan, Nasugbu, Batangas          |

| PROJECT NAME                                     | PHASE       | LOCATION                                     |
|--|-------------|--|
| 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                       | Ph 1        | Glamang, Polomolok, South Cotabato           |
| Orchard Residences Polomok                       | Ph 2        | Glamang, Polomolok, South Cotabato           |
| Orchard Residential Estate And Golf Country Club | Ph 5B       | Dasmariñas, Cavite                           |
| Palo Alto  | Ph 1        | Pinugay, Baras, Rizal                        |
| Palo Alto  | Ph 3        | Pinugay, Baras, Rizal                        |
| Parkhills Subdivision                            | -           | Rizal  |
| Ponte Verde Davao (Martinez)                     | Ph 4        | Communal, Davao City                         |
| Ponte Verde Palawan                              |             | Brgy. Irawan, Puerto Princesa                |
| Ponte Verde Rizal                                | -           | Halayhayin, Pililla, Rizal                   |
| 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                      |
| Rizal Technopark                                 | Ph 2B1      | San Juan, Taytay, Rizal                      |
| Rizal Technopark                                 | Ph 2D2      | San Juan, Taytay, Rizal                      |
| Saddle And Clubs Leisure Park                    | Ph 2        | Naic/Tanza, Cavite                           |
| 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 (Catalina Residences)           | -           | Balayong & Manghiniao I, Batangas            |
| Sotogrande Tomas Morato (The Tribute)            | -           | Tomas Morato, Quezon City                    |
| South Coast                                      | Ph 1        | Matabungcay, Lian, Batangas                  |
| South Coast                                      | Ph 1A       | Matabungcay, Lian, Batangas                  |
| South Spring Residential Estate                  | Ph 1G       | Canlalay, Biñan, Laguna                      |
| South Spring Residential Estate                  | Ph 1H       | Canlalay, Biñan, Laguna                      |
| Spring Oaks Residence                            | Ph 4        | Los Baños, Laguna                            |
| St. Charbel South                                | Ph 3        | Dasmariñas, Cavite                           |
| Sta. Lucia Mall Davao                            | -           | Communal, Davao City                         |
| Sta. Lucia Residenze - Madrid                    | Tower 3     | Cainta, Rizal                                |
| Summit Point                                     | Ph 4        | Inosluban, Lipa City, Batangas               |
| Terreno Highlands                                |             | Sampaloc, Tanay, Rizal                       |
| Tierra Verde Digos                               | -           | Colorado, Digos City, Davao Del Sur          |
| Tupi Property                                    |             | Tupi, South Cotabato                         |
| Valencia Homes                                   | -           | Rizal, Avenue, Puerto Princesa City, Palawan |
| Valle Verde Lapu-Lapu                            | -           | Cebu City, Cebu                              |
| Valleyview Executive                             | Ph 2D       | Munting Dilaw, Antipolo City                 |
| Valleyview Executive                             | Ph 2A       | Munting Dilaw, Antipolo City                 |
| 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 ₱ 95,000 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:

| <b>YEAR</b> | <b>PROJECT<br/>EXPENDITURES</b> | <b>PERCENTAGE<br/>TO REVENUES</b> |
|-------------|---------------------------------|-----------------------------------|
| 2022        | 6,173,620,510                   | 62%                               |
| 2021        | 5,263,928,666                   | 63%                               |
| 2020        | 5,210,659,113                   | 76%                               |

## **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/<br>00502228 | Sta. Lucia Land, Inc. | Registered<br>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](http://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 2022 and 2021 follow:

|  | 2022                |                     |   |                                    |
|--|---------------------|---------------------|---|------------------------------------|
|  | Volume              | Outstanding         | Terms                                   | Conditions                         |
| <b>Trade receivables</b> (Note 6)  |                     |                     |   |                                    |
| <i>Ultimate Parent Company (SLRDI)</i>   |                     |                     |   |                                    |
| Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee | <b>P277,180,712</b> | <b>P623,745,541</b> | Due and demandable; noninterest-bearing | Unsecured; no impairment (Note 15) |
| <i>Affiliate (SLECC)</i>   |                     |                     |   |                                    |
| Rental and management fee (Note 15) (d)  | <b>5,870,134</b>    | <b>51,066,801</b>   | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
| <i>Affiliate (Mall Tenants)</i>  |                     |                     |   |                                    |
| Rental income (d)  | <b>29,798,303</b>   | <b>71,910,759</b>   | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
|  |                     | <b>P856,301,865</b> |   |                                    |
| <b>Non-trade receivables</b> (Note 6)  |                     |                     |   |                                    |
| <i>Affiliate (Marketing Arm)</i>   |                     |                     |   |                                    |
| Advances (e)   | <b>P-</b>           | <b>P921,832</b>     | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
| <b>Key officers and directors</b> (Note 6) (f)   | <b>P21,274,570</b>  | <b>P107,402,765</b> | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
| <b>Trade payables</b> (Note 12)  |                     |                     |   |                                    |
| <i>Ultimate Parent Company (SLRDI)</i>   |                     |                     |   |                                    |
| Advances   | <b>P-</b>           | <b>P17,202,827</b>  | Payable on demand; noninterest bearing  | Unsecured                          |

| 2022   |                |                     |  |  |
|--|----------------|---------------------|--|--|
|  | Volume         | Outstanding         | Terms                                      | Conditions                               |
| <i>Advances from shareholders</i>  |                |                     |  |  |
| Advances   | –              | 14,711,492          | Payable on demand;<br>noninterest bearing  | Unsecured                                |
|  |                | <b>P31,914,319</b>  |  |  |
| <b>Short-term Debt (Note 14) (e)</b>   |                |                     |  |  |
| Ultimate Parent Company (SLRDI)<br>Principal   | P–             | P1,500,000,000      | Payable on demand;<br>interest bearing     | Unsecured                                |
| Interest expense   | 59,083,333     | –                   |  |  |
| 2021   |                |                     |  |  |
|  | Volume         | Outstanding         | Terms                                      | Conditions                               |
| Trade receivables (Note 6)   |                |                     |  |  |
| Ultimate Parent Company (SLRDI)  |                |                     |  |  |
| Sharing of expenses, collection from<br>buyers collected by SLRDI, unremitted<br>share of SLRDI, marketing fee | (P129,315,548) | P456,143,593        | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment<br>(Note 15) |
| Affiliate (SLECC)  |                |                     |  |  |
| Rental and management fee<br>(Note 15) (d)   | 7,976,670      | 45,196,667          | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| Affiliate (Mall Tenants)   |                |                     |  |  |
| Rental income (d)  | 5,616,030      | 42,112,456          | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
|  |                | <b>P543,452,716</b> |  |  |
| Non-trade receivables (Note 6)   |                |                     |  |  |
| Affiliate (Marketing Arm)  |                |                     |  |  |
| Advances (e)   | P–             | P921,832            | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| Key officers and directors (Note 6) (f)  | P12,997,779    | P86,128,195         | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| Trade payables (Note 12)   |                |                     |  |  |
| Ultimate Parent Company (SLRDI)  |                |                     |  |  |
| Advances   | (P53,063,561)  | P3,254,988          | Payable on demand;<br>noninterest bearing  | Unsecured                                |
| Advances from shareholders   |                |                     |  |  |
| Advances   | (1,634,610)    | 14,711,492          | Payable on demand;<br>noninterest bearing  | Unsecured                                |
|  |                | <b>P17,966,480</b>  |  |  |
| Affiliate (SLECC)  |                |                     |  |  |
| Rental and management fee<br>(Note 15) (d)   | (7,142,523)    | 37,219,997          | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| Affiliate (Mall Tenants)   |                |                     |  |  |
| Rental income (d)  | (20,776,640)   | 36,496,426          | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
|  |                | <b>P73,716,423</b>  |  |  |
| Short-term Debt (Note 14) (e)  |                |                     |  |  |
| Ultimate Parent Company (SLRDI) Principal  | P300,000,000   | P1,500,000,000      | Payable on demand;<br>interest bearing     | Unsecured                                |
| Interest expense   | 57,556,250     | –                   |  |  |

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 ₱264.69 million, ₱144.48 million and ₱152.58 million in 2022, 2021 and 2020, respectively. The share amounting ₱66.17 million, ₱28.61 million and ₱38.14 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2022, 2021 and 2020, respectively.

- B. SLECC and SLLI entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management and business development services, leveraging its knowledge in mall operations. 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 affiliated mall tenants. This pertains to accrued rental income amounting to ₱71.91 million and ₱42.11 million in 2022 and 2021, respectively. Rental income from affiliated tenants amounted to ₱69.54 million, ₱38.77 million and ₱45.70 million in 2022, 2021 and 2020, respectively.

- C. The Parent Company made noninterest-bearing cash advances to officers and directors which is subject to liquidation. These advances amounted to ₱25.99 million and ₱76.5 million in 2022 and 2021, respectively.

As of December 31, 2022 and 2021, 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 and operating cash flows 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:

|                                    | 2022               | 2021        |
|------------------------------------|--------------------|-------------|
| Short-term employee benefits       | <b>₱16,943,850</b> | ₱15,403,500 |
| Post-employment benefits (Note 20) | <b>640,730</b>     | 582,482     |
|                                    | <b>₱17,584,580</b> | ₱15,985,982 |

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, 2022, 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                              | 21         |
| Administration                          | 8          |
| Advertising & Promotions                | 4          |
| Asset Management                        | 82         |
| Commercial Business                     | 2          |
| Const. Permit & Post Const. (VRS)       | 1          |
| Corporate Planning & Investor Relations | 2          |
| Credit & Finance                        | 6          |
| Hotels                                  | 1          |
| Human Resources                         | 4          |
| Internal Audit & Controllershship       | 15         |
| Management Information System           | 9          |
| Project Development                     | 29         |
| Purchasing                              | 6          |
| Sales & Marketing                       | 20         |
| Special Projects                        | 2          |
| Treasury                                | 6          |
| Sta Lucia Homes/Customer Service        | 5          |
| <b>Total</b>                            | <b>225</b> |

The Company foresees an increase in its manpower complement by 40 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, 2022 to June 30, 2023, 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 2022, 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 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 (SQM)        | LAND USE               |
|---------------------|-------------------|------------------------|
| Baguio              | 29,466            | Residential/Commercial |
| Bataan              | 82,916            | Residential/Commercial |
| Batangas            | 3,025,440         | Residential/Commercial |
| Bulacan             | 61,469            | Residential/Commercial |
| Cavite              | 365,241           | Residential/Commercial |
| Cebu                | 245,099           | Residential/Commercial |
| Davao               | 2,944,892         | Residential/Commercial |
| General Santos City | 243,168           | Residential/Commercial |
| Iloilo              | 1,207,996         | Residential/Commercial |
| Laguna              | 2,403,962         | Residential/Commercial |
| Metro Manila        | 422,041           | Residential/Commercial |
| Negros Oriental     | 140,000           | Residential/Commercial |
| Nueva Ecija         | 207               | Residential/Commercial |
| Palawan             | 927,799           | Residential/Commercial |
| Pampanga            | 180,719           | Residential/Commercial |
| Pangasinan          | 401,329           | Residential/Commercial |
| Quezon              | 12,597            | Residential/Commercial |
| Rizal               | 1,856,429         | Residential/Commercial |
| South Cotabato      | 588,552           | Residential/Commercial |
| Surigao Del Norte   | 65,409            | Residential/Commercial |
| Zambales            | 35,588            | Residential/Commercial |
| Zamboanga           | 286,257           | Residential/Commercial |
| <b>TOTAL</b>        | <b>15,526,576</b> |                        |

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:

| <b>REGION</b>                  | <b>Percentage<br/>Concentration of<br/>Land banking</b> |
|--------------------------------|---|
| Region 4A – CALABARZON         | 49.36%  |
| Region 11 - Davao Region       | 18.97%  |
| Region 6 - Western Visayas     | 8.68%   |
| Region 4B MIMAROPA             | 5.98%   |
| Region 12 – SOCCSKSARGEN       | 5.36%   |
| NCR                            | 2.72%   |
| Region 1 - Ilocos Region       | 2.58%   |
| Region 3 - Central Luzon       | 2.32%   |
| Region 9 – Zamboanga Peninsula | 1.84%   |
| Region 7 - Central Visayas     | 1.58%   |
| Region 13 – CARAGA             | 0.42%   |
| CAR                            | 0.19%   |
| <b>TOTAL</b>                   | <b>100.00%</b>  |

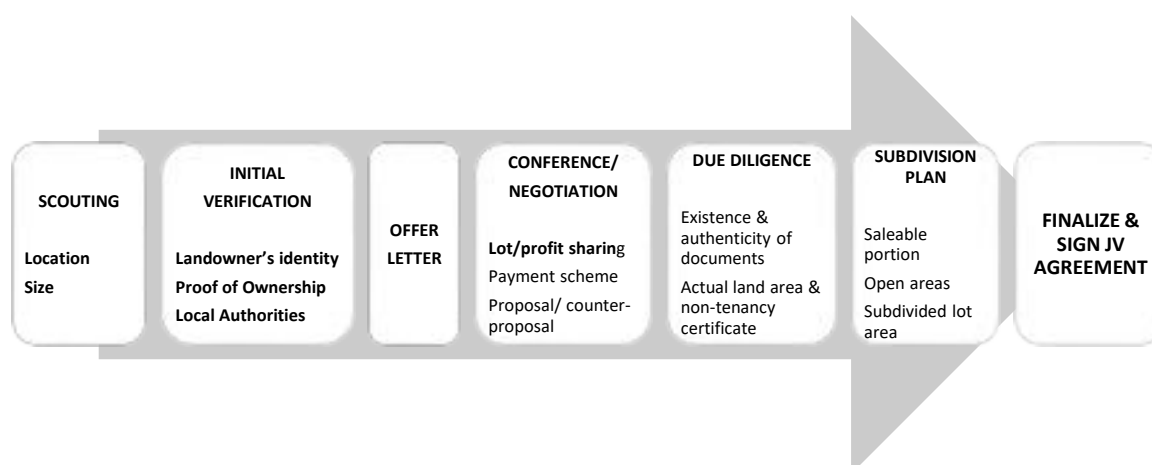
In the next 12 months, the Company intends to acquire the properties located in Laguna, Batangas, Bulacan, Davao and Cotabato.

The Company intends to take advantage of its local knowledge, development expertise, track record and local connections to successfully implement its land banking strategy.

### **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.

The Company is looking at acquiring an interest in several new areas through JV agreements for the next five years. The table below summarizes these target locations and land areas:

| <b>REGION</b>              | <b>Percentage Concentration of Land banking</b> |
|----------------------------|---|
| Region 4A – CALABARZON     | 59.35%  |
| Region 11 - Davao Region   | 12.06%  |
| Region 6 - Western Visayas | 10.76%  |
| Region 3 - Central Luzon   | 9.73%   |
| Region 4B – MIMAROPA       | 2.90%   |
| Region 7 - Central Visayas | 2.00%   |
| Region 1 - Ilocos Region   | 1.63%   |
| Region 12 – SOCCSKSARGEN   | 0.67%   |
| NCR                        | 0.44%   |
| Region 13 – CARAGA         | 0.43%   |
| CAR                        | 0.01%   |

**TOTAL**

**100.00%**

The new JVs being targeted in Cavite, Iloilo, and Davao are expansions of existing projects and can be found in contiguous lots.

## **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 Sta. Lucia Mall 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.

| NO | CASE TITLE  | NATURE OF CASES  | PROPERTY INVOLVED        | COURT                | CASE NO.                       | AMOUNT INVOLVED  | STATUS  |
|----|---|--|--------------------------|----------------------|--------------------------------|--|---|
| 1  | FELICISIMA BALAGTAS AND OFELIA ALVAREZ VS. SLLI, MICHAEL ROBLES AND MILESTONE FARMS | CANCELLATION OF SALE, REFUND OF ALL PAYMENTS TO THE RESPONDENTS AND THE CORRESPONDING VAT WITH INTEREST AND DAMAGES (SUMMONS RECEIVED ON: JUNE 05, 2014) | PALO ALTO P COM B 1 L 30 | HLURB QUEZON CITY    | HLURB REM-121012-14950         | > 4,158,229.00<br>> 100,000.00<br>MORAL DAM<br>> 100,000.00<br>EXEMPLARY DAM<br>> 30,000.00<br>ATTORNEY'S FEES | JOINT SITE INSPECTION SHOWED THAT THE LOT IS BUILDABLE; BALAGTAS NOT AMENABLE<br>HLURB GRANTED RESCISSION; FILED APPEAL<br>MEMORANDUM AT OFFICE OF THE PRESIDENT SEPT. 22, 2017<br>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) CHECK UNDER PROCESS   |
| 3  | JONAH FE ELISCUPIDES  | WAIVER OF PENALTIES AND INTEREST   | ALMERIA VERDE PANGASINAN | HLURB BAGUIO         | N/A                            | -  | SLI POSITION: PROPOSAL DENIED. COUNTERPROPOSAL: WAIVER OF PENALTIES 50% ONLY, PAY BALANCE FOR FINAL DISPOSITION<br>WAIVER OF PENALTIES GRANTED, 50%. INTEREST ARE NOT WAIVED SINCE IT IS STIPULATED IN THE CONTRACT |
| 4  | GOLDEN SEA BEACH RESORT AND DEVELOPMENT CORP  | QUIETING OF TITLE  | LIAN, BATANGAS PROJECT   | RTC BATANGAS         | CIVIL CASE NO. 1422            | -  | SLI I NOT THE REGISTERED OWNER; NOT A REAL PARTY IN INTEREST IN THE COMPLAINT<br>HEARING ON JUNE 29, 2021 FOR JOINT SURVEY  |
| 5  | MEGATOP REALTY VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS                         | ESTAFA   |                          | OCP QC               | XV-03-INV-20A-00819            | -  | FILED MOTION FOR RECONSIDERATION<br>FILED COUNTER AFFIDAVIT<br>FILED PETITION FOR REVIEW DOJ<br>FOR ARRAIGNMENT   |

| NO | CASE TITLE   | NATURE OF CASES   | PROPERTY INVOLVED   | COURT                                    | CASE NO.               | AMOUNT INVOLVED   | STATUS   |
|----|--|---|---|--|------------------------|---|--|
| 6  | MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL. | ANNULLMENT OF TITLE WITH PRAYER FOR ISSUANCE OF PRELIMINARY INJUNCTION AND/OR TEMPORARY RESTRAINING ORDER (TRO)   | THE TRIBUTE   | REGIONAL TRIAL COURT BR. 219 QUEZON CITY | N/A                    | -   | 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 PRE TRIAL – COMPLETED MEDIATION SCHEDULED ON DEC 14, 2022 |
| 7  | SPS RIVERA and SULITE  | REFUND  | GOLDEN MEADOWS BINAN  | HSAC                                     | REM - 00458            | -   | SETTLED/TERMINATED COMPLAINANT SUBMIT MOTION TO WITHDRAW COMPLAINT FILED ON NOV 25, 2022   |
| 8  | SPS JERAMEEL I PABLO   | SPECIFIC PERFORMANCE  | GOLDEN MEADOWS BINAN  | HSAC                                     | RIV-REM - 220317-00413 | -   | ANSWER FILED   |
| 9  | NOTICE OF VIOLATION  | · FAILURE TO SUBMIT SEMESTRAL REPORT FAILURE TO SUBMIT TITLES ORDER OF IMPOSITION OF ADMIN SANCTION<br>· FAILURE TO SUBMIT SEMESTRAL REPORT<br>· FAILURE TO SUBMIT TITLES | MARBELLA LAKE RESIDENCES – COMMERCIAL LOTS BRGY. MASAPANG, VICTORIA, LAGUNA | DHSUD                                    | N/A                    | · FAILURE TO SUBMIT SEMESTRAL REPORT (P3,000.00)<br>· FAILURE TO SUBMIT TITLES (P3,000.00)<br>TOTAL = P6,000.00 | COMPLIED. SUBMITTED LETTER DATED NOVEMBER 17, 2022. PAID FINE OF P6,000.00 DATED DECEMBER 6, 2022 WITH OR NO. A04887778  |
| 10 | NOTICE OF VIOLATION  | · INCOMPLETE DEVELOPMENT<br>· FAILURE TO SECURE ADDITIONAL PERIOD OF TIME TO DEVELOP  | GREENPEAK HEIGHTS PALAWAN   | DHSUD                                    | N/A                    | -   | COMPLIED. SUBMITTED LETTER DATED JUNE 15, 2022.  |
| 11 | NOTICE OF VIOLATION  | · INCOMPLETE DEVELOPMENT<br>· FAILURE TO SECURE ADDITIONAL PERIOD OF TIME TO DEVELOP  | NOTTINGHAM VILLAS PALAWAN   | DHSUD                                    | N/A                    | -   | COMPLIED. SUBMITTED LETTER DATED JUNE 15, 2022.  |
| 12 | NOTICE OF VIOLATION  | · INCOMPLETE DEVELOPMENT<br>· FAILURE TO SECURE ADDITIONAL PERIOD OF TIME TO DEVELOP  | MARBELLA SUBDIVISION PALAWAN  | DHSUD                                    | N/A                    | -   | COMPLIED. SUBMITTED LETTER DATED JUNE 15, 2022.  |
| 13 | NOTICE OF VIOLATION  | · REFUND OF PAYMENT   | ALTEA CIUDADES, DAVAO 001-009-0002  | DHSUD                                    | N/A                    | -   | SUBMITTED AFFIDAVIT OF EXPLANATION   |
| 14 | NOTICE OF VIOLATION  | INCREASE OF REGISTRATION FEE DUE TO ZONAL VALUATION   | PONTE VERDE, DAVAO  | DHSUD                                    | N/A                    | -   | SUBMITTED REPLY  |

| NO | CASE TITLE           | NATURE OF CASES   | PROPERTY INVOLVED                        | COURT | CASE NO. | AMOUNT INVOLVED   | STATUS                             |
|----|----------------------|---|--|-------|----------|---|------------------------------------|
| 15 | NOTICE OF VIOLATION  | · SELLING PRIOR THE ISSUANCE OF A LICENSE TO SELL<br>· SELLING PRIOR THE ISSUANCE OF A CERTIFICATE OF REGISTRATION  | GOLDEN MEADOWS EXECUTIVE VILLAGE, LAGUNA | DHSUD | N/A      | · SELLING WITHOUT CERTIFICATE OF REGISTRATION (PHP 10,000)<br>· SELLING 121 LOTS WITHOUT LICENSE TO SELL (PHP 1,210,000.00)<br>TOTAL = PHP 1,220,000.00 | SUBMITTED REPLY                    |
| 16 | NOTICE OF VIOLATION  | FAILURE TO SECURE A DEVELOPMENT PERMIT  | SOTOGRADE CONDOTE, PALAWAN               | DHSUD | N/A      | -   | FOR SUBMISSION OF SWORN STATEMENT  |
| 17 | NOTICE TO COMMENT    | AVAILABILITY OF LTS AND ACCESS ROADS  | GOLDEN MEADOWS BINAN                     | DHSUD | N/A      | -   | FOR 2ND CONCILIATION               |
| 18 | NOTICE TO COMMENT    | REFUND OF PAYMENT   | SOTOGRADE BAGUIO 001-005-ST17            | DHSUD | N/A      | -   | SUBMITTED NOTICE TO COMMENT        |
| 19 | NOTICE TO COMMENT    | REFUND OF PAYMENT   | PONTE VERDE RIZAL 01A-001-008 & 9        | DHSUD | N/A      | -   | FOR 1ST CONCILIATION               |
| 20 | NOTICE TO COMMENT    | REFUND OF PAYMENT   | EAST BEL-AIR RESIDENCES 003-004-STEF     | DHSUD | N/A      | -   | SUBMITTED NOTICE TO COMMENT        |
| 21 | NOTICE TO COMMENT    | CHARGED LOT PLAN FEE  | SUMMIT POINT LIPA 03A-014-014 & 15       | DHSUD | N/A      | -   | SUBMITTED NOTICE TO COMMENT        |
| 22 | NOTICE OF VIOLATION  | REFUND OF PAYMENT   | ALTEA CIUDADES DAVAO 001-009-0002        | DHSUD | N/A      | -   | SUBMITTED AFFIDAVIT OF EXPLANATION |
| 23 | NOTICE TO COMMENT    | PROCESSING OF TRANSFER OF TITLE & PAYMENT OF REGISTRATION FEE   | SOUTH GROVE DAVAO 001-007-0007           | DHSUD | N/A      | -   | SUBMITTED SWORN COMMENT            |
| 24 | NOTICE OF VIOLATION  | INCREASE OF REGISTRATION FEE DUE TO ZONAL VALUATION   | PONTE VERDE DAVAO 001-024-0019           | DHSUD | N/A      | -   | SUBMITTED REPLY LETTER             |
| 25 | NOTICE TO COMMENT    | REFUND OF PAYMENT   | SOTOGRADE DAVAO 001-014-ST2M             | DHSUD | N/A      | -   | SUBMITTED SWORN COMMENT            |
| 26 | NOTICE OF DEFICIENCY | IN REQUIREMENTS<br>1. CTC BIR ZONAL VALUE AT THE TIME OF APPLICATION FOR DEVELOPMENT PERMIT<br>2. SITE DEVELOPMENT PLAN<br>3. VICINITY MAP SWORN REGISTRATION | LA ALEGRIA RESIDENTIAL ESTATES           | DHSUD | N/A      | -   | REQUIREMENTS COMPLIED              |



| NO | CASE TITLE                                 | NATURE OF CASES   | PROPERTY INVOLVED             | COURT | CASE NO. | AMOUNT INVOLVED | STATUS  |
|----|--|---|-------------------------------|-------|----------|-----------------|---|
| 27 | NOTICE OF MONITORING FOR OCULAR INSPECTION | NOTICE OF MONITORING FOR OCULAR INSPECTION                      | LAS COLINAS EDEN              | DHSUD | N/A      | -               | NO REPLY HAS BEEN MADE BUT WE SENT A REPRESENTATIVE TO FACILITATE THE OCULAR INSPECTION AND ENSURE PROPER EVALUATION WE SUBMITTED ALREADY A NOTARIZED FACT SHEET AND SALES REPORT AS OF DECEMBER 2021 |
| 28 | NOTICE OF MONITORING FOR OCULAR INSPECTION | NOTICE OF MONITORING FOR OCULAR INSPECTION                      | SOTOGRADE HOTEL DAVAO         | DHSUD | N/A      | -               | NO REPLY HAS BEEN MADE BUT WE SENT A REPRESENTATIVE TO FACILITATE THE OCULAR INSPECTION AND ENSURE PROPER EVALUATION WE SUBMITTED ALREADY A NOTARIZED FACT SHEET AND SALES REPORT                     |
| 29 | NOTICE OF MONITORING FOR OCULAR INSPECTION | NOTICE OF MONITORING FOR OCULAR INSPECTION                      | MONTE VERDE DAVAO             | DHSUD | N/A      | -               | NO REPLY HAS BEEN MADE BUT WE SENT A REPRESENTATIVE TO FACILITATE THE OCULAR INSPECTION AND ENSURE PROPER EVALUATION WE SUBMITTED ALREADY A NOTARIZED FACT SHEET AND SALES REPORT                     |
| 30 | NOTICE TO COMMENT                          | WAIVE PAENALTIES AND INTEREST                                   | MONTE VERDE DAVAO 002-007—13  | DHSUD | N/A      |                 | REFUND IS STILL ON PROCESS IN HEAD OFFICE"  |
| 31 | NOTICE TO COMMENT                          | APPLY FOR A CERTIFICATE OF COMPLETION                           | SOTOGRADE HOTEL DAVAO         | DHSUD | N/A      | -               | AS PER SITE INSPECTION CONDUCTED, THE DEVELOPMENT OF SOTO GRANDE PROJECT APPEARS COMPLETE IN ACCORDANCE WITH THE APPROVED PLAN. HENCE, OUR OFFICE ADVISED TO APPLY FOR A CERTIFICATE OF COMPLETION.   |
| 32 | NOTICE OF VIOLATION                        | FOR COLLECTION OF REAL PROPERTY TAX AND ASSESSMENT TO THE BUYER | PONTE VERDE DAVAO 001-024-019 | DHSUD | N/A      | -               | RECEIVED A REPLY LETTER FROM EVA DOMINGO THRU DHSUD THE BUYER IS ALREADY INFORMED REGARDING ON THE APPROVAL OOF WAIVING OF PENALTY.PENDING AT REGISTRATION BECAUSE OF REQUEST TAX DECLARATION         |

| NO | CASE TITLE        | NATURE OF CASES                                   | PROPERTY INVOLVED                | COURT | CASE NO. | AMOUNT INVOLVED | STATUS  |
|----|-------------------|---|----------------------------------|-------|----------|-----------------|---|
| 33 | NOTICE TO COMMENT | FAILURE TO COMPLY SHOW CASE ORDER                 | ALTEA CIUDADES DAVAO 001-009-002 | DHSUD | N/A      | -               | REPLIED BY ATTY. FAHAD AND NOW WAITING FOR THE REPLY OF SHAREE BAGUIO.<br>*WAITING FOR SHAREE BAGUIO TO FILE A CASE IN HSAC AS PER ADVISED BY DHSUD<br>*PENDING CASE  |
| 34 | NOTICE TO COMMENT | SPECIFIC PERFORMANCE FOR RECONVEYANCE AND DAMAGES | PONTE VERDE DAVAO 001-028-006    | HSAC  | N/A      | -               | FIRST HEARING WAS ON DEC. 9, 2022 WITH ATTY. TRINA FAYE AND THE HSAC WAS ASKING FOR AMICABLE SETTLEMENT AND STA. LUCIA HAS GIVEN THEM CHOICES WHICH ARE 50% REFUND BASED ON MACEDA LAW OR REPURCHASED WITH THE CURRENT PRICE -WAITING FOR THEIR DECISION REGARDING WITH THE SETTLEMENT" |

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

| NO | 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<br><br><i>Date Instituted: March 26, 2013</i><br><br><i>HANDLED BY: ATTY. CRYSTAL I. PRADO</i> | Portion of SOUTH SPRING               | RTC, Binan, Laguna      | Civil Case No. B-9022             | <b>FOR DISMISSAL</b><br><br><b>ON GOING JV NEGOTIATION</b>                          |
| 2  | LA MIRADA ROYALE RESIDENTIAL L,I,III,IV AND V VS. VICENTE R. SANTOS AND LA MIRADA ROYALE RESIDENTIAL ASSOCIATION | CANCELLATION OF CERTIFICATES OF REGISTRATION<br><br><i>Date Instituted: August 22, 2013</i><br><br><i>HANDLED BY: ATTY. JERRY B. DELA CRUZ</i>   | LA MIRADA                             | HLURB QUEZON CITY       | HLURB CASE NO. NTR-HOA-082213-575 | <b>FILED APPEAL MEMORANDUM AT OP</b><br><br><b>PENDING</b>                          |
| 3  | BAYBREEZE EXECUTIVE VILLAGE HOMEOWNERS ASS. VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI               | Development<br><br><i>Date Instituted: November 26, 2013</i><br><br><i>HANDLED BY: ATTY. JERRY B. DELA CRUZ</i>  | BAYBREEZE                             | OFFICE OF THE PRESIDENT | HLURB CASE NO. NCRHOA-112613-1932 | <b>FILED APPEAL MEMORANDUM AT OP</b><br><br><b>PENDING</b>                          |
| 4  | ROSALINA HONRADO VS. EXEQUIEL D. ROBLES, ET., AL. AND SLRDI  | Pay the decreased in area and/or lot replacement<br><br><i>Date Instituted: August 12, 2014</i><br><br><i>HANDLED BY:</i>  | ORCHARD RES. Phase 02 Block 12 Lot 60 | HLURB Calamba, Laguna   | RIV-081214-4114                   | <b>FILED MOTION TO DISMISSED</b><br><b>September 15, 2014</b><br><br><b>PENDING</b> |

| NO | CASE TITLE   | NATURE OF CASES   | PROPERTY INVOLVED                  | PENDING COURT              | CASE NO.                       | STATUS  |
|----|--|---|------------------------------------|----------------------------|--------------------------------|---|
|    |  | <b>ATTY. EDINBURGH P. TUMURAN</b>   |                                    |                            |                                |   |
| 5  | <b>PTOLYME DIMENSIONS INC AND SIAPORE MICRO VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI, EAGLERIDGE AND RS</b>                                      | <p>Fraudulent Machination, unsound business practice, election of HOA officers, Annulment of property management contract, quo warranto with prayer for the issuance of a cease and desist order/application for temporary restraining order and or writ of preliminary injunction</p> <p><i>Date Instituted: April 13,, 2015</i></p> <p><b>HANDLED BY:</b><br/><b>ATTY. JERRY B. DELA CRUZ (RS)</b><br/><b>ATTY. EDINBURGH P. TUMURAN (SLRDI)</b><br/><b>ATTY. GLEN E. DARADAL (EAGLE RIDGE)</b></p> | EAGLE RIDGE                        | OFFICE OF THE PRESIDENT    | HLURB CASE NO. RIV-041315-0741 | <p><b>FILED APPEAL MEMORANDUM AT OP</b></p> <p><b>PENDING</b></p>     |
| 6  | <b>GRACE PENDON ET., AL.. VS. EXEQUIEL D. ROBLES ET., AL.</b>  | <p>HUMAN RIGHTS</p> <p><i>Summons received on: July 01, 2015</i></p> <p><b>HANDLED BY:</b><br/><b>ATTY. AQUINO MARTIN V. NILLO</b></p>  | RIZAL TECHNOPARK                   | CHR QUEZON CITY            | CHR NO. 2015-0217              | <p><b>FILED COUNTER-AFFIDAVIT</b></p> <p><b>PENDING</b></p>           |
| 7  | <b>VISTA VERDE COUNTRY HOMES VS. EXEQUIEL D. ROBLES, JOHNIELLE KEITH NIETO</b>   | <p>VIOLATION OF SEC. 3 (A) GRAVE MISCONDUCT OPPRESSION AND CONDUCT PREJUDICIAL TO THE BEST INTEREST PF THE SERVICE</p> <p><i>Summons received on: July 30, 2015</i></p> <p><b>HANDLED BY:</b><br/><b>ATTY. AQUINO MARTIN V. NILLO</b></p>   | VISTA VERDE COUNTRY HOME           | OFFICE OF THE OMBUDSMAN    | OMB-L-C-15-0169                | <p><b>DISMISSED WITH APPEAL AT SC</b></p> <p><b>FILED COMMENT</b></p> |
| 8  | <b>RENATO CABILZO VS. EXEQUIEL D. ROBLES VICENTE R. SANTOS MARIZA SANTOS-TAN EXALTACION R. JOSEPH FELIZARDO R. SANTOS ANTONIO D. ROBLES LIBERATO D. ROBLES</b> | <p>OTHER DECEITS SYNDICATED ESTAFA LARGE SCALE ESTAFA</p> <p><i>Date Instituted: September 18, 2015</i></p> <p><b>HANDLED BY:</b><br/><b>ATTY. EDINBURGH P. TUMURAN</b></p>   | ACROPOLIS MANDALUYONG B 5 L4, 5, 6 | DOJ MANILA                 | XV-1-INV-151-02516             | <p><b>DISMISSED WITH APPEAL AT DOJ</b></p>                            |
| 9  | <b>SPS. MARTIN ERICSON CRUEL AND CZARINA CRUEL VS. MARIZA SANTOS-TAN, SLRDI</b>  | <p><i>Specific Performance</i></p> <p><i>Date Instituted: December 23, 2015</i></p> <p><b>HANDLED BY:</b><br/><b>ATTY. Z19 S. JAVIER</b></p>  | VALLEY VIEW EXEC. P 1C B 2 L 12    | HLURB QUEZON CITY          | REM-122315-15873               | <p><b>PENDING</b></p>   |
| 10 | <b>CLOVIS RANCHO, AMADO JOSE GARCIA ET., AL. VS. EXEQUIEL D. ROBLES, MARIZA SANTOS-TAN,</b>  | <p><i>Violation of PD 957 And Art. 318 of RPC</i></p> <p><b>ASSISTED BY:</b></p>  | ROYALE CEBU ESTATE                 | PROSECUTORS OFFICE OF CEBU | I.S. NO. VII-INV-16G-0925      | <p><b>FILED COUNTER AFFIDAVIT</b></p> <p><b>PENDING</b></p>           |

| NO | CASE TITLE   | NATURE OF CASES  | PROPERTY INVOLVED                  | PENDING COURT                             | CASE NO.                     | STATUS   |
|----|--|--|------------------------------------|---|------------------------------|--|
|    | VICENTE R. SANTOS ET.AL.   | ATTY. EDINBURGH P. TUMURAN   |                                    |   |                              |  |
| 11 | TIMOTHY JASON PERALEJO VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS, MARIZA SANTOS-TAN, EXALTACION R. JOSEPH, LIBERATO D. ROBLES, FELIZARDO R. SANTOS, IGMIDIO D. ROBLES, LEODEGARIO R. SANTOS, AURORA D. ROBLES, ORESTES R. SANTOS, ROBERTO D. ROBLES, DOMINGA R. ROBLES, ANTONIO D. ROBLES, ANDREA R. ANDRES, | PD 957<br><br><i>Date Instituted: November 27, 2017</i><br><br><i>HANDLED BY: ATTY. CRYSTAL I. PRADO</i>   | VISTA REAL CLASSICA P UPM B 9 L 10 | PROSECUTORS OFFICE OF QUEZON CITY         | NPS XV-03-INV-17K-11187      | <b>DISMISSED (JUNE 2018)</b><br><br><b>FILED PETITION FOR REVIEW AT DOJ</b>                        |
| 12 | JERRY GALOPE VS. EXEQUIEL D. ROBLES, SLRDI, ET., AL.   | <i>Quieting of Title</i><br><br><i>Date Instituted: April 20, 2016</i><br><br><i>HANDLED BY: ATTY. Z19 S. JAVIER</i>   | MEADOWOOD CAVITE                   | REGIONAL TRIAL COURT BR. 19 BACOR, CAVITE | BSC-2016-04                  | <b>FILED ANSWER JULY 06, 2018</b><br><br><b>WITH MOTION TO SET PRE-TRIAL</b><br><br><b>PENDING</b> |
| 13 | DEPT. OF AGRARIAN REFORM/PROVINCIAL TASK FORCE VS. EXEQUIEL D. ROBLES, IGMIDIO D. ROBLES, ET., AL.   | <i>Section 73, RA 6657 as Amended 25 of RA 9700</i><br><br><i>Date Instituted: June 20, 2018</i><br><br><i>HANDLED BY: ATTY. CRYSTAL I. PRADO</i>                      | BLUEMOUNTAIN ANTIPOLLO             | PROSECUTORS OFFICE OF ANTIPOLLO           | XV-01-INV-18F-00688          | <b>DISMISSED (OCT. 2018)</b><br><br><b>FILED MR</b>  |
| 14 | RUSSEL MIRAFLOR VS. EXEQUIEL D. ROBLES, ET., AL.   | <i>Estafa</i><br><br><i>Date Instituted: June 13, 2018</i><br><br><i>HANDLED BY: ATTY. EDINBURGH P. TUMURAN</i>  | VISTA VERDE QUEZON P 2 B 41 L 35   | PROSECUTORS OFFICE OF LUCENA              | NPS-IV-16-INV-12E-00232      | <b>FILED COUNTER AFFIDAVIT AUG. 2018</b>   |
| 15 | CECILIA CORDERO VS. EXEQUIEL D. ROBLES   | <i>Violation of Sections 4 &amp; 5 in rel to Sec. 39 of PD 957</i><br><br><i>Complaint received on: Oct. 13, 2014</i><br><br><i>HANDLED BY: ATTY. CRYSTAL I. PRADO</i> | PONTE VERDE BATANGAS P5 B7 L12     | PROSECUTORS OFFICE OF TANAUAN             | NPSD NO. IV-02-INV-171-01384 | <b>DISMISSED MARCH 2018</b><br><br><b>FILED PETITION FOR REVIEW AT DOJ</b>                         |
| 16 | MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL.   | <i>Injunction with prayer for Issuance of preliminary Injunction and/or Temporary Restraining Order (TRO)</i><br><br><i>HANDLED BY: ATTY. CRYSTAL I. PRADO</i>         |                                    | REGIONAL TRIAL COURT BR. 215 QUEZON CITY  | R-QZN-18-04305-CV            | <b>FILED COMMENT/OPPOSITION</b>  |
| 17 | MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS AND LIBERATO D. ROBLES, ET., AL.  | Syndicated Estafa<br><br><i>HANDLED BY: ATTY. CRYSTAL I. PRADO</i>   |                                    | PROSECUTORS OFFICE OF QUEZON CITY         | XV-03-INV-18F-05949          | <b>DISMISSED (NOV. 2018)</b><br><br><b>FILED PETITION FOR REVIEW AT DOJ</b>                        |
| 18 | ROMEO LADANO VS. DENNIS BELMONTE EUFEMIA ABEDES EXEQUIEL ROBLES IGMIDIO ROBLES   | Malicious Mischief<br><br><i>Complaint received on: Jan. 23, 2018</i><br><br><i>HANDLED BY:</i>  | BLUEMOUNTAIN ANTIPOLLO             | PROSECUTORS OFFICE OF ANTIPOLLO           | XV-01-INV-17J-01001          | <b>DISMISSED WITH MR</b>   |

| NO | CASE TITLE                           | NATURE OF CASES   | PROPERTY INVOLVED | PENDING COURT                              | CASE NO.           | STATUS                 |
|----|--------------------------------------|---|-------------------|--|--------------------|------------------------|
|    |                                      | <i>ATTY. CRYSTAL I. PRADO</i>   |                   |  |                    |                        |
| 19 | NELSON ZAPEDA VS. EXEQUIEL D. ROBLES | Estafa<br><br><i>HANDLED BY:<br/>ATTY.<br/>EDINBURGH P.<br/>TUMURAN</i> | GREENWOODS TAYTAY | NATIONAL BUREAU OF INVESTIGATION<br>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 2022, 2021 and 2020.

|             | <b><u>2022</u></b>        |                           |                           |                           |
|-------------|---------------------------|---------------------------|---------------------------|---------------------------|
|             | 1st Quarter<br>Date/Price | 2nd Quarter<br>Date/Price | 3rd Quarter<br>Date/Price | 4th Quarter<br>Date/Price |
| <b>HIGH</b> | 23 Feb./P2.93             | 08 Jun./P3.14             | 14 Sep./P3.16             | 29 Dec./P3.25             |
| <b>LOW</b>  | 21 Mar./P2.53             | 29 Apr./P2.78             | 20 Jul./P2.74             | 24 Oct./P2.81             |

|             | <b><u>2021</u></b>        |                           |                           |                           |
|-------------|---------------------------|---------------------------|---------------------------|---------------------------|
|             | 1st Quarter<br>Date/Price | 2nd Quarter<br>Date/Price | 3rd Quarter<br>Date/Price | 4th Quarter<br>Date/Price |
| <b>HIGH</b> | 15 Jan./P2.68             | 25 Jun./P3.55             | 15 Jul./P3.31             | 01 Nov./P3.01             |
| <b>LOW</b>  | 07 Jan./P1.92             | 14 Apr./P2.20             | 26 Jul./P2.56             | 14 Dec./P2.74             |

|             | <b><u>2020</u></b>        |                           |                           |                           |
|-------------|---------------------------|---------------------------|---------------------------|---------------------------|
|             | 1st Quarter<br>Date/Price | 2nd Quarter<br>Date/Price | 3rd Quarter<br>Date/Price | 4th Quarter<br>Date/Price |
| <b>HIGH</b> | 28 Jan./P2.58             | 02 Apr./P2.04             | 08 Sept./P2.00            | 07 Dec./P2.28             |
| <b>LOW</b>  | 23 Mar./P1.83             | 02 Jun./P1.79             | 19 Aug./P1.70             | 05 Nov./P1.81             |

As of December 29, 2022, the closing price of the Company’s common shares was ₱ 3.25 per share with a total market capitalization of ₱ 26,963 million.

#### 5.2 Holders

Based on the 31 December 2022 List of Stockholders prepared by the Registrant’s Stock and Transfer Agent, PROFESSIONAL STOCK TRANSFER, INC., the Registrant has two hundred sixty-three (263) shareholders of common shares, of which the top 20 shareholders are as follows:

#### TOP TWENTY STOCKHOLDERS As of 31 December 2022

| <b>RANK</b> | <b>NAME</b>                           | <b>TOTAL<br/>SHARES</b> | <b>PERCENT</b> |
|-------------|---------------------------------------|-------------------------|----------------|
| 1           | STA. LUCIA REALTY & DEVELOPMENT, INC. | 6,701,005,767           | 80.7696%       |
| 2           | PCD NOMINEE CORPORATION               | 1,567,239,607           | 18.8905%       |
| 3           | LUGOD, BERNARD D.                     | 10,000,000              | 0.1205%        |

| RANK | NAME                                   | TOTAL<br>SHARES | PERCENT |
|------|--|-----------------|---------|
| 4    | DELA CRUZ, THOMAS EDWIN M.             | 10,000,000      | 0.1205% |
| 5    | CITISECURITIES, INC.                   | 3,250,000       | 0.0392% |
| 6    | EBE CAPITAL HOLDINGS, INC.             | 1,535,000       | 0.0185% |
| 7    | ROBLES, EXEQUIEL                       | 712,500         | 0.0086% |
| 8    | SANTOS, VICENTE                        | 712,494         | 0.0086% |
| 9    | LIMTONG, JULIE H.                      | 400,000         | 0.0048% |
| 10   | FRANCISCO ORTIGAS SEC., INC.           | 365,000         | 0.0044% |
| 11   | TAN, PEDRO O.                          | 278,050         | 0.0034% |
| 12   | ASA COLOR & CHEMICAL INDUSTRIES, INC.  | 182,774         | 0.0022% |
| 13   | VALDEZ, AMBROSIO &/OR FELISA VALDEZ    | 50,000          | 0.0006% |
| 14   | LIMTONG, ANTHONY FRANCIS H.            | 40,000          | 0.0005% |
| 15   | LIMTONG, GAIL MAUREEN H.               | 40,000          | 0.0005% |
| 16   | LIMTONG, HARRY JAMES H.                | 40,000          | 0.0005% |
| 17   | LIMTONG, JOHN PATRICK H.               | 40,000          | 0.0005% |
| 18   | LIMTONG, JULIE ANN KRISHA H.           | 40,000          | 0.0005% |
| 19   | SUN HUNG KAI SECURITIES (PHILS.), INC. | 30,000          | 0.0004% |
| 20   | G&L SECURITIES CO., INC.               | 30,000          | 0.0004% |

Total Outstanding Shares as of December 31, 2022 - 8,296,450,000.

### 5.3 Dividends

In 2022, SLI declared a special cash dividend to all stockholders of record as of December 16, 2022 in the amount of Php0.04 per share. Payment date was set on December 27, 2022.

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 year 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 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.

- On December 12, 2022, the Company signed a ₱ 3.75 billion unsecured syndicated term loan facility. RCBC Capital Corporation was the Lead Arranger while serving as co-lead arrangers were BPI Capital Corp. and BDO Capital & Investment Corp.
  1. On December 22, 2022, the Company drew ₱ 1.20 billion having a five (5) years maturity from the date of issue.
  2. The remaining ₱ 2.55 billion having a five (5) years maturity from the date of issue is expect to be drawn by March 10, 2023.

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 2022 VS. YEAR END 2021

#### RESULTS OF OPERATIONS

##### Overview of Operations

The Group continued to develop at a steady rate throughout the year as evidenced by its solid balance sheet and exceptional financial results. With the help of bigger funding to support the considerable growth operations in its landbank across the country as a result of increased buyer receivable collections and strong fundraising efforts, the total assets of the Group grew by 10% compared to the same period last year. The Group, with the help of its salesforce, was able to raise its real estate sales throughout the year by 14% compared to the real estate sales recorded the previous year as a result of the astounding increase in inventory.

The growing momentum is anticipated to continue in the upcoming years owing to the company's dedication to providing its stakeholders with high-quality land developments.

##### Revenue

During the year, the Group posted a ₱1,528 million or 18% increase in its gross revenue. The increase was primarily due to the increase in real estate sales, rental income, and revenue from other sources. Real estate sales increased by ₱962 million or 14% compared to the same period last year. The increase was attributable to an increase in sales activities by the Group's marketing arms as well as the increase in property prices. The economic recovery that is taking place from the impact of the pandemic bringing back the foothold traffic to normal, offered rental concessions to its tenants had ended. The Group's revenue from its commercial activities saw a large boost of ₱305 million or 66 percent. Other income, consisting of gains from repossession of inventory, penalties and surcharges, and other miscellaneous income increased by ₱258 million or 63% during the period. Interest income increased by ₱62 million or 12% as compared to the same period last year. As compared to the experienced increase in the other revenue streams, commission income posted a downslide of ₱59 million or 42% compared to the same period last year.

##### Cost and Expense

The Group incurred total cost and expenses of ₱6,465 million during the year. This represents a ₱934 million or 17% increase as compared to the same period last year. The increase was primarily attributed to the increase in the cost of rental income, interest expense, and provision for income tax. The cost incurred in its commercial operations increased by ₱229 million or 62%. Interest expense arising from outstanding and new borrowings during the year increased by ₱167 million or 16% compared to the same period last year. The increase in borrowings was made to support the massive project developments of the Group. Provision for income tax increased by ₱446 million of 66% as a result of the experienced increase in revenue during the period. Total selling and administrative expenses also increased by ₱99 million or 7% as compared to the same period last year.

##### Net Income

As a result of increased sales activities as well as the increase in property prices, the Group's real estate sales rose significantly contributing to the significant increase in the recognized income for the year amounting to ₱594 million or 21%. Also, income from commercial operations and income from other sources contributed to the increase in net income during the period.

## PROJECT AND CAPITAL EXPENDITURES

Generating bigger funding from internally generated funds and active fundraising efforts supported the extensive project developments and continuous landbanking activities of the Group throughout the country. Having a sufficient amount of finances, the Group was able to increase its landbank value by ₱582 million during the year. To capture the increasing demand for horizontal and vertical properties as well as to support strategic commercial investments, the Group deployed ₱5,592 million in capital funds to its project developments. Overall, the Group allocated ₱6,174 million of capital funds to its landbanking and project development activities during the year.

## FINANCIAL CONDITION

### Assets

Maintaining its growth momentum as well as the availability of sufficient funding to support the major operating activities of the Group, total assets grew to ₱57,410 million as of the year ended December 31, 2022. This amount represents a ₱5,417 million or a 10% increase as compared to the same period last year. The significant increase is attributable to the extensive across-the-board landbanking and project development activities of the Group during the period, as evidenced by the significant increase of ₱ 2,745 million or 9% in the real estate inventory. To support the move, the Group has deployed significant collection efforts to its receivables and maximized its access to the debt market increasing its cash and cash equivalents by ₱1,397 million or 72% compared to the same period last year. Having a sufficient amount of finances, the Group is positive to maintain the growth momentum in the succeeding years of its operations.

### Liabilities

The Group's total liabilities increased by ₱2,444 million or 8% compared to the same period last year. This had closed the Group's total liabilities to ₱34,366 million as of December 31, 2022. The increase in the amounts was directly attributable to the maximization of its access to the debt market. Total short-term debts grew by ₱1,047 million or 12% comparing the same period last year. The Group has also initiated multiple long-term fundraising activities during the period increasing its long-term debts by ₱2,335 million or 22%. The proceeds of the fundraising activities were used to finance the Group's capital commitments as well as to pay out more expensive debts. Accounts and other payables and total contract liabilities decrease by ₱646 million or 10% and ₱1,032 million or 27%, respectively. Deferred tax liabilities posted an increase of ₱735 million or a 39% increase as compared to the same period last year.

### Equity

Total shareholders' equity increased by ₱2,973 million or 15%. The increase was primarily due to the recognized net income during the year. It is also during the year that the Group sold 100 million treasury shares at ₱2.90 per share contributing to the increase in total shareholder's equity. On November 29, 2022, the board declared special cash dividends at ₱0.04 per share on record as of December 16, 2022. The dividend was declared out of its unrestricted retained earnings.

### Key Performance Indicators

|                                | 31-Dec-22      | 31-Dec-21      |
|--------------------------------|----------------|----------------|
| <b>Current Ratio</b>           | <b>2.13</b>    | <b>2.05</b>    |
| <b>Debt to Equity</b>          | <b>0.99</b>    | <b>0.96</b>    |
| <b>Interest Coverage Ratio</b> | <b>373.28%</b> | <b>333.99%</b> |
| <b>Return on Asset</b>         | <b>5.98%</b>   | <b>5.45%</b>   |
| <b>Return on Equity</b>        | <b>14.90%</b>  | <b>14.15%</b>  |

\*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 2022.

**Material Changes in the Balance Sheet (+/- 5%) as of December 31, 2022 versus the Balance Sheet as of December 31, 2021**

72% increase in cash and cash equivalents

*Active fundraising activities on both debt and equity markets deployed during the year primarily contribute to the significant increase in cash and cash equivalents of the Group.*

32% increase in receivables

*The increase in receivables of the Group was primarily due to the significant bump in the recognized real estate sales during the year.*

44% increase in current portion of contract assets

*As the Group was able to deploy more capital funds to its project developments, several projects were completed during the year. On these projects, sales efforts were also increased thus contributing to the noted increase in current contract assets during the year.*

9% increase in real estate inventories

*With a large number of capital investments made for project developments and land banking activities during the period, real estate inventories increased.*

20% decrease in other current assets

*The decrease was mainly brought on by the transfer of advances to landowners resulting from land acquisitions, which were earlier recorded as other receivables as the contracts have not yet been executed.*

37% decrease in noncurrent portion of installment contract receivables

*The decrease in the account was directly attributable to the change in the classification of receivables. Outstanding receivables previously recognized as noncurrent receivables from completed projects are realized within twelve months.*

15% 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 arising from the completed projects of the Group.*

8% increase in investment property

*The increase in investment property account was due to the deployment of capital funds from the construction of the Sta. Lucia Mall Davao.*

36% increase in property and equipment

*To carry out the massive expansion activities, the Group also deployed an increase in capital funds in the acquisition of property and equipment to support its business activities.*

62% increase in other noncurrent assets

*Bigger advances to contractors were recognized during the period arising from the project developments, as a result, the amount reported for other non-current assets increased.*

10% decrease in accounts and other payables

*The settlement of outstanding payables arising from project development activities and expansions on existing properties of the Group had resulted in a decrease in accounts and other payables.*

12% increase in short-term debts

*The Group made the most of its access to the debt markets as a source of extra funding in 2022, increasing its short-term borrowings to maintain a healthy liquidity position.*

24% decrease in contract liabilities - current

*Due to an increase in project development accomplishments during the period, advance payments from buyers whose properties have not yet been constructed that were earlier reported as contract liabilities have now been recognized as income.*

87% increase in long term debts - current portion

*Increase in long term debts was primarily due to the active fundraising activities of the Group deployed during the year, maximizing its access to the debt market.*

8% increase in long term debts - noncurrent portion

*Increase in long term debts was primarily due to the active fundraising activities of the Group deployed during the year, maximizing its access to the debt market.*

39% 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.*

34% decrease in contract liabilities – noncurrent

*Due to an increase in project development accomplishments during the period, advance payments from buyers whose properties have not yet been constructed that were earlier reported as contract liabilities have now been recognized as income.*

76% increase in additional paid-in capital

*The increase is attributed to the selling to 100 million treasury shares at ₱2.90 per share during the year.*

26% increase in retained earnings

*The increase was primarily due to the Group's remarkable revenue generation during the year. Comparing the current period to the same period the previous year, net income increased significantly.*

11% decrease in treasury shares

*The increase is attributed to the selling to 100 million treasury shares at ₱2.90 per share during the year.*

11% 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.*

13% 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, 2022 versus the Income Statement for the year ended December 31, 2021**

14% increase in real estate sales

*The increase was attributable to an upsurge in sales activities by the Group's marketing arms as well as the increase in property prices throughout the country.*

66% increase in rental income

*With the economic recovery that is taking place from the impact of the pandemic bringing back the foothold traffic to normal, offered rental concessions to its tenants had ended thus increasing the Group's revenue from its commercial activities.*

12% increase in interest income

*The trend of real estate sales during the year was paralleled by an increase in interest revenue during the year.*

42% decrease in commission income

*The decrease was primarily associated with the financial performance of the Sta. Lucia Ventures during the year.*

18% decrease in dividend income

*There was a decreased dividend payout throughout the period, which can be directly linked to the dividends announced from the Group's stake in Philippine Racing Inc. and Manila Jockey Club Inc.*

63% increase in other income

*An increase is brought about by the recording of surcharges and penalties for customer payment default, revenue from hotel operations, and gains from forfeiture.*

12% increase in cost of rental income

*The trend of commercial operations was paralleled by an increase in the cost related to its operations during the year.*

7% increase in commission

*The increase in commission expense during the year was comparable with the rise in real estate transactions recorded.*

9% decrease in taxes, licenses and fees

*The decrease was primarily attributable to the decrease in real property taxes paid as compared to the same period last year.*

41% 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.*

37% 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.*

7% increase in representation

*The increase was attributable to the increase project development activities and acquisition of raw land for land banking activities.*

26% decrease in professional fees

*Declined required external parties' support during 2022 resulted in the decrease in professional fees.*

9% decrease in surcharges and penalties

*An increase in operating effectiveness during the period was one of the Group's priorities to manage costs. This paved way to decreasing unnecessary and unwanted expenses for the Group.*

16% increase in depreciation and amortization

*With increased capital expenditures for the acquisition of properties and equipment for business operation support, attributable depreciation expense also increased.*

9% decrease in advertising

*An increase in operating effectiveness during the period was one of the Group's priorities to manage costs. This paved way to decreasing unnecessary and unwanted expenses for the Group.*

91% increase in legal expense

*Related to the acquisition of raw lands and extensive project developments, legal support costs also increased during the period.*

95% increase in utilities

*Extensive project developments and an increase in the volume of office operations contributed to the increase in utilities incurred during the year.*

73% decrease in software maintenance

*The decrease was attributable to the lesser software maintenance support required during the period.*

13% decrease in transportation, travel, office supplies and miscellaneous

*An increase in operating effectiveness during the period was one of the Group's priorities to manage costs. This paved way to decreasing unnecessary and unwanted expenses for the Group.*

16% increase in interest expense

*The increased utilization of both long-term and short-term loans contributed to increasing recognized interest expenses throughout the period.*

## **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 to its tenants to help them as well as to ease the negative impact brought about by the covid-19 pandemic.

## Cost and Expense

Total cost and expense recognized during 2021 totaled ₱5,530 million. This amount represents a 7% increase 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 ₱5,264 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 ₱52,060 million from ₱45,786 in 2020. This represents a significant 14% or ₱6,274 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 ₱4,010 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 ₱31,988 million. The amount represents a 32% or ₱3,900 million increase from 2020 balance. Accounts and other payables increased by 26% or ₱1,411 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      |
|--------------------------------|----------------|----------------|
| <b>Current Ratio</b>           | <b>2.05</b>    | <b>2.01</b>    |
| <b>Debt to Equity</b>          | <b>0.96</b>    | <b>0.97</b>    |
| <b>Interest Coverage Ratio</b> | <b>333.99%</b> | <b>341.52%</b> |
| <b>Return on Asset</b>         | <b>5.45%</b>   | <b>3.73%</b>   |
| <b>Return on Equity</b>        | <b>14.15%</b>  | <b>9.65%</b>   |

\*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 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 P7,000 million worth of corporate notes. The proceeds of which was used pay the P2,000 million bonds matured during the period and to pre-term more expensive loans, part of which was the 7-year P5,000 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 P7,000 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 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 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 P1,377 million for the year 2020.

## FINANCIAL CONDITION

### Assets

The Group's total assets stood strong at P45,786 million during the year. This represents a 13% increase from the 2019 balance of P40,352 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 P3,061 million. Real estate inventory balance amounted to P24,931 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 P28,088 million. This amount represents a 16% increase from the previous year's reported total liabilities of P24,238 million. Majority of the borrowings were availed through short term loans. As a result, short term debts grew by almost 75%, from P3,521 million in 2019 to P6,149 million in 2020. Accounts and other payables amounted to P5,408 million, increased by 13% from P4,874 million in 2019. Total contract liabilities arising from real estate sales grew by P514 million or 15% from 2019 reported amount. Deferred tax liabilities also increased by P488 million or 51%.

### Equity

Total stockholders' equity increased by P1,584 million in 2020 generated from the net income during the year amounting to P1,708 million. Financial assets measured at fair through other comprehensive income decrease by P124 million.

### Key Performance Indicators

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

\*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 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.*

## **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.
8. Sta. Lucia Prime
9. NCore Realty

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 135,000, 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](http://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 2,985 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 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 November 29, 2022, wherein, subject to securing all required approvals under applicable laws, rules and regulations, the Group was authorized to enter into a 5-year unsecured Syndicated Term Loan facility agreement with primary institutional lenders 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 P6,174 million in 2022. For 2023, the Registrant allocated P6,500 million for its capital expenditures, including P6,380 million for project development and P120 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 17, 2022, at the Annual Stockholders' Meeting, the Board agreed to retain SGV and Co. as the external auditor of the Registrant for the year 2021-2022. 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 three years: (VAT inclusive)

| <b>Year</b> | <b>Audit and Audit related fees</b> | <b>Tax Fees</b> | <b>Other Fees</b> |
|-------------|-------------------------------------|-----------------|-------------------|
| <b>2022</b> | 3,450,000*                          |                 |                   |
| <b>2021</b> | 2,541,000*                          |                 |                   |
| <b>2020</b> | 2,541,000*                          |                 |                   |

\*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, two members of the Board are independent directors. The directors were elected at the Company's annual shareholders meeting on June 17, 2022 and will hold office for a period of one (1) year from their election and until their successors have been duly elected and qualified.

The table below sets forth each member of the Company's Board and Executive Officers as of the date:

| NAME                    | AGE | NATIONALITY | POSITION  |
|-------------------------|-----|-------------|---|
| Vicente R. Santos.      | 65  | Filipino    | Chairman of the Board   |
| Exequiel D. Robles      | 67  | Filipino    | Director and President  |
| Mariza Santos- Tan      | 64  | Filipino    | Director and Treasurer  |
| Aurora D. Robles        | 56  | Filipino    | Director and Assistant Treasurer  |
| Antonio D. Robles       | 58  | Filipino    | Director  |
| Simeon S. Cua           | 65  | Filipino    | Director  |
| Orestes R. Santos       | 61  | Filipino    | Director  |
| Renato C. Francisco     | 74  | Filipino    | Independent Director  |
| Danilo A. Antonio       | 68  | Filipino    | Independent Director  |
| David M. Dela Cruz      | 56  | Filipino    | Executive Vice President / Chief Financial Officer and Chief Risk Officer |
| Patricia A. O. Bunye    | 54  | Filipino    | Corporate Secretary   |
| Eric T. Dykimching      | 39  | Filipino    | Assistant Corporate Secretary   |
| Crystal I. Prado        | 42  | Filipino    | Assistant Corporate Secretary   |
| Jeremiah T. Pampolina   | 45  | Filipino    | Chief Compliance Officer  |
| Ace Franziz D. Cuntapay | 28  | 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 an Independent Director of AREIT, 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 9<sup>th</sup> 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, 15<sup>th</sup> 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. ERIK T. DYKIMCHING, Assistant Corporate Secretary of the Company.** He is a Partner in the Corporate & Special Projects Department of Cruz Marcelo & Tenefrancia. He is a member of the Integrated Bar of the Philippines and the Philippine Bar Association. He is also a Certified Public Accountant. He serves as the Assistant Corporate Secretary of BBR Rail Automation Philippines, Inc., Tewet Philippines, Inc., Vice Cosmetics Group, Inc., and other listed companies (Kepwealth Properties, Inc. and PTFC Redevelopment Corporation). He is also a consultant (Joint Venture Specialist) of the Asian Development Bank and has been assisting the Public-Private Partnership (PPP) Center on PPP and joint venture projects of government agencies and local government units.

**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, Strategic Planning & 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-Jebson. He was also an Associate Lecturer at De La Salle University teaching Strategic Management. Last Jan 2022, he was awarded as Asia FP&A Lead of the Year 2022 (Finalist) issued by CXociety Leadership Practice Awards 2022 (Singapore). 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 two 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, 2022, 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 Vista Verde was about to expire. SLRDI, in its Counter-Affidavit, claim that the case of estafa cannot prosper since the subdivision was completed and is already existing. The filing of the criminal case was merely an afterthought by the complainant after demand letters were sent to Miraflor due to delinquent payments. The Counter-Affidavit was filed in August 2018, and the case remains pending as of this date.
5. MANUEL MORATO ET. AL. VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS AND LIBERATO D. ROBLES, ET., AL. XV-03-INV-18F-05949. This case involves a complaint for syndicated estafa filed against these directors for entering into a joint venture agreement with Jose L. Morato for the development of a property in Quezon City knowing fully well that the latter was not the owner of the subject properties. Respondents filed their counter-affidavit claiming that (i) they had been given clearance by the HLURB to proceed with the development of the project; (ii) they are innocent third parties who dealt with registered parcels of land; (iii) the elements of syndicated estafa are unfounded and non-existent; and (iv) they entered into an agreement with Jose Morato in good faith. On November 13, 2018, the case was dismissed for insufficiency of evidence. Complainant filed a Petition for Review with the DOJ, which was denied. Undeterred, the Complainant filed a Special Civil Action for Certiorari and Mandamus under Rule 65 (the "Petition") before the Court of Appeals (CA). The CA, in its Resolution dated March 24, 2021 dismissed outright the Petition for being filed out of time. The Complainant filed a Motion for Reconsideration on 26 May 2021, which remains pending as of date.
6. NELSON ZAPEDA VS. EXEQUIEL D. ROBLES NBI-CCN-C-18-06295. This involves a complaint for estafa filed on the premise that the person who supposedly signed the Special Power of Attorney authorizing a certain John Roldan to enter into a joint venture

agreement with SLI was dead when the SPA was signed. The case is still under investigation with a possibility of settling amicably.

7. **ROSALINA HONRADO VS. EXEQUIEL D. ROBLES** NPS Docket No. IV-28-INV-14H-0707. A criminal case for estafa and falsification or estafa through falsification was filed against respondents for allowing the sale of a property in Orchard Residential Estate Gold and Club, Dasmarinas Cavite with an area that is 100 sqm more than the actual lot. Complainant argued that out of the 759 sqm area specified in the certificate of title, 100sqm was actually a creek. In his counter-affidavit, Robles explained that complainant purchased the property from the previous owner, that he was well aware of the discrepancy and that the refund has been made by SLI in favor of the previous owner. This case was dismissed in 2015.
8. **RENATO CABILZO VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS, MARIZA SANTOS-TAN, EXALTACION R. JOSEPH, FELIZARDO R. SANTOS, ANTONIO D. ROBLES and LIBERATO D. ROBLES.** A case for Other Deceits, Syndicated Estafa, Large -Scale Estafa was instituted last September 18, 2015 on the ground that respondents allegedly duped complainants into purchasing a 217 sqm lot in Acropolis even if the joint venture agreement between SLRDI and Surfield had been cancelled. Respondents, in turn, presented copies of their license to sell as issued by the HLURB. They also alleged that complainants failed to present evidence that the transaction took place in Pasig City, warranting the dismissal due to improper venue. Also, complainant failed to prove the elements of estafa since the dispute arising out of the transaction was purely contractual. Complainant appealed the case before the DOJ and the case remains pending.
9. **LORENZO E. VELOSO VS. EXEQUIEL D. ROBLES, MARIZA SANTOS-TAN, VICENTE R. SANTOS ET.AL.** involving violation of PD 957 and Art. 318 of the Revised Penal Code (“RPC”). The case was filed in light of the alleged failure of SLI to deliver the certificates of title over the subject property. The defense argued that the processing was stalled due to the complainant’s refusal to pay the assessed transfer fees. The case was dismissed for lack of probable cause. Complainant appealed the case before the DOJ in 2018 and the case remains pending.
10. **DOMINADOR TAN VS. EXEQUIEL D. ROBLES AND STA. LUCIA REALTY AND DEVELOPMENT, INC.** Civil Case No. B-9022. On March 25, 2013, Plaintiff Dominador Tan (“Tan”) filed a Complaint for recovery of possession with application for the issuance of a Temporary Restraining Order (“TRO”) and/or Preliminary Injunction, for alleged encroachment on his lot, made by personnel of SLRDI who have commenced construction works on the property. Mr. Exequiel Robles was impleaded in his capacity as President/Chief Executive Officer of SLRDI. In its Answer, SLRDI alleged that all developments done in the area were confined within the boundaries provided for in the technical descriptions of the certificates of title, which have already been approved by the Bureau of Lands. At this point, SLRDI also offered a Joint Venture Agreement (“JVA”) with plaintiff to develop the subject property. On April 5, 2013, the court issued a TRO enjoining SLRDI from continuing with the construction over the property. There is an ongoing negotiation between the wife of Dominador Tan, Mrs. Edith Tan (as Dominador Tan was substituted by his wife after his death) and SLRDI to enter into a JVA to develop the subject property. Pending negotiations, Mrs. Tan requested that she be given a right of way over the subject property. To date, SLRDI has not acted upon the request of Mrs. Tan vis-à-vis the JVA.
11. **LA MIRADA ROYALE HOMEOWNER’S ASSOCIATION VS VICENTO R. SANTOS AND LA MIRADA HOMEOWNERS HLURB** Case No. NTR-HOA – 082213-575. On August 19, 2013, complainants La Mirada Homeowners’ Association (“La Mirada HOA”) filed a case with the HLURB for the cancellation of the other five HOA Certificate of

Registrations it issued and prayed that it be declared the only HOA of La Mirada Royale. Respondents, in their Answer dated September 22, 2013, alleged that they are lot owners of La Mirada Royale, and as owner/developer of the subdivision, they have the obligation to initiate the organization of a homeowner's association among the buyers and residents of the projects. On April 30, 2014, HLURB ruled in favor of La Mirada HOA and ordered the revocation of respondents' Certificate of Registration, on the ground that La Mirada HOA registered their HOA with HLURB ahead of the five other HOAs. The Decision also stated that the Respondents were not bona fide homeowners of La Mirada. On April 1, 2015, Respondents' filed their Appeal Memorandum with the OP, alleging that 1) respondent's homeowners' association was first to be duly registered with the HLURB; 2) the Magna Carta for Homeowners and Homeowners' association was not yet in effect when they were registered as the Homeowner's Association, thus, cannot be used as basis in revoking the registration of the respondent associations; 3) the fact that complainant homeowners' association is composed of 58 homeowners (13 directors) as opposed to five directors of respondent association is not ground for the revocation of respondent association. There has been no development since the filing of the Appeal Memorandum.

12. BAYBREEZE EXECUTIVE VILLAGE HOMEOWNERS ASS. VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI HLURB CASE NO. NCRHOA-112613-1932. Homeowners of Baybreeze Executive Village ("Baybreeze") filed a complaint with the HLURB against SLRDI on the alleged mismanagement of the Baybreeze Executive Village. Exequiel D. Robles, Vicente R. Santos and other respondents were sued both in their personal capacities and as responsible officers of SLRDI. Baybreeze prayed that respondents repair the drainage system, low level roads and complete the unmaintained clubhouse. On October 7, 2014, HLURB ordered the respondents to complete the development of the village within one year, as well as to complete the construction of the clubhouse, to upgrade the road network, and fix the streetlights. In the order, HLURB also cancelled the license to sell issued for Bavbreeze. Respondents' appeal was denied by HLURB on the ground that SLRDI still has the obligation to provide and maintain the facilities as there is yet no certificate of completion. SLRDI filed its appeal memorandum with the Office of the President on June 5, 2015. Baybreeze filed its comment/opposition to the appeal memorandum on July 15, 2015. There has been no development since then.
13. GRACE PENDON ET., AL. VS. EXEQUIEL D. ROBLES ET., AL. CHR NO. 2015-0217. On June 19, 2015, Grace Pendon et. al. ("Complainants") filed a complaint with the Commission on Human Rights ("CHR") against Sta. Lucia Realty and Development Corp. Inc. ("SLRDI") for alleged acts of violence committed by their security guards and certain policemen against complainants during the demolition of illegally built structures found inside Rizal Technopark. Exequiel D. Robles and SLRDI were impleaded because of their ownership of Rizal Techno Park. In their counter-affidavit, SLRDI alleged that there was no mention of specific acts committed by Robles or SLRDI in the complaint. SLRDI filed its counter-affidavit with the CHR on July 30, 2015 and alleged that all titles are all in the name of SLRDI. Thus, as developers and registered owners, they were only exercising their right to protect and secure the subdivision from illegal settlers and "professional squatters". On the issue of the acts of violence supposedly committed by the security guards, SLRDI argued that the security guards were only doing their duty from preventing the mob from committing further acts of violence and handling the riots inside SLRDI property. There has been no development since the counter-affidavit was filed.
14. JERRY GALOPE VS. EXEQUIEL D. ROBLES, SLRDI, ET., AL. BSC-2016-04. On March 31, 2016, Jerry Galope ("Galope") filed a complaint against SLRDI, Exequiel D. Robles and several other persons (actual occupants) for quieting of title involving a lot in Meadowood Executive Village, Cavite. In his complaint, Galope alleged that he purchased

a parcel of land in Cavite (2,961 sqm) through a Deed of Sale between him and its original owners on February 1, 1990. When he returned to the location in 2012, he was surprised to see that it was already located inside a gated subdivision known as Meadowood Executive Village. Galope believes that the titles were simulated in the subdivision plans used by respondents. SLRDI filed its Answer on July 6, 2018. The case remains pending before the RTC Branch 19 of Bacoor, Cavite.

15. MEGATOP REALTY V. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS. XV-03-INV-20A-00819. Complainant filed a case for estafa against the respondents before the Office of the City Prosecutor of Quezon City (OCP Quezon City) for the alleged failure (i) to account the ₱ 93 million they provided pursuant to their joint venture agreement with SLRDI and (ii) to deliver the titles of the subdivisions lots subject of the agreement. Respondents, in turn, argued that (i) the ₱ 93 million pertains to the 517,997 sqm raw land that Complainant purchased from SLRDI; and that (ii) they have no obligation to deliver all the titles of the subdivision lots in favor of the complainant. In fact, complainant has the obligation to assign 55% of the subdivision lots in favor of SLRDI. On January 6, 2021, OCP Quezon City found probable cause to indict respondents for estafa. Prior to the expiration of the respondents' right to seek reconsideration, OCP Quezon City filed the corresponding Information with the RTC of Quezon City. This prompted respondents to file a Motion for Reconsideration with the Department of Justice on February 22, 2021, which remains pending as of date.
16. MANUEL MORATO ET., AL. VS. LIBERATO D. ROBLES, R-QZN-19-17722-CV. Plaintiffs filed a case for annulment of title with prayer for issuance of preliminary injunction and/or temporary restraining order ("TRO") before the RTC of Quezon City. Instead of filing an Answer, respondent filed a Motion to Dismiss on February 7, 2019, which was granted by the RTC. Plaintiffs filed a Motion for Reconsideration on February 24, 2020. The hearing for the prayer for preliminary injunction and/or TRO was scheduled on 22 June 2021, which was rescheduled in view of the demise of one of the Plaintiffs. One of the defendants requested for suspension of all hearings scheduled from August 5, 2021 to September 19, 2021 in order to allow the parties to hold a dialogue among themselves to rethink their respective position on all family issues.

The Company believes that the pending proceedings disclosed above arose out of the ordinary course of business. As such, the Company is of the opinion that they are not material to an evaluation of the ability or integrity of any of the directors or executive officers involved.

Apart from the pending criminal proceedings disclosed above, to the best of the Company's knowledge and belief, none of the Company's directors, nominees for election as director, or executive officers have in the five-year period prior to the date: (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, 2022, 2021 and 2020, 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<br>(in thousands) | Bonus<br>(in thousands) |
| Five most highly compensated executive officers<br>Vicente R. Santos (Chairman)<br>Exequiel D. Robles (President)<br>Mariza Santos – Tan (Treasurer)<br>Aurora D. Robles (Assistant Treasurer)<br>David M. Dela Cruz (Executive Vice President) | 2022   | 7,450                    | 2,580                   |
|   | 2021   | 7,450                    | 2,580                   |
|   | 2020   | 7,450                    | 2,580                   |

For each of the years ended December 31, 2022, 2021 and 2020, 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<br>(in thousands) | Bonus<br>(in thousands) |
| All other officers and directors as a Company unnamed | 2022   | 2,130                    | 365                     |
|   | 2021   | 2,130                    | 365                     |
|   | 2020   | 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, 2022:

| 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 |
|--|---|-------------|---------------------------|-------------------------------|
| <b>Sta. Lucia Realty &amp; Development, Inc.</b><br><i>Bldg. II, Sta. Lucia East Grand Mall, Marcos Highway corner Felix Avenue, Cainta, Rizal</i> | -same-  | Filipino    | 6,701,005,767             | 80.7696%                      |
| <b>PCD Nominee Corporation (Filipino)</b><br><i>Tower I, The Enterprise Center, 6766 Ayala Ave. corner Paseo de Roxas, Makati City</i>             | -same-  | Filipino    | 1,567,239,607             | 18.8905%                      |

As of December 31, 2022, foreign shareholders owned 0.01%, 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, 2022:

| 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    | -             |
| Renato C. Francisco      | Common         | 1                | D                   | Filipino    | -             |
| Danilo A. Antonio        | Common         | 1                | D                   | Filipino    | -             |
| <b>TOTAL</b>             | <b>Common</b>  | <b>1,424,999</b> | <b>D</b>            |             | <b>0.017%</b> |
|                          |                | <b>463,000</b>   | <b>I</b>            |             | <b>0.006%</b> |

Notes: (D) refers to direct ownership and (I) refers to indirect ownership.

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, 2022.

#### **11.4 Change in Control**

As of December 31, 2022, 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, 2022, there 2,500,000 treasury shares which arise from the settlement of intercompany advances between SLI and SLRDI which provides assignment of certain number of shareholdings of SLRDI to SLI be assigned to the latter.

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

A director, president and chief executive officer of Philippine Racing Club Inc. and president of Cualoping Securities Corporation, namely SIMEON S. CUA is also a former director of the Registrant.

|                                       |
|---------------------------------------|
| <b>PART IV – CORPORATE GOVERNANCE</b> |
|---------------------------------------|

**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.



|  |
|--|
| <b>PART V – EXHIBITS AND SCHEDULES</b> |
|--|

**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 2022 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 2022 through official letters dated:

January 19, 2022

*“Amendments to the By-Laws of Sta. Lucia Land, Inc. (the “Corporation”).”*

February 14, 2022

*“Results of the Special Meeting of the Board of Directors held on 11 February 2022.”*

*“Setting the date of the 2022 Annual Stockholders' Meeting.”*

April 19, 2022

*“Resignation of Atty. Pancho G. Umali as Assistant Corporate Secretary”*

May 24, 2022

*“Sta. Lucia Land Inc. (SLI) registers record year in 2021.”*

June 17, 2022

*“Results of the 2022 Annual Stockholders' Meeting.”*

*“Results of the 2022 Organizational Meeting of the Board of Directors.”*

August 17, 2022

*“Assessment Letter dated 15 August 2022.”*

November 16, 2022

*“Sta. Lucia Land Inc. (“SLI”) 3Q 2022 Net Income Surges By 55.53%”*

November 24, 2022

*“Sale of Treasury Shares.”*

December 1, 2022

*“Results of the Special Meeting of the Board of Directors held on 29 November 2022.”*

*“Declaration of Cash Dividends.”*

**STA. LUCIA LAND, INC. AND SUBSIDIARIES**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**SEC FORM 17-A**

**CONSOLIDATED FINANCIAL STATEMENTS**

Statement of Management's Responsibility for Financial Statements

Report of Independent Auditors Consolidated Statements of Financial Position as at December 31, 2022 and 2021

Consolidated Statements of Comprehensive Income for the years ended December 31, 2022, 2021 and 2020

Consolidated Statements of Changes in Equity for the years December 31, 2022 and 2021

Consolidated Statements of Cash Flows for the years ended December 31, 2022 and 2021

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-22 | 31-Dec-21 |
|-------------------------|-----------|-----------|
| Current Ratio           | 2.13      | 2.05      |
| Debt to Equity          | 0.99      | 0.96      |
| Interest Coverage Ratio | 373.28%   | 333.99%   |
| Return on Asset         | 5.98%     | 5.45%     |
| Return on Equity        | 14.90%    | 14.15%    |

## 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 \_\_\_\_\_

MANDALUYONG CITY

27 APR 2023

**STA. LUCIA LAND, INC.**  
Issuer



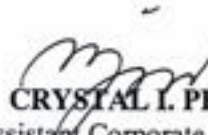
**VICENTE R. SANTOS**  
Chairman of the Board



**EXEQUIEL D. ROBLES**  
President/CEO



**MARIZA R. SANTOS-TAN**  
Treasurer



**CRYSTAL I. PRADO**  
Assistant Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this 27 APR 2023 in MANDALUYONG CITY, affiants exhibiting to me their government issued IDs, to wit:

| Name                 | Government I.D.             | Date/Place Issued            |
|----------------------|-----------------------------|------------------------------|
| Vicente R. Santos    | Passport No.: P7782826A     | 03 Jul 2018/DFA NCR EAST     |
| Exequiel D. Robles   | Passport No.: P9712352B     | 22 Apr 2022/DFA NCR WEST     |
| Mariza R. Santos-Tan | Passport No.: P7993345B     | 26 Oct 2021/DFA NCR EAST     |
| Crystal I. Prado     | Roll of Attorneys No. 57242 | May 2009/Ortigas, Pasig City |

**JERRY B. DE LA CRUZ**

Notary Public for Mandaluyong City  
Until 31 December 2024

Appointment No. 0257-23

Roll Number 47018

IBP No. 258309/01.03.2023/RSM

PTR No. 5102660/01.03.2023/Mandaluyong

MCLE Compliance No. VII-0026012/02.06.2023

G/F State Center II Bldg.

Ortigas Avenue, Mandaluyong City

Doc. No. 175;  
Page No. 36;  
Book No. 40111;  
Series 2023

# 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>With a portfolio made up of projects that encompass residential, commercial, recreational, and retail properties, SLI is a well-known developer of residential communities in the Philippines.</p> <p>By increasing its landbanking activities and offering horizontal and vertical developments, SLI is committed to growing its footprint across the nation in order to meet the needs of its stakeholders. The following are the primary operating segments through which SLI runs its business:</p> <ol style="list-style-type: none"> <li>1. Residential Projects, which include horizontal and vertical developments;</li> <li>2. Commercial Properties; and</li> <li>3. Services, such as housing construction and marketing services.</li> </ol> <p>It aims to create a self-sustaining community that serves high-end, upper-income, middle-income, and affordable Filipino markets both domestically and abroad.</p> |
| Reporting Period   | January to December 2022  |
| Highest Ranking Person responsible for this report                           | David M. Dela Cruz<br>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.**

Sustainability objectives have long been a cornerstone of SLI's business model and way of thinking, according to consultations with key stakeholders.

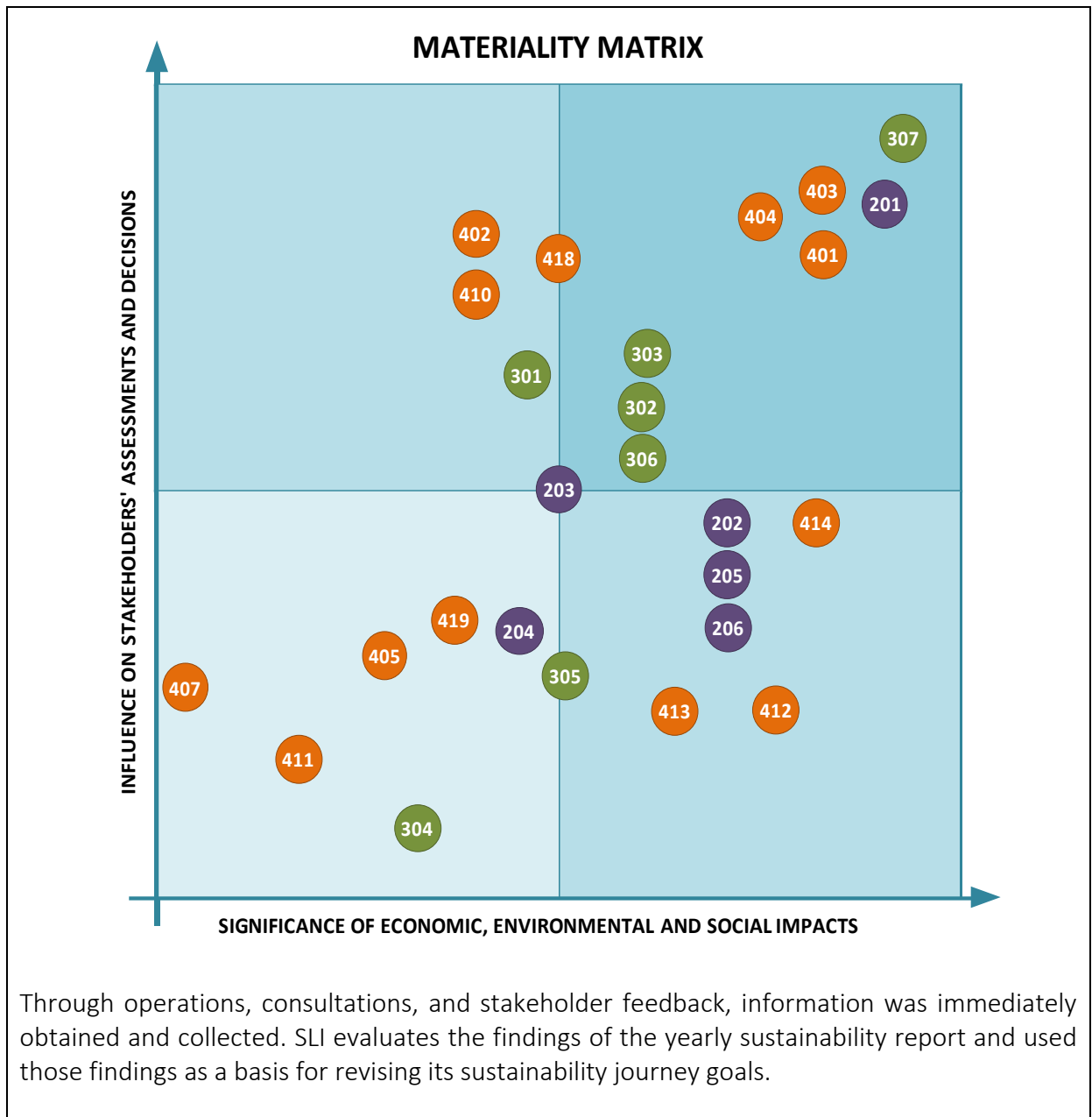
When deciding on material issues, SLI took into account both internal and external variables. These include the overarching mission and competitive strategy of SLI as well as the issues that its stakeholders have explicitly raised. This report focuses on the following significant issues:

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.

SLI determined which of its stakeholders had an important influence on the Corporation. Since SLI's stakeholders are essential to its operations, SLI makes sure that they are actively involved in achieving SLI's sustainability objectives.

This report covers SLI's operations, in particular its corporate operations and the assets it directly owns and manages. Metrics relating to the relevant subjects were used to evaluate each unit's operations. Below is a display of the materiality assessment's findings:

|  |                                   |
|--|-----------------------------------|
| 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. 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. With over 50 years track record of real estate development, the Corporation has completed over 250 projects and developed over 12,000 hectares of land across more than 70 cities and municipalities across the Philippines.

### Economic Performance

#### Direct Economic Value Generated and Distributed

| Disclosure   | Amount<br>(in millions) | Units |
|--|-------------------------|-------|
| Direct Economic Value Generated (revenue)                                  | 9,899                   | PhP   |
| Direct Economic Value Distributed:   | 6,465                   | PhP   |
| a. Operating Costs   | 2,856                   | PhP   |
| b. Employee Wages and Benefits   | 140                     | PhP   |
| c. Payments to suppliers, and other operating costs                        | 1,133                   | PhP   |
| d. Dividends given to stockholders and interest payments to loan providers | 1,219                   | PhP   |
| e. Taxes given to the Government   | 1,117                   | 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  |
|---|---|--|
| Through the development of several master-planned gated subdivisions and vertical projects, the Corporation promotes and generates economic activities to its employees, customers and business partners thus contributing positive impacts to the economy. | Customers, suppliers, communities, employees, shareholders, business partners | <p>Targeting domestic and overseas Filipino markets across high-end, upper middle-income and affordable segments, the Corporation is committed in meeting and delivering sustainable project developments all through out the area it operates.</p> <p>As evidenced by its strong track records, it will continue to cater the welfare of every Filipino family through the promotion of state-of-the-</p> |



|   |   |  |
|---|---|--|
|   |   | art and established acceptable standards in the development of sustainable communities.  |
| <b>What are the Risk/s Identified?</b>  | <b>Which stakeholders are affected?</b>                                       | <b>Management Approach</b>   |
| <p>The Corporation is exposed to various risks as a result of the decline in project demand in the domestic and OFW markets.</p> <p>Due to the Philippines' slowing economy, the Corporation is at risk for sales cancellation as well as a significant drop in revenues and operational profitability.</p> | Customers, suppliers, communities, employees, shareholders, business partners | <p>The management has increased its efforts to sell the Company's projects, particularly those that are located on the fringe, through its marketing divisions. The company's sales generation efforts were helped by the rise in demand for properties outside of Metro Manila as of the period's end.</p> <p>In general, the Corporation always keeps an eye on the political, economic, and policy landscapes in the pertinent jurisdictions to foresee any impact they might have on the Corporation and its operations. In the case of an escalation, the Company shall ensure the continuation of business operations.</p> |
| <b>What are the Opportunity/ies Identified?</b>   | <b>Which stakeholders are affected?</b>                                       | <b>Management Approach</b>   |
| 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 | In order to maximize the identification of potential future acquisitions and landbanking activities, the Company targets employees, small- to medium-sized business owners, and developing provincial areas.   |

## Climate-related risks and opportunities

| <b>Governance</b><br>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> |
| <b>Strategy</b><br>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.  |
| <b>Risk Management</b><br>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 <a href="http://stalucialand.com.ph/corporate-governance/enterprise-risk-management/">http://stalucialand.com.ph/corporate-governance/enterprise-risk-management/</a> .  |
| 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. |
| <b>Metrics and Targets</b><br>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"> <li>• Delays on project timeline in terms of days.</li> <li>• Costs of repairs on assets affected.</li> <li>• Costs of maintenance from wear and tear especially on vertical properties.</li> </ul>  |
| 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"> <li>• Continuous trainings on employees especially those engaged in planning and project engineering.</li> <li>• Conduct of regular check on properties and maintenance of assets.</li> <li>• Continuous assessment of appropriate protocols and proper documentation to track the Corporation's responses on climate-related risks.</li> </ul> |

### 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 practices guarantee that while value for money is taken into account, advantages are also generated for society and the economy while the environmental impact is kept to a minimum.</p> <p>Contracts made with its suppliers are evaluated in terms of corporate governance, financial strength and attractiveness,</p> |

|  |                                  | <p>capacity for innovation, and business ethics.</p> <p>Fair salaries and working conditions are taken into consideration while evaluating service contracts.</p> <p>They enable SLI to continue being confident that as resources enter and leave the company, economic values, social factors, and environmental repercussions are taken into account.</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 where does 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 trainings to maintain the principles of good corporate governance.</p> | Employees, Management, Board of Directors | <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 | The Corporation improved its awareness of such activities to be able to prevent and detect such breaches as well as to respond to such incidents, in order to ensure the mitigation of corruption within the organization.  |
| <b>What are the Opportunity/ies Identified?</b>  | <b>Which stakeholders are affected?</b>   | <b>Management Approach</b>  |
| 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        | #     |

|  |   |   |
|--|---|---|
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b> | <b>Which stakeholders are affected?</b>   | <b>Management Approach</b>                      |
| Based on the Code of Business Conduct and Ethics of the Corporation, no                                  | Employees, Management, Board of Directors | The Corporation strictly implements its Code of |

|  |   |   |
|--|---|---|
| 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. |   | Business Conduct and Ethics.  |
| <b>What are the Risk/s Identified?</b>   | <b>Which stakeholders are affected?</b>   | <b>Management Approach</b>  |
| The Corporation recognizes the business risks that will affect the organization due to corruption.   | Employees, Management, Board of Directors | The Corporation improved its awareness of such activities to be able to prevent and detect such breaches as well as to respond to such incidents, in order to ensure the mitigation of corruption within the organization.  |
| <b>What are the Opportunity/ies Identified?</b>  | <b>Which stakeholders are affected?</b>   | <b>Management Approach</b>  |
| The Corporation recognizes the opportunity to ensure that the organization remains without any incident of corruption.   | 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. |



## ENVIRONMENT

### Resource Management

#### Energy Consumption within the organization

| Disclosure                           | Quantity  | Units |
|--------------------------------------|-----------|-------|
| Energy Consumption Electricity       | 4,701,921 | kWh   |
| Energy Consumption Diesel            | 16,698    | GJ    |
| Energy Consumption Gasoline          | 7,601     | GJ    |
| Energy Consumption LPG               | N/A       | GJ    |
| Energy Consumption Renewable Sources | 325       | 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>It is crucial that efficient energy usage is one of SLI's strategies for lowering energy consumption as it results in cost savings benefits and the decrease of its environmental effect. The majority of SLI's economic activities directly depend on energy consumption, notably electricity and fuels.</p> <p>The Corporation would be able to evaluate and review ways to effectively control electricity consumptions by defining standard average metrics by continuously monitoring and keeping track of the consumption of each residential property before handing it over to its</p> |

|   |                                  | specific home owners association.   |
|---|----------------------------------|---|
| 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         | <p>In order to kick off its endeavors, the Company installed solar panels in a few of its mall businesses to switch to the use of renewable energy.</p> <p>The installation of solar-powered street lighting is already one of its horizontal advances as part of its ongoing promotion of the usage of renewable energy sources.</p> |
| 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         | 217,311      | Cubic meters |
| Water Withdrawal          | Not measured | Cubic meters |
| Water Recycled and Reused | Not measured | Cubic meters |

| 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 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.   |
| <b>What are the Risk/s Identified?</b>   | <b>Which stakeholders are affected?</b> | <b>Management Approach</b>  |
| 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. |
| <b>What are the Opportunity/ies Identified?</b>  | <b>Which stakeholders are affected?</b> | <b>Management Approach</b>  |
| 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  | 1,443,801    | Bags         |
| - Steel Bars  | 390,519      | Pcs          |
| - Aggregates  | 150,780      | Cubic meters |
| Percentage of recycled input materials used to manufacture the organization's primary products and services | Not measured | %            |

|   |   |  |
|---|---|--|
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>  | <b>Which stakeholders are affected?</b> | <b>Management Approach</b>   |
| The construction services of the Corporation entail the use of materials.<br><br>In this regard, the Corporation enters into contracts with local | Local suppliers and/or contractors      | To assure the high standard and quality of such products, the Company enforces rules on its suppliers and contractors. The guidelines call for a thorough analysis of the building materials |

|  |  |   |
|--|--|---|
| suppliers and/or contractors for the construction of its horizontal and vertical developments. |  | used in project developments. This is to guarantee that project developments use cutting-edge, environmentally friendly materials that are resilient to natural disasters and can withstand them. |
|--|--|---|

| 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                       | Employees, management, customers | The Corporation is committed to creating a positive impact in the preservation of biodiversity. |

|  |   |  |
|--|---|--|
| in making land acquisitions and landscaping for projects.  |   | <p>SLI conducts regional evaluations before purchasing land for upcoming developments. The Corporation assesses the general state of the region, taking into account its economic situation, its closeness to places with significant biodiversity values and areas that are highly protected. This is done to lessen potential snags for upcoming construction projects and prevent potential infractions of governmental and environmental rules and regulations.</p> <p>In this sense, some of its projects' landscaping features include the preservation of free-flowing rivers and the usage of endemic trees.</p> |
| <b>What are the Risk/s Identified?</b>   | <b>Which stakeholders are affected?</b> | <b>Management Approach</b>   |
| The Corporation recognizes that disrupting the ecosystem and protected habitats can lead to the extinction of species and climate-related risks. | Employees, management, customers        | The Corporation conducts feasibility studies to determine potential development regions. Evaluation of whether benefits outweigh costs is part of the study. The general state of the land being assessed, the area's demographic location, as well as whether the region is close to places with a high value for biodiversity or protected areas, are all things that are taken into account.  |

| What are the Opportunity/ies Identified?   | Which stakeholders are affected? | Management Approach   |
|--|----------------------------------|---|
| The Corporation recognizes opportunities in actively participating in the preservation and restoration of protected habitats and endangered species. | Employees, management, customers | The Corporation promotes the general well-being of its stakeholders ensuring that it plays its role in the preservation of the environment. |

## Environmental impact management

### Air Emissions

#### GHG

| Disclosure                                    | Quantity* | Units                    |
|---|-----------|--------------------------|
| Direct (Scope 1) GHG Emissions                | 1,364     | Tonnes CO <sub>2</sub> e |
| Energy Indirect (Scope 2) GHG Emissions       | 3,324     | Tonnes CO <sub>2</sub> 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. |
|---|--------------------------|---|

#### Air pollutants

| Disclosure                           | Quantity     | Units |
|--------------------------------------|--------------|-------|
| NO <sub>x</sub>                      | Not measured | Kg    |
| SO <sub>x</sub>                      | 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  |
|--|---|--|
| One of SLI's goals is to care for the environment by managing garbage properly. Within the SLI-managed and -controlled sites, proper waste management practices are strictly adhered to. The Corporation is currently carrying out a systematic procedure of gathering waste and ensuring that it is properly disposed of, while properly segregating the waste and delivering it to locations that are suitable for disposal. | Local contractors, employees and management | The Corporation is in charge of managing the proper segregation and disposal of its solid waste. The Corporation is able to assess its environmental impact by ongoing monitoring and documentation of the volume it produces.                 |
| 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 analyze and assess in order 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. |

#### 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 |
|---|----------------------------------|---------------------|
|   |                                  |                     |

| <p>The Corporation is required to comply with environmental laws and regulations in the course of its business.</p> | <p>Management</p>                              | <p>In the course of conducting business as usual, the Company has made an effort to meet and beyond all legislative and regulatory requirements for environmental compliance. All projects are evaluated for their environmental impact in accordance with the Corporation's commitment to sustainable development, and where appropriate, they are covered by an Environmental Compliance Certificate ("ECC") issued by the Department of Environment and Natural Resources prior to construction or expansion. As of now, the Corporation complies with all applicable environmental laws.</p> |
|---|--|--|
| <p><b>What are the Risk/s Identified?</b></p>   | <p><b>Which stakeholders are affected?</b></p> | <p><b>Management Approach</b></p>  |
| <p>Non-compliance with such laws may negatively affect the financial performance of the Corporation.</p>            | <p>Management</p>                              | <p>In its regular course of business, the Corporation has made an effort to meet and beyond all legislative and regulatory criteria on environmental compliance. According to the Corporation's commitment to sustainable development, all projects are evaluated for their environmental impact before they are built or expanded, and, if relevant, they are covered by an ECC granted by the Department of Environment and Natural Resources. The Corporation has so far complied with all applicable environmental laws.</p>   |

| 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 |
|--|----------|-------|
| <b>Total Number of Employees</b>                   |          |       |
| Female Employees                                   | 146      | #     |
| Male Employees                                     | 79       | #     |
| Attrition Rate                                     | 10.28%   | 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   | 5%   | 4%   |
| PhilHealth                               | Y   | 14%  | 10%  |
| Pag-ibig                                 | Y   | 0%   | 0%   |
| Parental leaves                          | Y   | 100%   | 100%   |
| 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                   | N   | N/A  | N/A  |
| (Others)                                 |     |  |  |

| What is the impact and where does it occur? What is the organization's involvement in the impact?   | Management Approach   |
|---|---|
| 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>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</p> |

|   |   |
|---|---|
|   | <p>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> |
| <b>What are the Risk/s Identified?</b>  | <b>Management Approach</b>  |
| High attrition rates may negatively impact productivity in the workforce.   | The Corporation values its employees and strives to promote good working conditions and work culture.   |
| <b>What are the Opportunity/ies Identified?</b>   | <b>Management Approach</b>  |
| The Corporation recognizes the opportunity to increase its engagement with its employees to identify issues and areas of improvement. | The Corporation implements measures to identify employee concerns and get feedback to improve working conditions.   |

#### Employee Training and Development

| Disclosure                                   | Quantity | Units          |
|--|----------|----------------|
| Total training hours provided to employees   |          |                |
| a. Female employees                          | 1,024    | Hours          |
| b. Male employees                            | 540      | Hours          |
| Average training hours provided to employees |          |                |
| a. Female employees                          | 7.01     | Hours/employee |
| b. Male employees                            | 6.84     | Hours/employee |

|  |   |
|--|---|
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>   | <b>Management Approach</b>  |
| The Corporation supports the development of its workers' talents so they can advance professionally and contribute to the organization's overarching objectives. The Corporation offers trainings and chances for people to improve their knowledge and abilities. New hires receive direct assistance from seasoned workers to help them develop professionally and advance within the company. | <p>By offering training and seminars to all of its employees, the corporation promotes the professional development of its staff members.</p> <p>Employees participate in or are sent to specialized training courses based on their work assignments and employee development plans.</p> |

|   |   |
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|   |   |
| <b>What are the Risk/s Identified?</b>  | <b>Management Approach</b>  |
| The Corporation recognizes the business risks resulting from the stagnant development of its employees, which may affect its financial performance.             | <p>Through training and seminars, the corporation helps all of its employees advance their talents and careers.</p> <p>Employees either participate in or are assigned to specialized training courses, depending on their work assignment and employee development plans.</p>                        |
| <b>What are the Opportunity/ies Identified?</b>   | <b>Management Approach</b>  |
| The Corporation recognizes opportunities for growth for its employees that will contribute to the overall success and financial performance of the Corporation. | <p>The Corporation supports the development of its employees' skills and professional growth by providing training and seminars to all of its employees.</p> <p>Depending on their work assignment and employee development plans, employees undergo or are sent to specialized training courses.</p> |

#### Labor-Management Relations

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

|   |  |
|---|--|
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>                          | <b>Management Approach</b>   |
| 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. |
| <b>What are the Risk/s Identified?</b>  | <b>Management Approach</b>   |
| 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.  |
| <b>What are the Opportunity/ies Identified?</b>   | <b>Management Approach</b>   |
| 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                                      | 64.89%   | %     |
| % of male workers in the workforce  | 35.11%   | %     |
| 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).

|  |   |
|--|---|
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>   | <b>Management Approach</b>  |
| 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. |
| <b>What are the Risk/s Identified?</b>   | <b>Management Approach</b>  |
| 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. |
| <b>What are the Opportunity/ies Identified?</b>  | <b>Management Approach</b>  |
| 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           | 1   | # |

| What is the impact and where does it occur? What is the organization's involvement in the impact?   | Management Approach   |
|---|---|
| <p>The Corporation is dedicated to giving its employees a safe working environment and makes sure that it comes first. The Corporation ensures that employees do not engage in work activities that increase the risk of contracting a certain disease or having an accident.</p> <p>The Corporation makes sure that safety precautions are always in place and that all employees are physically fit for their occupations, able to do them, healthy, and, if necessary, receiving medical assistance.</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 |
|--------------|---|--------------------------|

|   |  |
|---|--|
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>  | <b>Management Approach</b>   |
| The Corporation did not have any incidents relating to violations of labor laws and human rights in 2022.   | The Corporation is compliant with all relevant laws, regulations and codes of best business practices. |
| <b>What are the Risk/s Identified?</b>  | <b>Management Approach</b>   |
| 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. |
| <b>What are the Opportunity/ies Identified?</b>   | <b>Management Approach</b>   |
| 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 reputation of the Corporation is impacted by our suppliers' adherence to human rights, anti-corruption, and environmental laws.  | The Corporation creates a strong collaboration with its suppliers so that they may understand how important the company is to them and do their best efforts to deliver the best service. The Corporation prioritizes getting the most for every penny spent. Choosing suppliers includes deciding who offers dependability and quality through the goods and services they give. |
| 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  | Local businesses benefit from SLI's preference for using regional suppliers for its project developments. Additionally, it creates employment opportunities for the surrounding community by incorporating commercial sectors into its developments. |

\*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. | <p>The Corporation has committed itself to be a catalyst for change in contributing to a more productive 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> |
| <b>What are the Opportunity/ies Identified?</b>   | <b>Management Approach</b>   |
| The Corporation recognizes opportunities in supporting and creating a positive impact on local communities.                         | <p>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.</p>   |

## Customer Management

### Customer Satisfaction

| Disclosure   | Score   | Did a third party conduct the customer satisfaction study (Y/N?) |
|--|---|--|
| Customer Satisfaction  | 82 %  | N  |
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>   | <b>Management Approach</b>  |  |
| Customer satisfaction is a significant factor in determining whether the organization has achieved its goal of building sustainable communities. | The Corporation has established a clear customer service group with the aim of ensuring that the best |  |

|  |  |
|--|--|
|  | services are provided not only to its present clients but also for all of its stakeholders, including those potential clients, in order to achieve high customer satisfaction.   |
| <b>What are the Risk/s Identified?</b>   | <b>Management Approach</b>   |
| 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.                                |
| <b>What are the Opportunity/ies Identified?</b>  | <b>Management Approach</b>   |
| 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.

|   |   |
|---|---|
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>  | <b>Management Approach</b>  |
| In the stages of planning, building, and operation, the Corporation makes sure that none of its developments endanger the health and safety of its clients. | One of the Corporation's top concerns is the health and safety of its clients. These aspects are taken into consideration during the planning, building, and operation of the Corporation's developments. |
| <b>What are the Risk/s Identified?</b>  | <b>Management Approach</b>  |
| The Corporation is aware of the reputational danger and financial repercussions of creating   | One of the Corporation's top concerns is the health and safety of its clients. These aspects are taken  |

|   |  |
|---|--|
| inferior initiatives that can put its clients' health and safety at risk.   | into consideration during the planning, building, and operation of the Corporation's developments.   |
| <b>What are the Opportunity/ies Identified?</b>   | <b>Management Approach</b>   |
| 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.

|   |   |
|---|---|
| <b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>                                    | <b>Management Approach</b>  |
| 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. |
| <b>What are the Risk/s Identified?</b>  | <b>Management Approach</b>  |
| 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. |
| <b>What are the Opportunity/ies Identified?</b>   | <b>Management Approach</b>  |
| 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. |

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#### 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 <a href="https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf">https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf</a> |
| 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 <a href="https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf">https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf</a> |
| 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 <a href="https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf">https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf</a> |

#### 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 2022.   | The Corporation has put in place organizational, physical and technical security measures to protect the |



|  |   |
|--|---|
|  | <p>personal information of its customers, such as:</p> <ol style="list-style-type: none"> <li>1. Use of secured servers, firewalls, encryptions and other latest security tools.</li> <li>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.</li> <li>3. Maintaining a secured server operating environment by performing regular security patch update and server hardening.</li> </ol> <p>The Data Privacy Policy of the Corporation is available at <a href="https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf">https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf</a></p> |
| <b>What are the Risk/s Identified?</b>   | <b>Management Approach</b>  |
| 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 <a href="https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf">https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf</a>  |
| <b>What are the Opportunity/ies Identified?</b>  | <b>Management Approach</b>  |
| 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 <a href="https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf">https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf</a>  |

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Corporation ensures that management adheres to and supports the UN Sustainable Development Goals (SDGs). In order to identify significant issues and themes that have a direct bearing on the interests of its stakeholders, the Corporation continuously evaluates its influence on the economy, environment, and community.

Championing SDG 11 (Sustainable Cities and Communities), the Corporation seeks to significantly contribute to the development of inclusive, secure, resilient, and sustainable cities and communities through its vast landbanking activities in the Philippines. The Corporation's expansion approach has aided in nation-building through increasing community opportunities. Large-scale construction projects in many parts of the nation have benefited the neighborhood by emphasizing local suppliers and labor. In places where the Corporation is present, its ongoing development has created employment and commercial opportunities, which helped the local economy. These effects are consistent with SDGs 1 (No Poverty), 8 (Decent Work and Economic Growth), and 10 (Reduced Inequalities).

In addition to creating sustainable communities, SLI-developed projects were made to enhance the wellbeing of their stakeholders. By its amenities and features, each project that has been established has been created to offer families leisure and recreational activities. Some of the amenities offered include exclusive usage to modern clubhouses, swimming pools, and sports facilities. To guarantee the safety and security of its stakeholders around-the-clock, strict procedures are also used. These are aligned to promote SDG 3 (Good Health and Well-being) and SDG 6 (Clean Water and Sanitation).

SLI advertises its dedication to protecting the environment. In project developments, the Corporation's influence on biodiversity is evaluated, and rigorous adherence to environmental rules is guaranteed. The stress and dangers of the environment are also taken into account while designing projects. Future project locations are thoroughly examined to ensure that they are the most appropriate for the region. SLI fortifies its locations to guarantee speedy recoveries in the event of environmental hardship. SDG 13 (Climate Action), SDG 14 (Life Below Water), and SDG 15 (Life on Land) are all supported by these.

In order to help the SDGs be achieved, SLI actively works to include stakeholders. The company's perspective on sustainability is centered on the accomplishment of its commitments and activities aimed at creating a sustainable community and a sustainable future.

### 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  | Projects developed by SLI were intended to create sustainable communities. | In addition to the Corporation's continuing | No material negative impacts identified. |

|   |   |   |  |
|---|---|---|--|
|   | <p>Each property that has been developed has been planned with features and amenities to offer families leisure and recreational activities.</p> <p>Among the amenities provided are the sole use of cutting-edge clubhouses, swimming pools, and sports facilities. Tight precautions are also used to guarantee the safety and security of the stakeholders around-the-clock.</p> | <p>expansion outside of the Metro and its goal to increase its footprint throughout the Philippines, it is aware of its effects on the ecology and biodiversity of the local communities where it operates. It acknowledges that the progress of the project could have the following unfavorable effects:</p>                  |  |
| Commercial Spaces in Residential Developments | <p>Homeowners have access to nearby goods and services because to the company's integrated commercial districts, which also give business owners a way to reach a crucial demographic market.</p> <p>These changes also aid in boosting local economic activity by increasing the number of prospective clients for nearby businesses and creating job possibilities.</p>           | <p>1. potential displacement of the local community and nature;<br/> 2. an increase in the area's population, which has an impact on the demand for and use of water and energy;<br/> 3. influence on the area's air quality;<br/> and<br/> 4. contamination increase in waste volume brought on by increasing consumption.</p> | No material negative impacts identified. |
| Hotel Rooms                                   | <p>Tourists who bring money into the communities where SLI operates can stay in reasonably priced, high-quality accommodations.</p>   | <p>Nonetheless, the Corporation makes steps to reduce the impact on the ecology and any protected habitats, as well as to safeguard local populations' biodiversity.</p>  | No material negative impacts identified. |
| Office Spaces                                 | <p>Since then, SLI is offering appropriate spaces. With the aid of its recently developed Sta. The Lucia Business Center serves as a location where companies may establish and expand, which</p>   |   | No material negative impacts identified. |

|             |   |  |  |
|-------------|---|--|--|
|             | helps to generate new jobs and boost local economies.   |  |  |
| Mall Spaces | <p>SLI has developed a location where stakeholders profit from mall foot traffic. It enables both local and foreign businesses to expand and reach vital markets.</p> <p>Individuals nearby have easy access to high-quality goods that satisfy their needs for food, medication, clothing, and other necessities that enhance their quality of life.</p> |  | No material negative impacts identified. |

When it comes to development, the Corporation emphasizes its obligations to protect the environment and the community. The Corporation will keep promoting environmentally friendly methods for attaining its goals and will continue to be proactive in looking for new, creative ways to lessen or reduce its effects.



## 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, 2022 and December 31, 2021**, 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

27 APR 2023

**SUBSCRIBE AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023,  
affiant exhibiting to me their government issued IDs, to wit:

| Name               | Government I.D.         | Date/Place Issued        |
|--------------------|-------------------------|--------------------------|
| Vicente R. Santos  | Passport No.: P7782826A | 03 Jul 2018/DFA NCR East |
| Exequiel D. Robles | Passport No.: P9712352B | 22 Apr 2022/DFA NCR West |
| David M. Dela Cruz | Passport No.: P0146708B | 08 Jan 2019/DFA-NCR East |

Doc. No. 172 :  
Page 36 :  
Book No. 1711 :  
Series of 2023



**JERRY S. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2024  
Appointment No. 0257-23  
Roll Number 47018  
IBP No. 259009/01.03.2023/RSM  
PTR No. 5102600/01.03.2023/Mandaluyong  
NCR Compliance No. 0026012/02.06.2023  
Office: Sales Center II Bldg.  
Ortigas Avenue, Mandaluyong City



# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0 0 0 3 1 0 5 0

## COMPANY NAME

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

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

P e n t h o u s e B 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

Department requiring the report

S E C

Secondary License Type, If Applicable

N / A

## COMPANY INFORMATION

Company's Email Address

www.stalucialand.com.ph

Company's Telephone Number

8681-7322

Mobile Number

N/A

No. of Stockholders

263

Annual Meeting (Month / Day)

Third Friday of June

Fiscal Year (Month / Day)

12/31

## CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

David M. Dela Cruz

Email Address

dmdelacruz@stalucialand.com.ph

Telephone Number/s

8681-7322

Mobile Number

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 exclude 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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 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 2022 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 and Cost 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) determination of the transaction price; and (3) application of the output method as the measure of progress in determining real estate revenue; 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 (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as payment history of 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 determining the transaction price, the Group considers the selling price of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties.

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 monthly 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 cancellations.

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 coronavirus 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. 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, 2022 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, 2022 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 the 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 a manner that achieves fair presentation.
- 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.

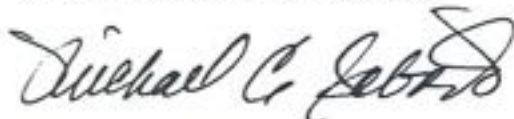
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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. 89336-SEC (Group A)

Valid to cover audit of 2022 financial statements of SEC covered institutions

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. 9564691, January 3, 2023, Makati City

April 26, 2023





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

|  | December 31     |                 |
|--|-----------------|-----------------|
|  | 2022            | 2021            |
| <b>ASSETS</b>  |                 |                 |
| <b>Current Assets</b>  |                 |                 |
| Cash and cash equivalents (Notes 5 and 27)   | P3,343,677,036  | P1,946,959,536  |
| Receivables (Notes 6, 19 and 27)   | 3,990,456,340   | 3,023,669,438   |
| Contract assets (Notes 4 and 6)  | 2,112,173,482   | 1,464,882,887   |
| Real estate inventories (Notes 2 and 7)  | 31,650,084,686  | 28,905,439,207  |
| Other current assets (Note 8)  | 3,815,558,984   | 4,782,876,249   |
| Total Current Assets   | 44,911,950,528  | 40,123,827,317  |
| <b>Noncurrent Assets</b>   |                 |                 |
| Installment contracts receivables - net of current portion (Notes 6 and 27)                | 1,172,309,066   | 1,860,897,262   |
| Contract assets - net of current portion (Notes 4 and 6)                                   | 3,046,723,304   | 2,651,443,660   |
| Investment properties (Note 10)  | 6,330,337,713   | 5,868,209,371   |
| Property and equipment (Note 11)   | 67,571,103      | 49,687,977      |
| Financial assets at fair value through other comprehensive income (FVOCI) (Notes 9 and 27) | 657,295,971     | 682,616,263     |
| Pension asset (Note 20)  | -               | 1,076,788       |
| Other noncurrent assets (Note 8)   | 1,224,161,836   | 755,524,767     |
| Total Noncurrent Assets  | 12,498,398,993  | 11,869,456,088  |
|  | P57,410,349,521 | P51,993,283,405 |
| <b>LIABILITIES AND EQUITY</b>  |                 |                 |
| <b>Current Liabilities</b>   |                 |                 |
| Short-term debt (Notes 14 and 27)  | P9,572,141,043  | P8,525,270,554  |
| Accounts and other payables (Notes 12, 19 and 27)  | 6,106,781,812   | 6,752,999,214   |
| Income tax payable   | 94,372,446      | 98,572,462      |
| Contract liabilities - current portion (Notes 4, 6 and 13)                                 | 1,966,135,481   | 2,577,522,263   |
| Long-term debt - current portion (Note 14)   | 3,385,582,585   | 1,812,179,326   |
| Total Current Liabilities  | 21,125,013,367  | 19,766,543,819  |
| <b>Noncurrent Liabilities</b>  |                 |                 |
| Long-term debt - net of current portion (Notes 14 and 27)                                  | 9,776,242,071   | 9,014,844,974   |
| Contract liabilities - net of current portion (Notes 4, 6 and 13)                          | 818,162,954     | 1,238,959,224   |
| Deferred tax liabilities - net (Note 24)   | 2,636,778,402   | 1,901,405,581   |
| Retirement liabilities (Note 20)   | 9,552,922       | -               |
| Total Noncurrent Liabilities   | 13,240,736,349  | 12,155,209,779  |
| Total Liabilities  | 34,365,749,716  | 31,921,753,598  |
| <b>Equity</b>  |                 |                 |
| Capital stock (Note 15)  | 10,796,450,000  | 10,796,450,000  |
| Additional paid-in capital   | 580,004,284     | 330,004,284     |
| Retained earnings (Notes 2 and 15)   | 13,066,783,882  | 10,358,490,331  |
| Treasury shares (Note 15)  | (1,600,000,000) | (1,640,000,000) |
| Net unrealized gain on fair value of financial assets at FVOCI (Note 9)                    | 200,540,223     | 225,860,515     |
| Remeasurement gains on pension - net of tax (Note 20)                                      | 821,416         | 724,677         |
| Total Equity   | 23,044,599,805  | 20,071,529,807  |
|  | P57,410,349,521 | P51,993,283,405 |

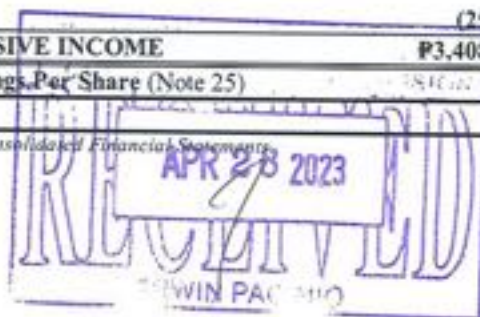
See accompanying Notes to Consolidated Financial Statements



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

|  | Years Ended December 31 |                       |                       |
|--|-------------------------|-----------------------|-----------------------|
|  | 2022                    | 2021                  | 2020                  |
| <b>REVENUE</b>   |                         |                       |                       |
| Real estate sales (Notes 4, 13, 21 and 22)   | P7,789,770,885          | P6,827,172,459        | P5,383,079,540        |
| Rental income (Notes 2, 10, 22 and 23)   | 771,276,745             | 465,863,634           | 447,539,287           |
| Interest income on receivables and contract assets (Note 16)                                     | 573,312,286             | 517,588,597           | 475,538,665           |
| Commission income  | 82,790,717              | 141,640,278           | 91,526,979            |
| Other revenue (Note 16)  | 649,622,589             | 407,559,357           | 354,844,435           |
|  | <b>9,866,773,222</b>    | <b>8,359,824,325</b>  | <b>6,752,528,906</b>  |
| <b>OTHER INCOME</b>  |                         |                       |                       |
| Interest income on cash in banks and investments (Note 5, 8 and 16)                              | 8,879,654               | 2,183,421             | 4,254,707             |
| Dividend income (Note 9)   | 7,157,683               | 8,720,000             | 9,202,279             |
|  | <b>16,037,337</b>       | <b>10,903,421</b>     | <b>13,456,986</b>     |
|  | <b>9,882,810,559</b>    | <b>8,370,727,746</b>  | <b>6,765,985,892</b>  |
| <b>COST OF SALES AND SERVICES</b>  |                         |                       |                       |
| Cost of real estate sales (Notes 7, 21 and 22)   | 1,946,427,701           | 1,953,692,295         | 2,025,251,641         |
| Cost of rental income (Notes 2, 10, 17 and 22)   | 600,515,213             | 371,408,626           | 281,203,056           |
|  | <b>2,546,942,914</b>    | <b>2,325,100,921</b>  | <b>2,306,454,697</b>  |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>   |                         |                       |                       |
| Commissions  | 855,313,918             | 797,478,931           | 622,045,846           |
| Taxes, licenses and fees   | 166,586,475             | 183,093,613           | 99,410,726            |
| Salaries and wages and other benefits (Notes 19 and 20)  | 140,032,582             | 99,464,784            | 85,024,174            |
| Repairs and maintenance  | 117,352,118             | 85,772,220            | 41,053,548            |
| Representation   | 78,515,314              | 73,655,533            | 48,995,547            |
| Advertising  | 60,256,217              | 62,878,315            | 68,721,678            |
| Transportation, travel, office supplies and miscellaneous  | 59,979,267              | 68,652,913            | 30,322,764            |
| Professional fees  | 21,227,476              | 28,878,031            | 16,403,046            |
| Depreciation and amortization (Note 11)  | 20,178,920              | 17,438,644            | 21,661,127            |
| Legal expense  | 18,861,348              | 9,875,222             | 11,066,548            |
| Utilities  | 18,173,652              | 9,334,825             | 6,925,050             |
| Surcharges and penalties   | 17,635,344              | 23,562,299            | 3,649,063             |
| Insurance expense  | 6,087,905               | 6,111,778             | 6,125,347             |
| Software maintenance   | 2,554,107               | 9,308,042             | 4,453,482             |
| Provision for (Recovery from) expected credit loss (Note 6)                                      | (16,005,344)            | 8,144,996             | 1,350,074             |
|  | <b>1,566,749,299</b>    | <b>1,483,650,146</b>  | <b>1,067,208,020</b>  |
| <b>INTEREST EXPENSE</b> (Notes 14 and 18)  | <b>1,218,956,931</b>    | <b>1,051,174,591</b>  | <b>993,299,139</b>    |
| <b>INCOME BEFORE INCOME TAX</b>  | <b>4,550,161,415</b>    | <b>3,510,802,088</b>  | <b>2,399,024,036</b>  |
| <b>PROVISION FOR INCOME TAX</b> (Note 24)  | <b>1,116,632,198</b>    | <b>670,959,888</b>    | <b>691,077,749</b>    |
| <b>NET INCOME</b>  | <b>3,433,529,217</b>    | <b>2,839,842,200</b>  | <b>1,707,946,287</b>  |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                         |                       |                       |
| 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)                            | (25,320,292)            | (138,831,962)         | (126,727,310)         |
| Remeasurement gains on pension - net of tax (Note 20)  | 96,739                  | 562,223               | 2,601,260             |
|  | <b>(25,223,553)</b>     | <b>(138,269,739)</b>  | <b>(124,126,050)</b>  |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <b>P3,408,305,664</b>   | <b>P2,701,572,461</b> | <b>P1,583,820,237</b> |
| <b>Basic/Diluted Earnings Per Share</b> (Note 25)  | <b>P0.42</b>            | <b>P0.35</b>          | <b>P0.21</b>          |

See accompanying Notes to Consolidated Financial Statements.





STA. LUCIA LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 and 2020

|   | Capital stock<br>(Note 15) | Additional<br>paid-in capital<br>(Note 15) | Retained earnings<br>(Note 15) | Treasury shares<br>(Note 15) | Net unrealized gain<br>(loss) on fair value<br>of financial assets<br>at FVOCI<br>(Note 9) | Remeasurement<br>gains (losses) on<br>pension - net<br>of tax (Note 20) | Total           |
|---|----------------------------|--|--------------------------------|------------------------------|--|---|-----------------|
| For the Year Ended December 31, 2022  |                            |  |                                |                              |  |   |                 |
| Balances as of January 1, 2022  | P10,796,450,000            | P330,004,284                               | P10,358,490,331                | (P1,640,000,000)             | P225,860,515   | P724,677  | P20,071,529,807 |
| Adoption of IFRS - Agenda Decision on Over Time<br>Transfer of Constructed Goods PAS 23 | -                          | -  | (393,377,666)                  | -                            | -  | -   | (393,377,666)   |
| Borrowing Cost (Notes 2, 7 and 15)  | 10,796,450,000             | 330,004,284                                | 9,965,112,665                  | (1,640,000,000)              | 225,860,515  | 724,677   | P19,678,152,141 |
| As adjusted   | -                          | -  | -                              | -                            | -  | -   | -               |
| Comprehensive income (loss)   | -                          | -  | 3,433,529,217                  | -                            | -  | -   | 3,433,529,217   |
| Net income  | -                          | -  | -                              | -                            | (25,320,292)   | 96,739  | (25,223,553)    |
| Other comprehensive income (loss)   | -                          | -  | -                              | -                            | (25,320,292)   | 96,739  | 3,408,305,664   |
| Total comprehensive income (loss)   | -                          | -  | 3,433,529,217                  | -                            | -  | -   | 290,000,000     |
| Reissuance of treasury shares   | -                          | 250,000,000                                | -                              | 40,000,000                   | -  | -   | (331,858,000)   |
| Dividend declaration  | -                          | -  | (331,858,000)                  | -                            | -  | -   | -               |
| Balances as of December 31, 2022  | P10,796,450,000            | P580,004,284                               | P13,066,783,882                | (P1,600,000,000)             | P200,540,223   | P821,416  | P23,044,599,805 |
| For the Year Ended December 31, 2021  |                            |  |                                |                              |  |   |                 |
| Balances as of January 1, 2021  | P10,796,450,000            | P330,004,284                               | P7,846,506,131                 | (P1,640,000,000)             | P364,692,477   | P162,454  | P17,697,815,346 |
| Comprehensive income (loss)   | -                          | -  | 2,839,842,200                  | -                            | -  | -   | 2,839,842,200   |
| Net income  | -                          | -  | -                              | -                            | (138,831,962)  | 562,223   | (138,269,739)   |
| Other comprehensive income (loss)   | -                          | -  | -                              | -                            | (138,831,962)  | 562,223   | 2,701,572,461   |
| Total comprehensive income (loss)   | -                          | -  | 2,839,842,200                  | -                            | -  | -   | (327,858,000)   |
| Dividend declaration  | -                          | -  | (327,858,000)                  | -                            | -  | -   | -               |
| Balances as of December 31, 2021  | P10,796,450,000            | P330,004,284                               | P10,358,490,331                | (P1,640,000,000)             | P225,860,515   | P724,677  | P20,071,529,807 |
| For the Year Ended December 31, 2020  |                            |  |                                |                              |  |   |                 |
| Balances as of January 1, 2020  | P10,796,450,000            | P330,004,284                               | P6,138,559,844                 | (P1,640,000,000)             | P491,419,787   | (P2,438,806)  | P16,113,995,109 |
| Comprehensive income (loss)   | -                          | -  | 1,707,946,287                  | -                            | -  | -   | 1,707,946,287   |
| Net income  | -                          | -  | -                              | -                            | (126,727,310)  | 2,601,260   | (124,126,050)   |
| Other comprehensive income (loss)   | -                          | -  | -                              | -                            | (126,727,310)  | 2,601,260   | 1,583,820,237   |
| Total comprehensive income (loss)   | -                          | -  | 1,707,946,287                  | -                            | -  | -   | P162,454        |
| Balances as of December 31, 2020  | P10,796,450,000            | P330,004,284                               | P7,846,506,131                 | (P1,640,000,000)             | P364,692,477   | P162,454  | P17,697,815,346 |

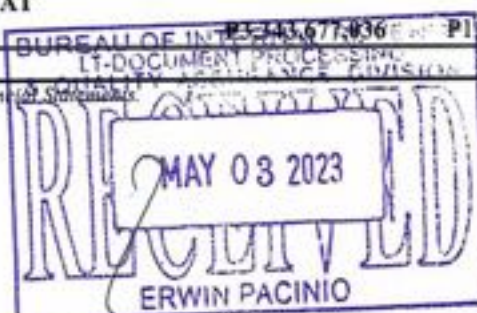
See accompanying Notes to Consolidated Financial Statements.



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

|   | Years Ended December 31 |                       |                     |
|---|-------------------------|-----------------------|---------------------|
|   | 2022                    | 2021                  | 2020                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                         |                       |                     |
| Income before income tax                                    | P4,550,161,415          | P3,510,802,088        | P2,399,024,036      |
| Adjustments for:  |                         |                       |                     |
| Interest expense (Notes 14 and 18)                          | 1,218,956,931           | 1,051,174,591         | 993,299,139         |
| Depreciation and amortization (Notes 10, 11 and 17)         | 157,559,520             | 154,695,755           | 145,761,856         |
| Retirement expense (Note 20)                                | 12,758,697              | 1,001,372             | 1,371,671           |
| Dividend income (Note 9)                                    | (7,157,683)             | (8,720,000)           | (9,202,279)         |
| Gain on repossession of inventories (Notes 7 and 16)        | (261,047,824)           | (136,347,823)         | (94,277,405)        |
| Interest income (Notes 5, 6 and 16)                         | (582,191,940)           | (519,772,018)         | (479,793,372)       |
| Operating income before changes in working capital          | 5,089,039,116           | 4,052,833,965         | 2,956,183,646       |
| Changes in working capital:                                 |                         |                       |                     |
| Decrease (increase) in:                                     |                         |                       |                     |
| Receivables (Notes 6, 27 and 28)                            | (328,007,983)           | (329,419,722)         | (1,453,947,443)     |
| Contract assets (Notes 4, 6 and 27)                         | (1,042,570,239)         | (1,268,450,546)       | 12,659,106          |
| Real estate inventories (Notes 7, 27 and 28)                | (3,008,101,210)         | (3,699,615,464)       | (2,859,722,128)     |
| Other current assets (Notes 8 and 28)                       | 967,317,265             | 618,112,412           | (564,952,240)       |
| Increase (decrease) in:                                     |                         |                       |                     |
| Accounts and other payables (Notes 12 and 28)               | (660,165,236)           | 1,462,217,384         | 607,865,921         |
| Contract liabilities (Notes 4 and 6)                        | (1,032,183,052)         | (154,697,375)         | 513,563,202         |
| Net cash generated from (used in) operations                | (14,671,339)            | 680,980,654           | (788,349,936)       |
| Interest received   | 632,001,216             | 473,293,670           | 346,632,468         |
| Income taxes paid   | (254,365,751)           | (201,388,081)         | (166,197,515)       |
| Contribution to plan asset (Note 20)                        | (2,000,000)             | (1,000,000)           | (4,000,000)         |
| Net cash provided by (used in) operating activities         | 360,964,126             | 951,886,243           | (611,914,983)       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                         |                       |                     |
| Additions to:   |                         |                       |                     |
| Investment properties (Notes 10 and 28)                     | (598,902,242)           | (281,250,768)         | (229,565,126)       |
| Property and equipment (Notes 11 and 28)                    | (38,668,746)            | (13,726,041)          | (17,917,382)        |
| Increase in other noncurrent assets                         | (468,637,069)           | (190,244,649)         | (203,550,912)       |
| Dividends received  | 7,157,683               | 8,720,000             | 3,686,939           |
| Net cash used in investing activities                       | (1,099,050,374)         | (476,501,458)         | (447,346,481)       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                         |                       |                     |
| Proceeds from loans, net of transaction costs (Note 14)     | 21,768,848,000          | 17,736,499,998        | 6,503,481,687       |
| Payment of loans (Note 14)                                  | (18,427,727,512)        | (15,615,950,000)      | (4,342,699,333)     |
| Payment of interest (including capitalized borrowing costs) | (1,178,406,574)         | (1,210,874,190)       | (1,079,781,564)     |
| Dividend paid (Note 15)                                     | (331,858,000)           | (327,858,000)         | -                   |
| Reissuance of treasury shares (Note 15)                     | 290,000,000             | -                     | -                   |
| Increase (decrease) in payable to related parties           | 13,947,834              | (53,063,560)          | 17,713,026          |
| Net cash provided by financing activities                   | 2,134,803,748           | 528,754,248           | 1,098,713,816       |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>            | <b>1,396,717,500</b>    | <b>1,004,139,033</b>  | <b>39,452,352</b>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>       | <b>1,946,959,536</b>    | <b>942,820,503</b>    | <b>903,368,151</b>  |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)</b>    | <b>P3,343,677,036</b>   | <b>P1,946,959,536</b> | <b>P942,820,503</b> |

See accompanying Notes to Consolidated Financial Statements





# **STA. LUCIA LAND, INC. AND SUBSIDIARIES**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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### **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 80.77% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company).

#### Approval of Consolidated Financial Statements

The consolidated financial statements as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 were approved and authorized for issue by the BOD on April 26, 2023.

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### **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.



### Statement of Compliance

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. Treatment of uninstalled materials in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E (as amended by PIC Q&A 2020-04)
- b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D

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, 2022 and 2021, and for each of the three years in the period ended December 31, 2022.

A subsidiary is an entity which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights



The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following wholly-owned subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

|                                 | % of Ownership |
|---------------------------------|----------------|
| Sta. Lucia Homes, Inc. (SLHI)   | 100.00%        |
| Santalucia Ventures, Inc. (SVI) | 100.00%        |

#### Adoption of New and Amended Accounting Standards and Interpretation

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS and PAS which became effective beginning January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Except as otherwise indicated, the adoption has no significant impact to the consolidated financial statements.

- *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 Group did not avail of the deferral of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (Philippine Accounting Standards 23, Borrowing Cost) for Real Estate industry. The SEC deferral is allowed until December 31, 2023. The Group adopted as at January 1, 2022 the provisions using the modified retrospective approach.

As a result of the adoption, the Group adjusted the previously capitalized borrowing costs on inventories with a reduction in the beginning retained earnings amounting to ₱524.50 million, and reduction of real estate inventories amounting to ₱393.38 million, and the related deferred tax liability amounting ₱131.12 million (see Notes 7 and 15).



- 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.

- 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.

- 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.

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippine 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.

- 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.



- 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.

#### Future Changes in Accounting Policy

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, 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.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments require the seller-lessee in a sale and leaseback transaction to determine the “lease payments” or “revised lease payments” in a way that the seller-lessee would not recognize any amount of gain or loss that relates to the right of use retained by the seller-lessee.

Seller-lessee in a sale and leaseback transaction is not prevented from recognizing in profit and loss any gain or loss relating to partial or full termination of lease as required by par 46(a) of PFRS 16.

*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. Treatment of uninstalled materials in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E (as amended by PIC Q&A 2020-04) | 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.

*Treatment of uninstalled materials in the determination of percentage of completion (POC)*

The adoption of PIC Q&A No. 2018-12-E (as amended by PIC Q&A 2020-04) is not expected to have significant impact to the consolidated financial statements.





## 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 (see Note 4).

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, 2022 and 2021, the Group's financial assets comprise of financial assets at amortized cost and financial assets at FVOCI.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

*Financial assets at amortized cost*

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as interest income in the consolidated statement of comprehensive income.

The Group classified cash and cash equivalents, installment contracts receivables and other receivables, short term investment, 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). The Groups installment contracts receivable are interest bearing and with payment terms ranging from 5 to 15 years.

*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, 2022 and 2021, the Group does not have financial assets at FVTPL.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### *Reclassification of financial assets*

The Group can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Group is required to reclassify the following financial assets:

- from amortized cost to FVTPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- from FVTPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVTPL at initial recognition is not permitted. A change in the objective of the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

#### 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### *Determining the stage for impairment*

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

#### *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, 2022 and 2021, 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 and recognized at the prevailing market price. The repossessed properties are included in the “Real Estate Inventories” account in the consolidated statement of financial position. Any gain or loss arising from the fair valuation of the repossessed properties are included in the “Others” account presented under revenue under the consolidated statement of comprehensive income. 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 in 2021 and prior years (see Note 7), planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Starting 2022, the Group adopted PIC Q&A 2018-12 using modified retrospective approach as provided under the SEC Memorandum Circular No. 8, series of 2021. The Group adjusted the previously capitalized borrowing costs on inventories. The Group recognized the impact of the change with a reduction in the beginning retained earnings and real estate inventories amounting to ₱393.38 million and ₱524.50 million, respectively (see Notes 7 and 15).

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, 2020.

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, 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.

#### Unearned Income

Unearned income refers to collections from buyers intended to cover the related cost for the processing of transfer of title and registration of properties of buyers that is to be performed upon full payment of the contract price. Income is recognized when earned performance obligation is satisfied.



### 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. Retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

#### 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 less any incidental costs, 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 monthly 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.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The transaction price includes interest which are accounted separately as interest income and reported under "Others" under revenue.

The Group's unconditional right to an amount of consideration is recognized as "installment contracts receivables". Any excess of progress of work over the installment contracts 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 in 2021 and prior years (see Note 7).

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 using the percentage of completion method that is consistent with the related revenue that 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 pertains to unbilled revenue from sale of real estate. This 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. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection.

*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.

The impact of the significant financing component on the transaction price has not been considered since the Group availed the relief granted by the SEC under Memorandum Circular No. 14-2018 as of 2018 for the implementation issued of PFRS 15 affecting real estate industry. Under the SEC Memorandum Circular No. 34, the relief has been extended until December 31, 2023.

*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, penalties for late payments which are recognized when services are rendered and gain from fair valuation on repossession inventories.

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” and “Inventories” in 2021 and prior years) account in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur.

Starting 2022, the Group adopted PIC Q&A 2018-12 using modified retrospective approach as provided under the SEC Memorandum Circular No. 8, series of 2021. The Group adjusted the previously capitalized borrowing costs on inventories. The group recognized the impact of the change against the beginning retained earnings and real estate inventories in 2022 amounting to ₱393.38 million and ₱524.50 million, respectively (see Notes 7 and 15).

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, 2022 and 2021, 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.



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### 3. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRSs, 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 payment history of 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.

###### *Determination of transaction price*

The Group determines the contract price be reference to the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. For contracts that are interest bearing, the sales price and the interest thereon are separated and accounted separately. Both are reported as revenue but presented as separate line items in the consolidated statements of comprehensive income.

###### *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, 2022 and 2021.

The rent concessions granted by the Group for the years ended December 31, 2022, 2021 and 2020 amounted to ₱63.15 million, ₱149.87 million and ₱166.54 million, respectively (see Note 23).

#### *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 for the benefit of the lessees 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 for a minimal fee 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 existing lease contract establishes the Group to act 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, 2022, 2021 and 2020, the Group reported the gross amounts of CUSA and air-conditioning amounting to ₱66.80 million, ₱63.39 million and ₱61.31 million, respectively, as “Rental income” in the consolidated statements of comprehensive income. The CUSA related cost is recognized in the cost of rental 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.

Real estate sales amounted to ₱7,789.77 million, ₱6,827.17 million and ₱5,383.08 million for the years ended December 31, 2022, 2021 and 2020, 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 ₱3,048.70 million and ₱5,158.90 million, respectively, as of December 31, 2022 and ₱3,072.34 million and ₱4,116.33 million, respectively, as of December 31, 2021 (see Notes 4 and 6).



The Group recognized gain from recovery of allowance for credit losses on trade receivables amounting to ₱16.01 million in 2022, and recognized provision for expected credit losses on trade receivables amounting to ₱8.14 million and ₱1.35 million in 2022 and 2021, respectively, presented under selling and administrative expenses.

*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 2022, 2021 and 2020.

*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 (see Notes 8, 10 and 11).

The carrying values of the Group's nonfinancial assets as of December 31, 2022 and 2021 are disclosed below.

|                                    | 2022                   | 2021            |
|------------------------------------|------------------------|-----------------|
| Investment properties (Note 10)    | <b>₱6,330,337,713</b>  | ₱5,868,209,371  |
| Property and equipment (Note 11)   | <b>67,571,103</b>      | 49,687,977      |
| Other current assets* (Note 8)     | <b>3,515,558,984</b>   | 4,781,636,590   |
| Other noncurrent assets** (Note 8) | <b>824,001,461</b>     | 622,449,317     |
|                                    | <b>₱10,737,469,261</b> | ₱11,321,983,255 |

\*Excluding advances to agents and brokers and short-term investment

\*\*excluding deposits in escrow and refundable security deposits.

The Group has determined that COVID-19 pandemic has minimal 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 2022, 2021 and 2020 (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:

|  | 2022                  | 2021           | 2020           |
|--|-----------------------|----------------|----------------|
| <b>Real estate sales by product</b>                |                       |                |                |
| Lot only   | <b>₱6,900,197,828</b> | ₱5,919,389,376 | ₱4,362,693,042 |
| Condominium units                                  | <b>889,573,057</b>    | 907,783,083    | 1,020,386,498  |
| <b>Total revenue from contracts with customers</b> | <b>₱7,789,770,885</b> | ₱6,827,172,459 | ₱5,383,079,540 |
| <b>Geographical Location</b>                       |                       |                |                |
| Luzon  | <b>₱6,140,386,626</b> | ₱5,614,983,703 | ₱4,587,867,726 |
| Visayas  | <b>1,317,117,272</b>  | 582,330,732    | 412,114,351    |
| Mindanao   | <b>332,266,987</b>    | 629,858,024    | 383,097,463    |
| <b>Total</b>                                       | <b>₱7,789,770,885</b> | ₱6,827,172,459 | ₱5,383,079,540 |

The Group's real estate sales are revenue from contracts with customers which are recognized over time.



Contract balances are as follows:

**December 31, 2022**

|  | Current               | Noncurrent            | Total                 |
|--|-----------------------|-----------------------|-----------------------|
| Installment contracts receivables (Note 6) | <b>₱1,876,391,156</b> | <b>₱1,172,309,066</b> | <b>₱3,048,700,222</b> |
| Contract assets (Note 6)                   | <b>2,112,173,482</b>  | <b>3,046,723,304</b>  | <b>5,158,896,786</b>  |
| Contract liabilities (Notes 6 and 13)      | <b>1,966,135,481</b>  | <b>818,162,954</b>    | <b>2,784,298,435</b>  |

**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  |

Following the PIC issued guidance in 2019 to the real estate industry on the implementation of PFRS 15, the Group recognizes the difference between the consideration received from the customer and the transferred goods to the customer (i.e., measured based on POC) as either a contract asset or unbilled receivable, and the related required disclosures are in accordance with PFRS 15.

The Group recognizes 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 pertain to unbilled revenue from sale of real estate. It 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:

|   | 2022                  | 2021          |
|---|-----------------------|---------------|
| Amounts included in contract liabilities at the beginning of the year | <b>₱2,003,570,867</b> | ₱370,593,672  |
| Performance obligation satisfied in previous years                    | <b>1,167,210,044</b>  | 1,229,696,819 |

**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, 2022 and 2021 follows:

|                    | 2022                  | 2021                  |
|--------------------|-----------------------|-----------------------|
| Within one year    | <b>₱3,848,998,429</b> | ₱2,151,940,252        |
| More than one year | <b>3,326,141,007</b>  | 1,868,451,013         |
|                    | <b>₱7,175,139,436</b> | <b>₱4,020,391,265</b> |

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) arranging for the 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 ₱63.15 million, ₱149.87 million and ₱166.54 million for the years ended December 31, 2022, 2021 and 2020, respectively (see Note 23). 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, 2022 and 2021, the rollforward of the cost to obtain contract included in the other current assets as follows (see Note 8):

|                              | 2022                 | 2021          |
|------------------------------|----------------------|---------------|
| Balance at beginning of year | <b>₱195,475,224</b>  | ₱197,036,847  |
| Additions                    | <b>737,503,712</b>   | 508,724,002   |
| Amortization                 | <b>(570,596,302)</b> | (510,285,625) |
| Balance at end of year       | <b>₱362,382,634</b>  | ₱195,475,224  |

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, judgment 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:

|                  | 2022                  | 2021           |
|------------------|-----------------------|----------------|
| Cash on hand     | <b>₱2,174,500</b>     | ₱1,445,500     |
| Cash in banks    | <b>3,267,502,536</b>  | 1,945,514,036  |
| Cash equivalents | <b>74,000,000</b>     | —              |
|                  | <b>₱3,343,677,036</b> | ₱1,946,959,536 |

Cash in banks earns interest at the prevailing bank deposit rates.

Cash equivalents include 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 are subject to an insignificant risk of change in value, and earn annual interest ranging from 4.30% to 4.70% and 1.00% in 2022 and 2021, respectively.

Interest income earned from cash in banks and cash equivalents amounted to ₱6.88 million, ₱2.18 million and ₱4.25 million in 2022, 2021 and 2020, respectively (see Note 16).

The Group has restricted cash in bank amounting ₱326.07 million and ₱56.82 million as of December 31, 2022 and 2021, respectively. This pertains to the cash deposited in an escrow trust account in compliance with socialized housing requirement and recorded under "Other noncurrent assets" in the consolidated statements of the financial position (see Note 8).



## 6. Receivables and Contract Assets

This account consists of:

|  | 2022                  | 2021           |
|--|-----------------------|----------------|
| Installment contracts receivable (ICR):            |                       |                |
| Subdivision land                                   | <b>₱1,983,909,690</b> | ₱1,975,029,571 |
| Condominium units                                  | <b>1,064,790,532</b>  | 1,097,309,826  |
| Receivable from related parties (Note 19):         |                       |                |
| Trade  | <b>856,301,865</b>    | 543,452,716    |
| Non-trade  | <b>921,832</b>        | 921,832        |
| Accrued interest receivable                        | <b>614,663,712</b>    | 664,489,761    |
| Advances to joint development operations (Note 21) | <b>301,064,370</b>    | 326,773,576    |
| Receivable from tenants                            | <b>241,410,645</b>    | 125,256,860    |
| Advances to officers, employees and agents         | <b>164,925,304</b>    | 179,179,518    |
| Dividend receivable (Note 9)                       | <b>37,930,257</b>     | 20,082,111     |
| Commission receivable                              | <b>8,673,383</b>      | 19,676,384     |
| Others   | <b>25,070,377</b>     | 25,242,854     |
|  | <b>5,299,661,967</b>  | 4,977,415,009  |
| Less unamortized discount                          | <b>126,504,196</b>    | 66,450,600     |
|  | <b>5,173,157,771</b>  | 4,910,964,409  |
| Less allowance for expected credit losses (ECL)    | <b>10,392,365</b>     | 26,397,709     |
|  | <b>5,162,765,406</b>  | 4,884,566,700  |
| Less noncurrent ICR                                | <b>1,172,309,066</b>  | 1,860,897,262  |
|  | <b>₱3,990,456,340</b> | ₱3,023,669,438 |

Contract balances as of December 31 are as follows:

### 2022

|                                   | Current               | Noncurrent            | Total                 |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| Installment contracts receivables | <b>₱1,876,391,156</b> | <b>₱1,172,309,066</b> | <b>₱3,048,700,222</b> |
| Contract assets                   | <b>2,112,173,482</b>  | <b>3,046,723,304</b>  | <b>5,158,896,786</b>  |
| Contract liabilities (Note 13)    | <b>1,966,135,481</b>  | <b>818,162,954</b>    | <b>2,784,298,435</b>  |

### 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 (Note 13)    | 2,577,522,263  | 1,238,959,224  | 3,816,481,487  |

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 5 to 15 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 ₱383.57 million, ₱388.71 million and ₱360.19 million in 2022, 2021 and 2020, respectively (see 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.

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, 2022 and 2021, receivables from sales of subdivision land and condominium units with a nominal amount aggregated ₱3,841.48 million and ₱3,439.20 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 4.53% to 8.65% and 3.56% to 6.45% in 2022 and 2021, respectively.

Movement in the unamortized discount arising from noninterest-bearing ICR follows:

|   | 2022                 | 2021          |
|---|----------------------|---------------|
| Balance at beginning of year                      | <b>₱66,450,600</b>   | ₱50,029,289   |
| Additions   | <b>247,800,795</b>   | 145,301,865   |
| Accretion from unamortized discount (see Note 16) | <b>(187,747,199)</b> | (128,880,554) |
| Balance at end of year                            | <b>₱126,504,196</b>  | ₱66,450,600   |

Allowance for ECL pertain to trade receivables. Movement follows:

|                              | 2022                | 2021        |
|------------------------------|---------------------|-------------|
| Balance at beginning of year | <b>₱26,397,709</b>  | ₱18,252,713 |
| Provisions                   | —                   | 8,144,996   |
| Recovery                     | <b>(16,005,344)</b> | —           |
| Balance at end of year       | <b>₱10,392,365</b>  | ₱26,397,709 |

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 (see Note 19). These are noninterest-bearing, due and demandable.

Non-trade receivables from related parties include a rescission of the assignment of land rights (see Note 15), sale of lots and assumption of loan of the Ultimate Parent Company (see Note 19). These are noninterest-bearing, due and demandable.

Accrued interest receivable pertains to interest on receivables from real estate sales 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 or under development. These advances are liquidated by the joint development operators once the purpose for which the advances were made had been accomplished, and accordingly applied against the proceeds from sale due to joint development operators. These are noninterest-bearing, due and demandable.

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.

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 for cash advances to custodians for site costs and administrative expenses. These are also advances to sales agents for marketing activities which are replenished upon liquidation.

Dividend receivable pertains to cash dividend declared from investees accounted at FVOCI.

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:

|  | 2022                   | 2021            |
|--|------------------------|-----------------|
| Balance at January 1, as previously reported   | <b>₱28,905,439,207</b> | ₱24,931,122,564 |
| Adoption of IFIRC Agenda Decision on Over Time<br>Transfer of Constructed Goods PAS 23<br>Borrowing Cost | <b>(524,503,554)</b>   | —               |
| Balance as at January 1, as adjusted   | <b>28,380,935,653</b>  | 24,931,122,564  |
| Construction and development costs incurred  | <b>3,954,241,677</b>   | 4,406,523,538   |
| Land acquired during the year  | <b>581,994,984</b>     | 1,077,730,786   |
| Reposessed real estate inventories   | <b>679,340,073</b>     | 305,401,258     |
| Capitalized borrowing costs  | —                      | 138,353,356     |
| Costs of real estate sales   | <b>(1,946,427,701)</b> | (1,953,692,295) |
| Balance at December 31   | <b>₱31,650,084,686</b> | ₱28,905,439,207 |

The real estate inventories are carried at lower of cost and net realizable value (NRV). There are no inventories recorded at NRV.

The Group acquired various lands for development amounting ₱581.99 million and ₱1,077.73 million in 2022 and 2021, respectively. Initial stages of development are underway on these properties with a view to sell as subdivision, condominium or commercial space.

Real estate inventories arising from cancellation of sales due to buyers' default in payment are recorded as reposessed real estate inventories. These are recorded at fair value less cost to sell and cost to complete at the time of cancellation and are held for sale in the ordinary course of business.



Gain on repossession of real estate inventories amounted to ₱261.05 million, ₱136.35 million and ₱94.28 million in 2022, 2021 and 2020, respectively (see Note 16).

Real estate inventories include units which are being used temporarily in condotel operation which are managed by third parties. The Group has recognized profit share in this operation amounting to ₱15.96 million, ₱5.00 million and ₱7.90 million in 2022, 2021 and 2020, respectively (see Note 16).

Starting January 1, 2022, the Group adopted IFIRC Agenda Decision on Over Time Transfer of Constructed Goods PAS 23 Borrowing Cost using modified retrospective approach as provided under the SEC Memorandum Circular No. 8, series of 2021. The Group adjusted the previously capitalized borrowing costs on inventories. The group recognized the impact of the change as a reduction in the beginning retained earnings and real estate inventories amounting to ₱393.38 million and ₱524.50 million, respectively. In 2021 and 2020, the borrowing costs capitalized as part of real estate inventories amounted to ₱138.35 million and ₱107.04 million, respectively. The capitalization rate used to determine the borrowing cost eligible for capitalization is 5.51% and 6.73%.

Real estate inventories recognized as cost of sales amounted to ₱1,946.43 million in 2022, ₱1,953.69 million in 2021 and ₱2,025.25 million in 2020 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 impairment on real estate inventories in 2022, 2021 and 2020.

No inventories are pledged as collateral to borrowings of the Group as of December 31, 2022 and 2021.

Capital commitments on inventories amounted to ₱6,500.00 million and ₱6,000.00 million as of December 31, 2022 and 2021, respectively.

## 8. Other Assets

This account consists of:

|                             | 2022                  | 2021           |
|-----------------------------|-----------------------|----------------|
| Advances to contractors     | <b>₱2,449,200,797</b> | ₱3,046,670,777 |
| Prepaid commission (Note 4) | <b>842,073,308</b>    | 947,854,679    |
| Input VAT – net             | <b>488,689,474</b>    | 424,236,964    |
| Deposit in escrow           | <b>326,068,303</b>    | 56,823,170     |
| Short term investment       | <b>300,000,000</b>    | –              |
| Advances to lot owners      | <b>213,732,350</b>    | 661,580,660    |
| Prepaid taxes               | <b>182,271,840</b>    | 75,527,926     |
| Security deposits           | <b>74,092,072</b>     | 76,252,280     |
| Others                      | <b>163,592,676</b>    | 249,454,560    |
|                             | <b>5,039,720,820</b>  | 5,538,401,016  |
| Less noncurrent portion of: |                       |                |
| Advances to contractors     | <b>491,529,089</b>    | 476,572,014    |
| Deposits in escrow (Note 5) | <b>326,068,303</b>    | 56,823,170     |
| Prepaid commission          | <b>165,200,365</b>    | 109,642,064    |

(Forward)



|                   | 2022                  | 2021           |
|-------------------|-----------------------|----------------|
| Prepaid taxes     | <b>₱164,800,007</b>   | ₱36,235,239    |
| Security deposits | <b>74,092,072</b>     | 76,252,280     |
| Others            | <b>2,472,000</b>      | —              |
|                   | <b>1,224,161,836</b>  | 755,524,767    |
|                   | <b>₱3,815,558,984</b> | ₱4,782,876,249 |

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 sales commission of agents that are recorded as contract cost when the sale is perfected. The related 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.

Short-term investment pertains to the premium yield advantage placement with more than 90 days of investment tenor that yields 4.20% interest per annum. Interest income earned from short term investments amounted to ₱1.99 million in 2022 (see Note 16).

Advances to lot owners consist of advances for real estate properties that are the subject of acquisition. Advance payments to landowners shall be applied against the total selling price of the real estate properties. The application is expected to occur within 12 months after the reporting date.

Prepaid taxes pertain to creditable withholding taxes that can be applied against 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.

Others consist mainly of 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:

|                     | 2022                | 2021         |
|---------------------|---------------------|--------------|
| Investments at cost | <b>₱456,755,748</b> | ₱456,755,748 |
| Net unrealized gain | <b>200,540,223</b>  | 225,860,515  |
| At end of year      | <b>₱657,295,971</b> | ₱682,616,263 |

Movement in unrealized gain reflected in the other comprehensive income follows:

|                                   | 2022                | 2021          |
|-----------------------------------|---------------------|---------------|
| Balance at beginning of year      | <b>₱225,860,515</b> | ₱364,692,477  |
| Fair value change during the year | <b>(25,320,292)</b> | (138,831,962) |
| Balance at end of year            | <b>₱200,540,223</b> | ₱225,860,515  |



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, 2022 and 2021:

**December 31, 2022**

|                      |                   |              | Fair value measurement using |  |  |  |
|----------------------|-------------------|--------------|------------------------------|--|--|--|
| Date of Valuation    |                   |              | Total                        | Quoted prices<br>in active<br>markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
| Shares of stock:     |                   |              |                              |  |  |  |
| Quoted Gaming        | December 31, 2022 | ₱436,667,800 | ₱436,667,800                 |  | ₱–   | ₱–   |
| Unquoted Real estate | December 31, 2022 | 220,628,171  | –                            | –  | –  | 220,628,171  |
|                      |                   |              | ₱657,295,971                 | ₱436,667,800                                       | ₱–   | ₱220,628,171                                       |

**December 31, 2021**

|                      |                   |              | Fair value measurement using                       |  |  |
|----------------------|-------------------|--------------|--|--|--|
| Date of Valuation    |                   |              | Quoted prices<br>in active<br>markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(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                                       |

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 ₱1,466.14 million and ₱1,488.65 million as of December 31, 2022 and 2021, 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 ₱7.16 million, ₱8.72 million and ₱9.20 million in 2022, 2021 and 2020, respectively.



## 10. Investment Properties

The rollforward analyses of this account follow:

|                                 | 2022                  |                    |                            |                         |                          |                       |
|---------------------------------|-----------------------|--------------------|----------------------------|-------------------------|--------------------------|-----------------------|
|                                 | Land                  | Land Improvements  | Buildings and Improvements | Machinery and Equipment | Construction in Progress | Total                 |
| <b>Cost</b>                     |                       |                    |                            |                         |                          |                       |
| Balances at January 1           | ₱1,802,529,188        | ₱44,259,000        | ₱5,011,818,502             | ₱412,409,000            | ₱312,509,189             | ₱7,583,524,879        |
| Additions                       | —                     | —                  | 94,880,800                 | —                       | 504,021,442              | 598,902,242           |
| Balances at December 31         | 1,802,529,188         | 44,259,000         | 5,106,699,302              | 412,409,000             | 816,530,631              | 8,182,427,121         |
| <b>Accumulated Depreciation</b> |                       |                    |                            |                         |                          |                       |
| Balances at January 1           | —                     | 15,490,652         | 1,287,415,856              | 412,409,000             | —                        | 1,715,315,508         |
| Depreciation (Note 17)          | —                     | 1,106,475          | 135,667,425                | —                       | —                        | 136,773,900           |
| Balances at December 31         | —                     | 16,597,127         | 1,423,083,281              | 412,409,000             | —                        | 1,852,089,408         |
| <b>Net Book Value</b>           | <b>₱1,802,529,188</b> | <b>₱27,661,873</b> | <b>₱3,683,616,021</b>      | <b>₱—</b>               | <b>₱816,530,631</b>      | <b>₱6,330,337,713</b> |

|                                 | 2021                  |                    |                            |                         |                          |                       |
|---------------------------------|-----------------------|--------------------|----------------------------|-------------------------|--------------------------|-----------------------|
|                                 | Land                  | Land Improvements  | Buildings and Improvements | Machinery and Equipment | Construction in Progress | Total                 |
| <b>Cost</b>                     |                       |                    |                            |                         |                          |                       |
| 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         |
| <b>Accumulated Depreciation</b> |                       |                    |                            |                         |                          |                       |
| 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         |
| <b>Net Book Value</b>           | <b>₱1,802,529,188</b> | <b>₱28,768,348</b> | <b>₱3,724,402,646</b>      | <b>₱—</b>               | <b>₱312,509,189</b>      | <b>₱5,868,209,371</b> |

The construction in progress represents capitalized costs arising from the construction of the Parent Company's Ponte Verde mall project that is located in Panacan, Davao City. The expected completion date of Ponte Verde Mall is on July 31, 2024. Capital commitments amounted to ₱193.62 million and ₱244.57 million as of December 31, 2022 and 2021, respectively.



Rental income from investment properties amounted to ₱771.28 million, ₱465.86 million and ₱447.54 million in 2022, 2021 and 2020, respectively (see Note 22). Cost of rental income from investment properties amounted to ₱600.52 million, ₱371.41 million and ₱281.20 million in 2022, 2021 and 2020, respectively (see Note 17).

Depreciation expense recognized as costs of rental income amounted to ₱136.77 million, ₱135.80 million and ₱123.79 million in 2022, 2021 and 2020, respectively (see Note 17).

The aggregate fair value of the Group's investment properties amounted to ₱9,441.51 million and ₱9,342.61 million as of December 31, 2022 and 2021, respectively.

The latest valuation was obtained on December 31, 2020. In 2020, the fair values were determined by independent professionally qualified appraisers and were updated using current and year-end values and assumptions. In 2022 and 2021, the Group determined the fair value under the income approach, 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 flows 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 2022, 2021 and 2020 amounted to ₱11.90 million, ₱10.35 million and ₱9.22 million, respectively (Note 18). Capitalization rate used to determine the borrowing cost eligible for capitalization is 5.39%, 5.51% and 6.73% in 2022, 2021 and 2020, 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, 2022 and 2021 that are pledged as security for liabilities of the Group.



## 11. Property and Equipment

The rollforward analysis of this account follow:

|  | 2022                             |                             |                           |             |                    |
|--|----------------------------------|-----------------------------|---------------------------|-------------|--------------------|
|  | Office Tools<br>and<br>Equipment | Transportation<br>Equipment | Furniture<br>and Fixtures | Software    | Total              |
| <b>Cost</b>  |                                  |                             |                           |             |                    |
| Balances at January 1                                | ₱62,907,451                      | ₱120,788,615                | ₱13,224,159               | ₱38,333,814 | ₱235,254,039       |
| Additions  | 9,131,770                        | 27,670,882                  | 1,866,094                 | —           | 38,668,746         |
| Balances at December 31                              | 72,039,221                       | 148,459,497                 | 15,090,253                | 38,333,814  | 273,922,785        |
| <b>Accumulated Depreciation and<br/>Amortization</b> |                                  |                             |                           |             |                    |
| Balances at January 1                                | 34,934,956                       | 100,928,886                 | 11,368,406                | 38,333,814  | 185,566,062        |
| Depreciation and amortization                        | 7,420,516                        | 12,266,275                  | 1,098,829                 | —           | 20,785,620         |
| Balances at December 31                              | 42,355,472                       | 113,195,161                 | 12,467,235                | 38,333,814  | 206,351,682        |
| <b>Net Book Value</b>                                | <b>₱29,683,749</b>               | <b>₱35,264,336</b>          | <b>₱2,623,018</b>         | <b>₱—</b>   | <b>₱67,571,103</b> |

|  | 2021                             |                             |                           |             |                    |
|--|----------------------------------|-----------------------------|---------------------------|-------------|--------------------|
|  | Office Tools<br>and<br>Equipment | Transportation<br>Equipment | Furniture<br>and Fixtures | Software    | Total              |
| <b>Cost</b>  |                                  |                             |                           |             |                    |
| 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        |
| <b>Accumulated Depreciation and<br/>Amortization</b> |                                  |                             |                           |             |                    |
| 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        |
| <b>Net Book Value</b>                                | <b>₱27,972,495</b>               | <b>₱19,859,729</b>          | <b>₱1,855,753</b>         | <b>₱—</b>   | <b>₱49,687,977</b> |

Depreciation expense pertaining to mall operations recognized as costs of rental income amounted to ₱0.61 million, ₱0.16 million and ₱0.16 million in 2022, 2021 and 2020, respectively (see 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, 2022 and 2021, there are no property and equipment items pledged to secure the obligations of the Group.

## 12. Accounts and Other Payables

This account consists of:

|  | 2022           | 2021           |
|--|----------------|----------------|
| Contractors payable                    | ₱1,944,120,117 | ₱3,440,666,960 |
| Payable to joint development operators | 1,392,450,842  | 1,086,899,888  |
| Accounts payable                       | 1,309,984,550  | 1,095,716,218  |
| Unearned income                        | 594,792,015    | 476,434,626    |

(Forward)



|                                      | 2022                  | 2021           |
|--------------------------------------|-----------------------|----------------|
| Retentions payable                   | <b>₱221,779,644</b>   | ₱144,507,817   |
| Security deposit                     | <b>98,281,147</b>     | 90,990,236     |
| Interest payable (Note 14)           | <b>97,550,970</b>     | 81,382,474     |
| Commission payable                   | <b>85,545,628</b>     | 80,812,576     |
| Taxes and licenses payable           | <b>62,513,083</b>     | 82,927,188     |
| Withholding tax payable              | <b>36,221,491</b>     | 39,297,738     |
| Advances from shareholders (Note 19) | <b>14,711,492</b>     | 14,711,492     |
| Payable to related parties (Note 19) | <b>17,202,827</b>     | 3,254,988      |
| Others                               | <b>231,628,006</b>    | 115,397,013    |
|                                      | <b>₱6,106,781,812</b> | ₱6,752,999,214 |

Contractors payable arises from progress billings from contractors' completed work on the development of projects. Except for those under offsetting arrangements, these are non-interest bearing and are normally settled on 30 to 60-day terms.

The Group entered into offsetting agreements with its contractors and 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 ₱1,081.15 million and ₱933.10 million as of December 31, 2022 and 2021, respectively. Revenue recognized on offsetting arrangements amounted to ₱307.90 million, ₱133.77 million and ₱102.77 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Payable to joint development operators pertains to their share on sale proceeds collected and for remittance. These are normally remitted within 90 days from the date of collection.

Accounts payable also include amounts due to suppliers which are noninterest-bearing and are normally settled on 15 to 60-day terms.

Unearned income refers to collections from buyers intended to cover the related cost for the processing of transfer of title that is to be performed upon full payment of the contract price.

Retentions payable represents amounts withheld from payments to contractors as a guaranty for any claims that may arise from the construction and development of the project, and until after completion. These are non-interest bearing and will be remitted to contractors at the end of the contract work, generally within one year after the full acceptance of the completed project.

Security deposit are amounts received from tenants on the Group's leased properties.

Interest payable pertains to interest incurred on bank loans (see Note 14). These are settled on a quarterly basis.

Commission payable represents amount payable and accrued that are due to the Group's marketing arms, brokers and agents.





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.

Withholding tax payable consists of taxes withheld for remittance to regulatory agencies.

Advances from shareholders are intended for the working capital requirements and for the Group's administrative expenses (see Note 19).

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.

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### 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 ₱2,003.57 million, ₱370.59 million and ₱159.81 million for the years ended December 31, 2022, 2021 and 2020, respectively.

As of December 31, 2022 and 2021, the contract liabilities account amounted to ₱2,784.30 million and ₱3,816.48 million, respectively. Details follow:

|                                    | 2022                  | 2021           |
|------------------------------------|-----------------------|----------------|
| Collections below equity threshold | <b>₱1,613,728,182</b> | ₱2,464,143,973 |
| Excess of collections over POC     | <b>1,170,570,253</b>  | 1,352,337,514  |
|                                    | <b>₱2,784,298,435</b> | ₱3,816,481,487 |

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.

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### 14. Short-term and Long-term Debt

#### Short-term debt

Below are the details of the short-term debt:

|  | 2022                  | 2021           |
|--|-----------------------|----------------|
| Loans under revolving credit facility agreements | <b>₱7,072,141,043</b> | ₱7,049,782,354 |
| Single payment short-term loan                   | <b>2,500,000,000</b>  | 1,475,488,200  |
|  | <b>₱9,572,141,043</b> | ₱8,525,270,554 |



*Loans under revolving credit facility agreements follow:*

|                   | 2022                    | 2021            |
|-------------------|-------------------------|-----------------|
| Beginning balance | <b>₱7,049,782,354</b>   | ₱4,671,482,354  |
| Availments        | <b>14,604,098,000</b>   | 10,619,750,000  |
| Payments          | <b>(14,581,739,311)</b> | (8,241,450,000) |
| Ending balance    | <b>₱7,072,141,043</b>   | ₱7,049,782,354  |

In 2022, the Group obtained various unsecured short-term loans amounting to ₱2,277.40 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 3.25% to 6.75%. Of the total ₱2,277.40 million, ₱599.60 million were outstanding as of December 31, 2022.

In 2022, the Group also obtained unsecured short-term loans amounting to ₱8,062.90 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 4.00%. Of the total ₱8,062.90 million, ₱2,331.90 million were outstanding as of December 31, 2022.

In 2022, the Group also obtained unsecured short-term loans amounting to ₱1,778.80 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 ranging from 3.50% to 6.75%. Of the total ₱1,778.80 million, ₱506.00 million were outstanding as of December 31, 2022.

In 2022, unsecured-short term loans were borrowed from Maybank Philippines Inc. and Unicapital Inc. amounting to ₱600.00 million and ₱675.00 million, respectively. These loans have maturity periods ranging from 2 to 6 months, with annual interest rates ranging from 3.75% to 6.00%. As of December 31, 2022, ₱300.00 million and ₱275.00 million were outstanding from Maybank Philippines Inc. and Unicapital Inc., respectively.

In March 2022 and June 2022, the Group availed from Union Bank of the Philippines amounting to ₱300.00 million and ₱200.00 million, respectively. These loans have maturity periods ranging from 6 months, with annual interest rates ranging from 5.75% and 6.38%, respectively. These loans were settled in 2022.

In August 2022 and October 2022, the Group availed from Philippine Veterans Bank amounting to ₱300.00 million and ₱50.00 million, respectively. These loans have maturity periods ranging from 6 months, with annual interest rates ranging from 5.25% to 6.25%, respectively. ₱350.00 million were outstanding as of December 31, 2022.

On March 7, 2022, the Group availed a 1-year unsecured loans from Banco De Oro (BDO) amounting to ₱360.00 million with interest rates ranging from 5.00% to 7.50% per annum. These loans were outstanding as of December 31, 2022.

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 MIB. These loans have maturity periods ranging from 2 to 6 months, with annual interest rates ranging from 3.50% to 4.75%. Outstanding balance of borrowings from MIB as of December 31, 2021 amounts to ₱1,889.78 of which ₱849.64 were still outstanding as of December 31, 2022.



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. These loans were settled in 2022.

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. These loans were settled in 2022.

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. The remaining balance of this loan was settled in 2022.

In May 2021, the Group obtained unsecured short-term loans from SLRDI amounting to ₱300.00 million with an annual interest rate ranging from 3.75 to 4.25%. Also in March 2020, unsecured 3-months loans were borrowed from SLRDI amounting to ₱1,200.00 million with 5% annual interest rates. Total outstanding loans from SLRDI amounted to ₱1,500.00 million as of December 31, 2022 and 2021, respectively (see Note 19).

In December 2021, unsecured-short term loans were borrowed from Maybank Philippines 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%. This remaining balance of this loan was settled in 2022.

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. These loans were renewed upon maturity and were paid in full in 2022.

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:

|                   | 2022                   | 2021           |
|-------------------|------------------------|----------------|
| Beginning balance | <b>₱1,475,488,200</b>  | ₱1,477,488,200 |
| Availments        | <b>2,500,000,000</b>   | 200,000,000    |
| Payments          | <b>(1,475,488,200)</b> | (202,000,000)  |
| Ending balance    | <b>₱2,500,000,000</b>  | ₱1,475,488,200 |

On August 5, 2022, the Group borrowed 1-year unsecured loan from China Bank Corporation amounting to ₱1,000.00 million with an annual interest rate of 5.50%.

On November 25, 2022, the Group borrowed 1-year unsecured loan from Rizal Commercial Banking Corporation amounting to ₱500.00 million with an annual interest rate of 7.38%.

On December 27, 2022, the Group borrowed 4-months unsecured loan from China Bank Corporation amounting to ₱1,000.00 million with an annual interest rate of 8.83%.



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 as of December 31, 2021. This loan was settled in full in 2022.

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, respectively. This loan was settled in full in 2022.

Upon maturity, all outstanding single payment short-term loan are continuously rolled over for another 3 months to 1 year until fully paid.

#### Long-term debt

Below are the details of the long-term debt:

|                                      | 2022                   | 2021            |
|--------------------------------------|------------------------|-----------------|
| Loans under term facility agreement  | <b>₱13,228,000,000</b> | ₱10,898,500,000 |
| Less current portion of:             |                        |                 |
| Loans under term facility agreement  | <b>3,385,582,585</b>   | 1,812,179,326   |
|                                      | <b>9,842,417,415</b>   | 9,086,320,674   |
| Less: unamortized debt issuance cost | <b>66,175,344</b>      | 71,475,700      |
|                                      | <b>₱9,776,242,071</b>  | ₱9,014,844,974  |

The rollforward analysis of the long-term debt follows:

|                   | 2022                   | 2021            |
|-------------------|------------------------|-----------------|
| Beginning balance | <b>₱10,898,500,000</b> | ₱11,071,000,000 |
| Availments        | <b>4,700,000,000</b>   | 7,000,000,000   |
| Payments          | <b>(2,370,500,000)</b> | (7,172,500,000) |
| Ending balance    | <b>₱13,228,000,000</b> | ₱10,898,500,000 |

#### *Unsecured Long Term Debt Facility Agreements*

On December 12, 2022, the Group signed Syndicated Term Loan Facility Agreement to raise up to ₱5,000.00 million. The Group was able to raise ₱1,200.00 million from first drawdown term loan facility due in 2027 and ₱2,550.00 million from second drawdown term loan facility due on December 22, 2027.



On December 22, 2022, the Group made the first drawdown at an annual fixed rate of 8.83% from RCBC, Bank of the Philippine Islands (BPI), BDO and Robinsons Bank Corporation (RBC) amounting to ₱640.00 million, ₱240.00 million, ₱160.00 million and ₱160.00 million, respectively.

On March 16, 2022, the Group obtain 5-year term loan with CBC at an annual fixed rate of 6.89% which matures on March 16, 2027 amounting to ₱3,500.00 million. As of December 31, 2022, the outstanding balance amounted to ₱2,975.00 million.

On March 15, 2021, the Group signed a Long Term Debt Facility Agreement to raise ₱7,000.00 million. The Group was able to raise ₱1,800.00 million Tranche A Term Loan Facility due in 2024 and ₱2,300.00 million Tranche B Term Loan 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 an annual fixed rate of 4.90% from Bank of the Philippine Islands (BPI), BDO and Robinsons Bank Corporation (RBC) totaling ₱341.46 million, ₱341.46 million and ₱195.13 million, respectively, and for Tranche B due in 2026 at a fixed rate of 6.04% from BPI and Rizal Commercial Banking Corporation (RCBC) totaling ₱146.34 million and ₱975.61 million, respectively. As of December 31, 2022, outstanding principal on this drawdown for Tranche A from BPI, BDO and RBC amounted to ₱273.17 million and ₱156.10 million, respectively, and for Tranche B outstanding principal on this drawdown from BPI and RCBC amounted ₱131.71 million and ₱878.05 million, respectively.

On March 30, 2021, the Group and Noteholders signed an Accession Agreement to allow Unionbank of the Philippines (UBP) to participate in the amount of ₱1,000.00 million.

On May 26, 2021, the Group and Noteholders of the Long Term Note Facility Agreement signed an Accession Agreement allowing DBP to participate in the amount of ₱1,900.00 million.

On June 28, 2021, the Group made the second drawdown for Tranche A due in 2024 at an annual fixed rate of 4.34% per annum from BPI, BDO, Robinsons Bank and Development Bank of the Philippines (DBP) totaling ₱358.54 million, ₱358.54 million, ₱204.88 million and ₱1,900.00 million, respectively, and for Tranche B due in 2026 at an annual fixed rate of 5.58% from BPI, RCBC and UBP totaling ₱153.66 million, ₱1,024.39 million and ₱1,000.00 million, respectively. As of December 31, 2022, outstanding principal on this drawdown for Tranche A from BPI, BDO, RBC and DBP amounted to ₱286.83 million, ₱286.83 million, ₱163.90 million and ₱1,520.00 million, respectively, and for Tranche B outstanding principal on this drawdown from BPI, RCBC and UBP amounted ₱138.29 million, ₱921.95 million and ₱900.00 million, respectively.

Total drawdown in 2021 amounted to ₱3,700.00 million for Tranche A and ₱3,300.00 million for Tranche B.

In July and September 2019, 5-year unsecured loans were borrowed from Bank of the Philippines Islands amounting ₱1,000.00 million and ₱500.00 million, respectively. These loans bear interest at a rate of 6.15% per annum. Of the total ₱1,500.00 million loans availed, ₱450.00 million and ₱112.50 million was settled in 2022 and 2021, respectively. As of December 31, 2022 and 2021, the remaining balance amounted to ₱937.50 million and ₱1,387.50 million, respectively.



In 2018, unsecured one (1) 7-year Long Term Debt 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 Long Term Debt 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 term loan 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 Long Term Debt Facility was drawn by the Group. The ten (10) year Long Term Debt Facilities bear annual interest rates at 6.85% for the 1st to 5th year and 7.14% for the 6th to 10th year. Loan payments amounted to ₱325.50 million and ₱310.00 million in 2022 and 2021, respectively. As of December 31, 2022 and 2021, the remaining balance amounted to ₱2,185.50 million and ₱2,511.00 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 1.75:1.00 and a minimum debt service coverage ratio of 1.25. The Group has complied with the debt covenants as of December 31, 2022 and 2021.

Movement in unamortized debt issuance cost for long-term debt follows:

|                   | 2022                | 2021         |
|-------------------|---------------------|--------------|
| Beginning balance | <b>₱71,475,700</b>  | ₱41,172,324  |
| Additions         | <b>35,250,000</b>   | 83,250,002   |
| Amortization      | <b>(40,550,356)</b> | (52,946,626) |
| Ending balance    | <b>₱66,175,344</b>  | ₱71,475,700  |

Interest expense on short-term and long-term debts amounted to ₱1,129.41 million, ₱1,068.86 million and ₱1,090.23 million in 2022, 2021 and 2020, respectively (see Note 18). Of the total interest expense, amortization of transaction cost on short-term and long-term loans amounted to ₱40.55 million, ₱52.95 million and ₱31.80 million in 2022, 2021 and 2020, respectively, and included under “Interest expense” in the consolidated statements of comprehensive income (see Note 18).

Borrowing costs capitalized as part of real estate inventories and investment properties in 2022, 2021 and 2020 amounted to ₱11.90 million, ₱148.70 million and ₱116.26 million, respectively (see Notes 7, 10 and 18).



## 15. Equity

The capital stock as of December 31, 2022 and 2021 consists of:

### December 31, 2022

|                             | 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             | 2,500,000,000  | 1,600,000,000   |
| Outstanding shares          | 8,296,450,000  | –               |

### December 31, 2021

|                             | 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  | –               |

### 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 263 and 265 existing certified shareholders as at December 31, 2022 and 2021, respectively.

#### Treasury Shares

In 2010, the Parent Company/SLLI had intercompany receivables from its Ultimate Parent Company/SLRDI amounting to ₱1,029.88 million which was settled by the Ultimate Parent Company/SLRDI by assigning shares of stocks of "Saddles and Clubs Leisure Park" to the Parent Company.

Also, the Parent Company/SLLI accumulated ₱442.42 million receivables from Sta. Lucia East Commercial Corporation (SLECC) arising from uncollected rental income.

In aggregate, the Parent Company's recognized assets consisting of the "Saddles and Clubs Leisure Park" and receivables from SLECC amounted to ₱1,801.11 million. On July 8, 2014, the Ultimate Parent Company/SLRDI and the Parent Company/SLLI executed a deed of assignment which rescinded its previous arrangement with respect to the assignment of the "Saddles and Clubs Leisure Park" project that 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, the Ultimate Parent Company/SLRDI agreed on July 8, 2014 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.

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.

Upon execution of Tranches 1 and 2, the assignment, conveyance and transfer of the 3,000.00 million shares from the investment of the Ultimate Parent Company/SLRDI to Parent Company/SLLI were recognized as treasury shares in the consolidated financial statements of the Parent Company/SLLI.

On December 22, 2015, the Group's 400.00 million treasury shares costing ₱0.40 per share or totalling ₱160.00 million were reissued at ₱0.75 per share.

On November 23, 2022, the Group reissued 100.00 million shares held as treasury at ₱2.90 per share or a total price of ₱290.00 million.

#### Retained Earnings

Starting January 1, 2022, the Group adopted PIC Q&A 2018-12 using modified retrospective approach as provided under the SEC Memorandum Circular No. 8, series of 2021. The Group adjusted the previously capitalized borrowing costs on inventories. The Group recognized the impact of the change as a reduction in the beginning retained earnings and real estate inventories in amounting to ₱393.38 million and ₱524.50 million, respectively (see Notes 2 and 7). The related deferred tax liability amounted to ₱131.12 million.

On November 29, 2022, the Board of Directors approved the declaration of special cash dividend amounting to ₱0.04 per outstanding common share on record as of December 16, 2022 and was paid on December 27, 2022.

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, 2022 amounted to ₱8,953.82 million. The retained earnings are restricted to dividends to the extent of shares held in treasury amounting to ₱1,600.00 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 ₱23,044.87 million and ₱20,071.53 million as of December 31, 2022 and 2021, 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, 2022 and 2021:

|  | 2022                   | 2021            |
|--|------------------------|-----------------|
| Debt (Note 14)                           | <b>₱22,733,965,699</b> | ₱19,352,294,854 |
| Less: Cash and cash equivalents (Note 5) | <b>3,343,677,036</b>   | 1,946,959,536   |
| Net debt                                 | <b>19,390,288,663</b>  | 17,405,335,318  |
| Equity                                   | <b>23,044,599,805</b>  | 20,071,529,807  |
| Net debt-to-equity ratio                 | <b>0.84:1</b>          | 0.87:1          |

## **16. Interest Income and Other Revenue**

This account consists of:

|  | 2022                | 2021         | 2020         |
|--|---------------------|--------------|--------------|
| Interest income on receivables and contract assets:            |                     |              |              |
| Installment contracts receivables and contract assets (Note 6) | <b>₱385,565,087</b> | ₱388,708,043 | ₱360,186,578 |
| Accretion from unamortized discount (Note 6)                   | <b>187,747,199</b>  | 128,880,554  | 115,352,087  |
|  | <b>573,312,286</b>  | 517,588,597  | 475,538,665  |
| Interest income on banks and investments:                      |                     |              |              |
| Cash in banks and cash equivalents (Note 5)                    | <b>6,884,654</b>    | 2,183,421    | 4,254,707    |
| Short term investment (Note 8)                                 | <b>1,995,000</b>    | —            | —            |
|  | <b>8,879,654</b>    | 2,183,421    | 4,254,707    |
|  | <b>₱582,191,940</b> | ₱519,772,018 | ₱479,793,372 |



Other revenue consists of:

|  | 2022                | 2021         | 2020         |
|--|---------------------|--------------|--------------|
| Gain on repossession of inventories (Note 7) | <b>₱261,047,824</b> | ₱136,347,823 | ₱94,277,405  |
| Processing and registration fee              | <b>177,580,009</b>  | 66,751,624   | 90,436,685   |
| Surcharges and penalties                     | <b>112,764,799</b>  | 145,470,946  | 144,762,046  |
| Profit share in hotel operations             | <b>15,958,403</b>   | 5,000,000    | 7,899,001    |
| Gain from forfeited deposits                 | <b>9,257,611</b>    | 32,992,807   | 12,401,549   |
| Others                                       | <b>73,013,943</b>   | 20,996,157   | 5,067,749    |
|  | <b>₱649,622,589</b> | ₱407,559,357 | ₱354,844,435 |

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

## 17. Cost of Rental Income

Cost of rental income consists of:

|                                | 2022                | 2021         | 2020         |
|--------------------------------|---------------------|--------------|--------------|
| Utilities – net                | <b>₱337,139,110</b> | ₱141,356,595 | ₱65,933,460  |
| Depreciation (Notes 10 and 11) | <b>137,837,427</b>  | 135,963,511  | 124,107,731  |
| Carpark maintenance            | <b>65,954,005</b>   | 29,434,597   | 45,749,904   |
| Manpower                       | <b>35,902,689</b>   | 14,705,882   | 27,595,993   |
| Management fee (Note 19)       | <b>23,429,412</b>   | 49,609,558   | 17,779,160   |
| Others                         | <b>252,570</b>      | 338,483      | 36,808       |
|                                | <b>₱600,515,213</b> | ₱371,408,626 | ₱281,203,056 |

## 18. Interest Expense

Interest expense consists of:

|  | 2022                  | 2021           | 2020          |
|--|-----------------------|----------------|---------------|
| Interest expense on loans (Note 14)                      | <b>₱1,129,411,353</b> | ₱1,038,572,566 | ₱957,053,856  |
| Interest expense on bonds (Note 14)                      | –                     | 30,284,650     | 133,180,833   |
| Other financing charges                                  | <b>101,444,737</b>    | 131,020,672    | 19,326,441    |
|  | <b>1,230,856,090</b>  | 1,199,877,888  | 1,109,561,130 |
| Less capitalized borrowing costs<br>(Notes 7, 10 and 14) | <b>11,899,159</b>     | 148,703,297    | 116,261,991   |
|  | <b>₱1,218,956,931</b> | ₱1,051,174,591 | ₱993,299,139  |

## 19. Related Party Transactions

The Group in its regular conduct of business has entered into transactions with related parties. Parties are considered to be related if, among others, one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions, the parties are subject to common control or the party is an associate or a joint venture. These accounts are noninterest-bearing and are generally unsecured. Unless otherwise indicated, the outstanding balances are generally settled in cash. The transactions are made at terms and prices agreed-upon by the parties.



The related amounts and outstanding balances from related party transactions (RPT) in 2022, 2021 and 2020 follow:

| 2022   |                    |                     |   |                                    |
|--|--------------------|---------------------|---|------------------------------------|
|  | Volume             | Outstanding         | Terms                                   | Conditions                         |
| <b>Trade receivables (Note 6)</b>  |                    |                     |   |                                    |
| <i>Ultimate Parent Company (SLRDI)</i>   |                    |                     |   |                                    |
| Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee (a) | ₱277,180,712       | ₱733,324,305        | Due and demandable; noninterest-bearing | Unsecured; no impairment (Note 15) |
| <i>Affiliate (SLECC)</i>   |                    |                     |   |                                    |
| Rental and management fee (Note 15) (b)  | 5,870,134          | 51,066,801          | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
| <i>Affiliate (Mall Tenants)</i>  |                    |                     |   |                                    |
| Rental income (c)  | ₱29,798,303        | ₱71,910,759         | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
|  |                    | <b>₱856,301,865</b> |   |                                    |
| <b>Non-trade receivables (Note 6)</b>  |                    |                     |   |                                    |
| <i>Affiliate (Marketing Arm)</i>   |                    |                     |   |                                    |
| Advances (d)   | ₱—                 | ₱921,832            | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
| <b>Key officers and directors (Note 6) (d)</b>   | <b>₱21,274,570</b> | <b>₱107,402,765</b> | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
| <b>Trade payables (Note 12)</b>  |                    |                     |   |                                    |
| <i>Ultimate Parent Company (SLRDI)</i>   |                    |                     |   |                                    |
| Advances   | ₱—                 | ₱17,202,827         | Payable on demand; noninterest bearing  | Unsecured                          |
| <i>Advances from shareholders</i>  |                    |                     |   |                                    |
| Advances   | —                  | 14,711,492          | Payable on demand; noninterest bearing  | Unsecured                          |
|  |                    | <b>₱31,914,319</b>  |   |                                    |
| <b>Short-term Debt (Note 14) (e)</b>   |                    |                     |   |                                    |
| <i>Ultimate Parent Company (SLRDI)</i>   |                    |                     |   |                                    |
| Principal  | ₱—                 | ₱1,500,000,000      | Payable on demand; interest bearing     | Unsecured                          |
| Interest expense   | 59,083,333         | —                   |   |                                    |
| 2021   |                    |                     |   |                                    |
|  | Volume             | Outstanding         | Terms                                   | Conditions                         |
| <b>Trade receivables (Note 6)</b>  |                    |                     |   |                                    |
| <i>Ultimate Parent Company (SLRDI)</i>   |                    |                     |   |                                    |
| Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee (a) | (₱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) (b)  | 7,976,670          | 45,196,667          | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
| <i>Affiliate (Mall Tenants)</i>  |                    |                     |   |                                    |
| Rental income (c)  | 5,616,030          | 42,112,456          | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
|  |                    | <b>₱543,452,716</b> |   |                                    |
| <b>Non-trade receivables (Note 6)</b>  |                    |                     |   |                                    |
| <i>Affiliate (Marketing Arm)</i>   |                    |                     |   |                                    |
| Advances (d)   | ₱—                 | ₱921,832            | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
| <b>Key officers and directors (Note 6) (d)</b>   | <b>₱12,997,779</b> | <b>₱86,128,195</b>  | Due and demandable; noninterest-bearing | Unsecured; no impairment           |
| <b>Trade payables (Note 12)</b>  |                    |                     |   |                                    |
| <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                          |
|  |                    | <b>₱17,966,480</b>  |   |                                    |
| <b>Short-term Debt (Note 14) (e)</b>   |                    |                     |   |                                    |
| <i>Ultimate Parent Company (SLRDI)</i>   |                    |                     |   |                                    |
| Principal  | ₱300,000,000       | ₱1,500,000,000      | Payable on demand; interest bearing     | Unsecured                          |
| Interest expense   | 57,556,250         | —                   |   |                                    |



|  | 2020           |                |  |                             |
|--|----------------|----------------|--|-----------------------------|
|  | Volume         | Outstanding    | Terms                                      | Conditions                  |
| <i>Affiliate (SLECC)</i>                   |                |                |  |                             |
| Rental and management fee<br>(Note 15) (b) | (₱7,142,523)   | ₱37,219,997    | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment |
| <i>Affiliate (Mall Tenants)</i>            |                |                |  |                             |
| Rental income (c)                          | (20,776,640)   | 36,496,426     | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment |
|  |                | ₱73,716,423    |  |                             |
| Short-term Debt (Note 14) (e)              |                |                |  |                             |
| <i>Ultimate Parent Company (SLRDI)</i>     |                |                |  |                             |
| Principal                                  | ₱1,200,000,000 | ₱1,200,000,000 | Payable on demand;<br>interest bearing     | Unsecured                   |
| Interest income                            | 53,343,396     | —              |  |                             |

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% - SLRDI - 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% -SLRDI - 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% - SLRDI - 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% - SLRDI - 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 ₱264.69 million, ₱144.48 million and ₱152.58 million in 2022, 2021 and 2020, respectively. The share amounting ₱66.17 million, ₱28.61 million and ₱38.14 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2022, 2021 and 2020, respectively.

- b. SLECC and SLLI entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management and business development services, leveraging its knowledge in mall operations. 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.
- c. The Parent Company has receivables from affiliated mall tenants. This pertains to accrued rental income amounting to ₱71.91 million and ₱42.11 million in 2022 and 2021, respectively. Rental income from affiliated tenants amounted to ₱69.54 million, ₱38.77 million and ₱45.70 million in 2022, 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 ₱25.99 million and ₱76.5 million in 2022 and 2021, respectively.
- e. In May 2021, the Group obtained unsecured short-term loans from SLRDI amounting to ₱300.00 million with an annual interest rate ranging from 3.75 to 4.25%. Also in March 2020, unsecured 3-months loans were borrowed from SLRDI amounting to ₱1,200.00 million with 5% annual interest rates. Total outstanding loans from SLRDI amounted to ₱1,500.00 million as of December 31, 2022 and 2021, respectively

As of December 31, 2022 and 2021, 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 and operating cash flows 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:

|                                    | 2022               | 2021        |
|------------------------------------|--------------------|-------------|
| Short-term employee benefits       | <b>₱16,943,850</b> | ₱15,403,500 |
| Post-employment benefits (Note 20) | <b>640,730</b>     | 582,482     |
|                                    | <b>₱17,584,580</b> | ₱15,985,982 |

#### 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:

|                        | 2022               | 2021       | 2020       |
|------------------------|--------------------|------------|------------|
| Current service cost   | <b>₱1,897,885</b>  | ₱1,035,466 | ₱1,149,191 |
| Past service cost      | <b>10,598,138</b>  | –          | –          |
| Interest cost (income) | <b>262,674</b>     | (34,094)   | 222,480    |
|                        | <b>₱12,758,697</b> | ₱1,001,372 | ₱1,371,671 |

The remeasurements recognized in OCI for the years ended December 31, 2022, 2021 and 2020 follows:

|   | 2022               | 2021        | 2020         |
|---|--------------------|-------------|--------------|
| Actuarial losses (gains) due to:          |                    |             |              |
| Experience adjustments                    | <b>₱3,103,446</b>  | ₱128,119    | (₱6,062,141) |
| Changes in financial assumptions          | <b>(3,840,551)</b> | (1,001,953) | 1,143,224    |
| Changes in demographic assumptions        | <b>(248,263)</b>   | (39,351)    | 397,984      |
| Asset return in net interest cost         | <b>922,684</b>     | 113,798     | 791,542      |
| Change in the effect of the asset ceiling | <b>(66,303)</b>    | 49,757      | 13,305       |
|   | <b>(₱128,987)</b>  | (₱749,630)  | (₱3,716,086) |

Changes in the present value of the defined benefit obligation follow:

|                                    | 2022               | 2021        |
|------------------------------------|--------------------|-------------|
| Balances at beginning of year      | <b>₱7,398,269</b>  | ₱6,992,780  |
| Current service cost               | <b>1,897,885</b>   | 1,035,466   |
| Past service cost                  | <b>10,598,138</b>  | –           |
| Interest cost                      | <b>810,397</b>     | 283,208     |
| Actuarial losses (gains) due to:   |                    |             |
| Changes in financial assumptions   | <b>(3,840,551)</b> | (1,001,953) |
| Changes in demographic assumptions | <b>(248,263)</b>   | (39,351)    |
| Experience adjustments             | <b>3,103,446</b>   | 128,119     |
| Balances at end of year            | <b>₱19,719,321</b> | ₱7,398,269  |



Changes in the fair value of the plan asset which are in the form of cash follow:

|                               | 2022               | 2021       |
|-------------------------------|--------------------|------------|
| Balances at beginning of year | <b>₱8,538,119</b>  | ₱7,334,615 |
| Interest income               | <b>550,964</b>     | 317,302    |
| Contributions                 | <b>2,000,000</b>   | 1,000,000  |
| Return on plan assets         | <b>(922,684)</b>   | (113,798)  |
| Balances at end of year       | <b>₱10,166,399</b> | ₱8,538,119 |

The retirement liabilities (plan surplus) follow:

|                                    | 2022                | 2021         |
|------------------------------------|---------------------|--------------|
| Defined benefit obligation, ending | <b>₱19,719,321</b>  | ₱7,398,269   |
| Fair value of plan assets, ending  | <b>(10,166,399)</b> | (8,538,119)  |
| Effect of the asset ceiling        | –                   | 63,062       |
| Balances at end of year            | <b>₱9,552,922</b>   | (₱1,076,788) |

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension for the defined benefit plans are shown below:

|                      | 2022         | 2021  |
|----------------------|--------------|-------|
| Discount rate        | <b>7.26%</b> | 5.14% |
| Salary increase rate | <b>3.00%</b> | 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.

| 2022                 |                               |                                      |                     |
|----------------------|-------------------------------|--------------------------------------|---------------------|
|                      | Increase/<br>decrease in rate | Impact on defined benefit obligation |                     |
|                      |                               | Increase                             | Decrease            |
| Salary increase rate | +/-1%                         | <b>₱1,788,984</b>                    | <b>(₱1,550,709)</b> |
| Discount rate        | +/-1%                         | <b>(1,730,111)</b>                   | <b>1,480,260</b>    |
| 2021                 |                               |                                      |                     |
|                      | Increase/<br>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             |





Shown below is the maturity analysis of the undiscounted benefit payments:

|             | 2022              | 2021      |
|-------------|-------------------|-----------|
| 2021        | <b>₱3,564,350</b> | ₱697,825  |
| 2022        | <b>1,552,048</b>  | 610,945   |
| 2023        | <b>1,649,466</b>  | —         |
| 2024        | <b>7,935,906</b>  | —         |
| 2025        | <b>2,052,397</b>  | 4,987,120 |
| 2026 – 2030 | <b>11,118,535</b> | 1,033,060 |

There was no plan amendment, curtailment, or settlement recognized in 2022 and 2021.

## 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, 2022, 2021 and 2020, the real estate sales and cost of real estate sales related to interest in joint project development operations are as follows:

|                           | 2022                  | 2021         | 2020         |
|---------------------------|-----------------------|--------------|--------------|
| Real estate sales         | <b>₱2,170,510,577</b> | ₱774,507,423 | ₱391,471,203 |
| Cost of real estate sales | <b>449,611,222</b>    | 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 ₱6,500.00 million and ₱6,000.00 million as of December 31, 2022 and 2021, 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, 2022, 2021 and 2020, 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, 2022, 2021 and 2020 and revenue and income information for each of the three years ended December 31, 2022.

|  | 2022           |                         |                 |
|--|----------------|-------------------------|-----------------|
|  | Leasing        | Residential Development | Total           |
| Rental income  | ₱771,276,745   | ₱–                      | ₱771,276,745    |
| Cost of rental income  | (600,515,213)  | –                       | (600,515,213)   |
| Real estate sales  | –              | 7,789,770,885           | 7,789,770,885   |
| Cost of real estate sales  | –              | (1,946,427,701)         | (1,946,427,701) |
| Segment gross profit   | 170,761,532    | 5,843,343,184           | 6,014,104,716   |
| Selling and administrative expense   | (34,832,375)   | (1,531,916,924)         | (1,566,749,299) |
| Interest income on receivables, contract assets, cash in banks and investments | 1,591,137      | 580,600,803             | 582,191,940     |
| Interest expense   | –              | (1,218,956,931)         | (1,218,956,931) |
| Commission income  | –              | 82,790,717              | 82,790,717      |
| Dividend income  | –              | 7,157,683               | 7,157,683       |
| Other revenue  | –              | 649,622,589             | 649,622,589     |
| Provision for income tax   | (34,380,073)   | (1,082,252,125)         | (1,116,632,198) |
| Net income   | ₱103,140,221   | ₱3,330,388,996          | ₱3,433,529,217  |
| Total segment assets   | ₱6,784,487,980 | ₱50,625,861,541         | ₱57,410,349,521 |
| Segment liabilities  | 499,518,483    | 31,135,080,385          | 31,634,598,868  |
| Income tax payable   | –              | 94,372,446              | 94,372,446      |
| Deferred tax liabilities   | 25,717,570     | 2,611,060,832           | 2,636,778,402   |
| Total liabilities  | ₱525,236,053   | ₱33,840,513,663         | ₱34,365,749,716 |
| Cash flows arising from:   |                |                         |                 |
| Operating activities   | (₱64,030,086)  | ₱424,994,212            | ₱360,964,126    |
| Investing activities   | (604,931,661)  | (494,118,713)           | (1,099,050,374) |
| Financing activities   | –              | 2,134,803,748           | 2,134,803,748   |



|  | 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 on receivables, contract assets, cash in banks and investments | 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 revenue  | -              | 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   | 29,235,919     | 1,872,169,662           | 1,901,405,581   |
| Total liabilities  | P414,297,291   | P31,507,456,307         | P31,921,753,598 |
| Cash flows arising from:   |                |                         |                 |
| Operating activities   | (P13,720,181)  | P965,606,424            | P951,886,243    |
| Investing activities   | (311,318,348)  | (165,183,110)           | (476,501,458)   |
| 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 on receivables, contract assets, cash in banks and investments | 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 revenue  | -              | 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   | 21,045,695     | 1,421,825,009           | 1,442,870,704   |
| Total liabilities  | P447,200,184   | P27,640,784,055         | P28,087,984,239 |
| Cash flows arising from:   |                |                         |                 |
| Operating activities   | P124,927,203   | (P736,842,186)          | (P611,914,983)  |
| Investing activities   | (254,368,249)  | (192,978,232)           | (447,346,481)   |
| Financing activities   | -              | 1,098,713,816           | 1,098,713,816   |

Capital expenditures consist of additions to investment property which amounted to P598.90 million, P291.60 million and P229.56 million in 2022, 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:

|   | 2022                | 2021         |
|---|---------------------|--------------|
| Within one year                             | <b>₱305,464,914</b> | ₱239,579,755 |
| After one year but not more than five years | <b>166,540,348</b>  | 310,843,374  |
|   | <b>₱472,005,262</b> | ₱550,423,129 |

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 ₱771.28 million, ₱465.86 million and ₱447.54 million in 2022, 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 ₱63.15 million, ₱149.87 million and ₱166.54 million for the years ended December 31, 2022, 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).

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## 24. Income Tax

Provision for income tax consists of:

|                | 2022                  | 2021         | 2020         |
|----------------|-----------------------|--------------|--------------|
| Current – RCIT | <b>₱248,606,904</b>   | ₱212,180,978 | ₱203,139,529 |
| Deferred       | <b>866,466,463</b>    | 458,347,469  | 487,110,754  |
| Final          | <b>1,558,831</b>      | 431,441      | 827,466      |
|                | <b>₱1,116,632,198</b> | ₱670,959,888 | ₱691,077,749 |

The Group recognized deferred tax liability from remeasurement loss on pension recognized in OCI for the year ended December 31, 2022 amounting to ₱0.03 million, respectively.

The Group recognized deferred tax asset from remeasurement gain on pension recognized in OCI for the years ended December 31, 2021 and 2020 amounting to ₱0.19 million and ₱1.11 million.



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

|                                 | 2022   | 2021   | 2020   |
|---------------------------------|--------|--------|--------|
| Statutory income tax rate       | 25.00% | 25.00% | 30.00% |
| Tax effect of:                  |        |        |        |
| Nondeductible expenses          | 0.01   | —      | 0.01   |
| Income subjected to final taxes | (0.01) | (0.01) | (0.01) |
| Nontaxable income               | (0.04) | (0.06) | (1.19) |
| Others                          | —      | (5.83) | —      |
| Effective income tax rate       | 24.96% | 19.11% | 28.81% |

The components of net deferred tax liabilities as of December 31, 2022 and 2021 are as follows:

|   | 2022             | 2021             |
|---|------------------|------------------|
| Deferred tax assets on:   |                  |                  |
| Allowance for doubtful accounts   | ₱2,598,091       | ₱6,599,427       |
| Retirement liability  | 1,282,885        | —                |
|   | 3,880,976        | 6,599,427        |
| 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 | 2,165,536,595    | 1,327,174,983    |
| Prepaid commission  | 209,640,778      | 195,668,184      |
| Unamortized discount on receivables   | 139,898,798      | 167,867,460      |
| Fair value gain on repossessed inventory  | 89,035,962       | 58,014,879       |
| Capitalized borrowing cost  | 16,973,686       | 133,716,662      |
| Unamortized transaction cost  | 10,826,146       | 12,151,235       |
| Lease modification on rental income   | 8,743,884        | 12,014,756       |
| Accrued pension asset   | —                | 1,374,543        |
| Others  | 3,529            | 22,306           |
|   | 2,640,659,378    | 1,908,005,008    |
| Net deferred tax liabilities  | (₱2,636,778,402) | (₱1,901,405,581) |

Corporate Recovery and Tax Incentives for Enterprises” or “CREATE” Act

To attract more investments and maintain fiscal prudence and stability in the Philippines, Republic Act (RA) 11534 or the CREATE Act was signed into law on March 26, 2021. The CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect on April 11, 2021.

As of December 31, 2022, 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 ₱0.06 million and ₱0.08 million in 2022 and 2021, 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, 2022, the Group has incurred NOLCO before taxable year 2020 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

| Year Incurred | Availment Period | Amount  | NOLCO Applied Previous Year | NOLCO Expired | NOLCO Applied Current Year | NOLCO Unapplied |
|---------------|------------------|---------|-----------------------------|---------------|----------------------------|-----------------|
| 2019          | 2020-2022        | ₱65,190 | ₱—                          | ₱65,190       | ₱—                         | ₱—              |

As of December 31, 2022, the Group has incurred NOLCO in taxable years 2022, 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next 5 consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

| Year Incurred | Availment Period | Amount   | NOLCO Applied Previous Year | NOLCO Expired | NOLCO Applied Current Year | NOLCO Unapplied |
|---------------|------------------|----------|-----------------------------|---------------|----------------------------|-----------------|
| 2022          | 2023-2025        | ₱25,872  | ₱—                          | ₱—            | ₱—                         | ₱25,872         |
| 2021          | 2022-2026        | 79,552   | —                           | —             | —                          | 79,552          |
| 2020          | 2021-2025        | 87,500   | —                           | —             | —                          | 87,500          |
|               |                  | ₱192,924 | ₱—                          | ₱—            | ₱—                         | ₱192,924        |

## 25. Earnings per Share

The basic earnings per share for the years ended December 31, 2022, 2021 and 2020 were computed as follows:

|   | 2022           | 2021           | 2020           |
|---|----------------|----------------|----------------|
| Net income                                    | ₱3,433,529,217 | ₱2,839,842,200 | ₱1,707,946,287 |
| Weighted average number of shares outstanding | 8,207,134,932  | 8,196,450,000  | 8,196,450,000  |
| Earnings per share                            | ₱0.42          | ₱0.35          | ₱0.21          |

There are no potential dilutive shares in 2022, 2021 and 2020.

## 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, short term investment, 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 2022 and 2021 ranges from 4.53% to 8.65% and 3.56% to 6.45%, respectively. The carrying value and fair value of the receivables amounted to ₱3,048.70 million and ₱2,911.80 million, respectively, in 2022 and ₱3,072.34 million and ₱2,979.49 million, respectively, in 2021.



*Financial assets at FVOCI quoted equity securities*

In 2022 and 2021, the fair values are based on quoted prices published in markets.

*Financial assets at FVOCI unquoted equity securities*

In 2022 and 2021, 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 2022 and 2021 ranges from 4.96% to 9.10%. The carrying value and fair value of the loans payable amounted to ₱13,228.00 million and ₱11,519.06 million, respectively, in 2022, and ₱10,898.50 million and ₱10,064.22 million, respectively, in 2021.

The quantitative disclosures on fair value measurement hierarchy for assets as of December 31, 2022 and 2021 follow:

|   |                 |                | 2022   |   |   |
|---|-----------------|----------------|--|---|---|
|   |                 |                | Fair value measurements using                                  |   |   |
|   | Carrying values | Total          | Quoted prices in active markets for identical assets (Level 1) | Significant offer observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Assets measured at fair value</b>                  |                 |                |  |   |   |
| Quoted equity securities                              | ₱436,667,800    | ₱436,667,800   | ₱436,667,800   | ₱–  | ₱–  |
| Unquoted equity securities                            | 220,628,171     | 220,628,171    | –  | –   | 220,628,171                               |
| <b>Assets for which fair value are disclosed</b>      |                 |                |  |   |   |
| Installment contracts receivables                     | 3,048,700,222   | 2,911,803,661  | –  | –   | 2,922,196,026                             |
| Investment properties                                 | 6,330,337,713   | 9,941,508,196  | –  | –   | 9,941,508,196                             |
| <b>Liabilities for which fair value are disclosed</b> |                 |                |  |   |   |
| Short-term debt                                       | 9,572,141,043   | 9,572,141,043  | –  | –   | 9,572,141,043                             |
| Long-term debt*                                       | 13,228,000,000  | 11,519,064,540 | –  | –   | 11,519,064,540                            |

\*Includes current portion of long-term debt

|   |                 |                | 2021   |   |   |
|---|-----------------|----------------|--|---|---|
|   |                 |                | Fair value measurements using                                  |   |   |
|   | Carrying values | Total          | Quoted prices in active markets for identical assets (Level 1) | Significant offer observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Assets measured at fair value</b>                  |                 |                |  |   |   |
| Quoted equity securities                              | ₱458,601,004    | ₱458,601,004   | ₱458,601,004   | ₱–  | ₱–  |
| Unquoted equity securities                            | 224,015,259     | 224,015,259    | –  | –   | 224,015,259                               |
| <b>Assets for which fair value are disclosed</b>      |                 |                |  |   |   |
| Installment contracts receivables                     | 3,072,339,397   | 2,979,491,088  | –  | –   | 3,005,888,797                             |
| Investment properties                                 | 5,868,209,371   | 9,342,605,953  | –  | –   | 9,342,605,953                             |
| <b>Liabilities for which fair value are disclosed</b> |                 |                |  |   |   |
| Short-term debt                                       | 8,525,270,554   | 8,525,270,554  | –  | –   | 8,525,270,554                             |
| Long-term debt*                                       | 10,898,500,000  | 10,064,218,679 | –  | –   | 10,064,218,679                            |

\*Includes current portion of long-term debt

As at December 31, 2022, the Group's financial assets at FVOCI amounting to ₱436.67 million is carried at fair value based on Level 1 while the fair value for the investment amounting



₱220.63 million is based on Level 3 (see 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 2022 and 2021.

## 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, 2022 and 2021, 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, 2022 |              |               |
|----------------------------------|-------------------|--------------|---------------|
|                                  | Gross Amount      | Offsetting   | Net Amount    |
| Due from related parties         | ₱623,745,541      | ₱-           | ₱623,745,541  |
| Due to related parties (Note 19) | -                 | (3,254,988)  | (3,254,988)   |
|                                  | ₱623,745,541      | (₱3,254,988) | ₱ 620,490,553 |

|                          | 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 |

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, 2022 and 2021, the Group has no undrawn facilities. As part of the liquidity risk management, the Group is currently transacting with local banks for a longer term corporate notes and negotiation of higher undrawn credit lines to meet the debtors', suppliers' and contractors' obligations and business expansion.

At the Special Meeting of the Board of Directors of the Group held last March 12, 2021, wherein, subject to securing all required approvals under applicable laws, rules and regulations, the Group was authorized to negotiate and avail of a Corporate Note Facility with financial institutions, with a maximum of 19 investors, for an aggregate amount of up to ₱7,000.00 million, with maturity dates of three (3) years from the issue date for Tranche A and five (5) years from the issue date for Tranche B, for the purpose of refinancing maturing and existing debts and for general corporate purposes.

Through scenario analysis and contingency planning, the Group also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost, and ensures the availability of ample unused credit facilities as back-up liquidity.

Cash are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise.

The table summarizes the maturity profile of the Group's financial assets and financial liabilities at December 31 based on contractual undiscounted payments:

|                                    | 2022                  |                       |                     | Total                  |
|------------------------------------|-----------------------|-----------------------|---------------------|------------------------|
|                                    | < 1 year              | >1 to < 5 years       | > 5 years           |                        |
| <b>Financial assets</b>            |                       |                       |                     |                        |
| Cash in banks and cash equivalents | ₱3,341,502,536        | ₱—                    | ₱—                  | ₱3,341,502,536         |
| Receivables:                       |                       |                       |                     |                        |
| Installment contracts              |                       |                       |                     |                        |
| receivables:                       |                       |                       |                     |                        |
| Subdivision land                   | 1,250,183,026         | 705,351,111           | 28,375,553          | 1,983,909,690          |
| Condominium units                  | 626,208,130           | 421,621,020           | 16,961,382          | 1,064,790,532          |
| Receivable from related parties    | 857,223,697           | —                     | —                   | 857,223,697            |
| Advances to joint development      |                       |                       |                     |                        |
| Operations                         | 301,064,370           | —                     | —                   | 301,064,370            |
| Advances to officers and           |                       |                       |                     |                        |
| Employees                          | 164,925,304           | —                     | —                   | 164,925,304            |
| Commission receivable              | 8,673,383             | —                     | —                   | 8,673,383              |
| Accrued interest receivable        | 614,663,712           | —                     | —                   | 614,663,712            |
| Receivable from tenants            | 241,410,645           | —                     | —                   | 241,410,645            |
| Dividend receivable                | 37,930,257            | —                     | —                   | 37,930,257             |
| Others                             | 25,070,377            | —                     | —                   | 25,070,377             |
| Short term investments             | 300,000,000           | —                     | —                   | 300,000,000            |
| Financial assets at FVOCI          | —                     | —                     | 657,295,971         | 657,295,971            |
| <b>Total financial assets</b>      | <b>7,768,855,437</b>  | <b>1,126,972,131</b>  | <b>702,632,906</b>  | <b>9,598,460,474</b>   |
| <b>Contract assets</b>             | <b>2,112,173,482</b>  | <b>2,895,259,509</b>  | <b>151,463,795</b>  | <b>5,158,896,786</b>   |
|                                    | <b>₱9,881,028,919</b> | <b>₱4,022,231,640</b> | <b>₱854,096,701</b> | <b>₱14,757,357,260</b> |

(Forward)



|                                    | 2022                    |                       |                     |                        |
|------------------------------------|-------------------------|-----------------------|---------------------|------------------------|
|                                    | < 1 year                | >1 to < 5 years       | > 5 years           | Total                  |
| <b>Financial liabilities</b>       |                         |                       |                     |                        |
| Accounts and other payables:       |                         |                       |                     |                        |
| Contractors payable                | ₱1,944,120,117          | ₱–                    | ₱–                  | ₱1,944,120,117         |
| Payable to joint development       |                         |                       |                     |                        |
| Operators                          | 1,392,450,842           | –                     | –                   | 1,392,450,842          |
| Accounts payable                   | 1,309,984,550           | –                     | –                   | 1,309,984,550          |
| Retention payable                  | 221,779,644             | –                     | –                   | 221,779,644            |
| Payable to related parties         | 17,202,827              | –                     | –                   | 17,202,827             |
| Advances from shareholders         | 14,711,492              | –                     | –                   | 14,711,492             |
| Interest payable                   | 97,550,970              | –                     | –                   | 97,550,970             |
| Others                             | 231,628,006             | –                     | –                   | 231,628,006            |
| Short term and long term debts     | 12,957,723,628          | 9,776,242,071         | –                   | 22,733,965,699         |
| <b>Total financial liabilities</b> | <b>₱ 18,187,152,076</b> | <b>₱9,776,242,071</b> | <b>₱–</b>           | <b>₱27,963,394,147</b> |
|                                    |                         |                       |                     |                        |
|                                    | 2021                    |                       |                     |                        |
|                                    | < 1 year                | >1 to < 5 years       | > 5 years           | Total                  |
| <b>Financial assets</b>            |                         |                       |                     |                        |
| Cash in banks and cash equivalents | ₱1,945,514,036          | ₱–                    | ₱–                  | ₱1,945,514,036         |
| Receivables:                       |                         |                       |                     |                        |
| Installment contracts              |                         |                       |                     |                        |
| receivables:                       |                         |                       |                     |                        |
| Subdivision land                   | 783,875,282             | 1,145,088,549         | 46,065,740          | 1,975,029,571          |
| Condominium units                  | 427,566,853             | 643,841,874           | 25,901,099          | 1,097,309,826          |
| Receivable from related parties    | 544,374,548             | –                     | –                   | 544,374,548            |
| Advances to joint development      |                         |                       |                     |                        |
| Operations                         | 326,773,576             | –                     | –                   | 326,773,576            |
| Advances to officers and           |                         |                       |                     |                        |
| Employees                          | 179,179,518             | –                     | –                   | 179,179,518            |
| Commission receivable              | 19,676,384              | –                     | –                   | 19,676,384             |
| Accrued interest receivable        | 664,489,761             | –                     | –                   | 664,489,761            |
| Receivable from tenants            | 125,256,860             | –                     | –                   | 125,256,860            |
| Dividend receivable                | 20,082,111              | –                     | –                   | 20,082,111             |
| Others                             | 25,242,854              | –                     | –                   | 25,242,854             |
| Financial assets at FVOCI          | –                       | –                     | 682,616,263         | 682,616,263            |
| Total financial assets             | 5,062,031,783           | 1,788,930,423         | 754,583,102         | 7,605,545,308          |
| Contract assets                    | 1,464,882,887           | 2,519,630,667         | 131,812,993         | 4,116,326,547          |
|                                    | ₱6,526,914,670          | ₱4,308,561,090        | ₱886,396,095        | ₱11,721,871,855        |
| <b>Financial liabilities</b>       |                         |                       |                     |                        |
| Accounts and other payables:       |                         |                       |                     |                        |
| Contractors payable                | ₱3,440,666,960          | ₱–                    | ₱–                  | ₱3,440,666,960         |
| Payable to joint development       |                         |                       |                     |                        |
| Operators                          | 1,086,899,888           | –                     | –                   | 1,086,899,888          |
| Accounts payable                   | 1,095,716,218           | –                     | –                   | 1,095,716,218          |
| Retention payable                  | 144,507,817             | –                     | –                   | 144,507,817            |
| Payable to related parties         | 3,254,988               | –                     | –                   | 3,254,988              |
| Advances from shareholders         | 14,711,492              | –                     | –                   | 14,711,492             |
| Interest payable                   | 81,382,474              | –                     | –                   | 81,382,474             |
| Others                             | 115,397,013             | –                     | –                   | 115,397,013            |
| Short term and long term debts     | 10,337,449,880          | 8,549,850,221         | 464,994,753         | 19,352,294,854         |
| <b>Total financial liabilities</b> | <b>₱16,319,986,730</b>  | <b>₱8,549,850,221</b> | <b>₱464,994,753</b> | <b>₱25,334,831,704</b> |

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:

|   | Total                 | 2022                  |                       |
|---|-----------------------|-----------------------|-----------------------|
|   |                       | Vertical              | Horizontal            |
| <b>Expected credit loss rate</b>                        | <b>0.0%</b>           | <b>0.0%</b>           | <b>0.0%</b>           |
| <b>Estimated total gross carrying amount at default</b> | <b>₱8,822,260,719</b> | <b>₱1,405,922,485</b> | <b>₱7,416,338,234</b> |

|  | 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 |

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, 2022 and 2021.

|                                    | 2022                  | 2021           |
|------------------------------------|-----------------------|----------------|
| Contract assets                    | <b>₱5,158,896,786</b> | ₱4,116,326,547 |
| Installment contracts receivables: |                       |                |
| Subdivision land                   | <b>1,983,909,690</b>  | 1,975,029,571  |
| Condominium units                  | <b>1,064,790,532</b>  | 1,097,309,826  |
| Receivable from related parties    | <b>857,223,697</b>    | 544,374,548    |
| Accrued interest receivable        | <b>614,663,712</b>    | 664,489,761    |
| Receivable from tenants            | <b>241,410,645</b>    | 125,256,860    |
| Dividend receivable                | <b>37,930,257</b>     | 20,082,111     |
| Commission receivable              | <b>8,673,383</b>      | 19,676,384     |
|                                    | <b>₱9,967,498,702</b> | ₱8,562,545,608 |



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:

| 2022                                     |                                     |                           |                    |                    |                    |                    |                     |                    |                       |
|--|-------------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|-----------------------|
|  | Neither Past<br>Due nor<br>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                         | ₱1,862,096,791                      | ₱35,159,305               | ₱31,826,035        | ₱21,256,303        | ₱14,263,933        | ₱8,914,958         | ₱111,420,534        | ₱10,392,365        | ₱1,983,909,690        |
| Condominium units                        | 1,001,535,049                       | 20,202,722                | 18,218,961         | 11,872,829         | 7,975,983          | 4,984,988          | 63,255,483          | —                  | 1,064,790,532         |
| Receivable from related parties          | 857,223,697                         | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 857,223,697           |
| Accrued interest receivable              | 614,663,712                         | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 614,663,712           |
| Advances to joint development operations | 301,064,370                         | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 301,064,370           |
| Receivable from tenants                  | 241,410,645                         | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 241,410,645           |
| Advances to officers and employees       | 164,925,304                         | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 164,925,304           |
| Dividend receivable                      | 37,930,257                          | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 37,930,257            |
| Commission receivable                    | 8,673,383                           | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 8,673,383             |
| Others                                   | 25,070,377                          | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 25,070,377            |
| <b>Total</b>                             | <b>₱5,114,593,585</b>               | <b>₱55,362,027</b>        | <b>₱50,044,996</b> | <b>₱33,129,132</b> | <b>₱22,239,916</b> | <b>₱13,899,947</b> | <b>₱174,676,018</b> | <b>₱10,392,365</b> | <b>₱5,299,661,968</b> |

| 2021                                     |                                     |                           |                    |                    |                    |                    |                     |                    |                       |
|--|-------------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|-----------------------|
|  | Neither Past<br>Due nor<br>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         | 9,739,065          | 53,274,377          | —                  | 1,097,309,826         |
| Receivable from related parties          | 664,489,761                         | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 664,489,761           |
| Accrued interest receivable              | 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           |
| Commission receivable                    | 20,082,111                          | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 20,082,111            |
| Dividend receivable                      | 19,676,384                          | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 19,676,384            |
| Others                                   | 25,242,854                          | —                         | —                  | —                  | —                  | —                  | —                   | —                  | 25,242,854            |
| <b>Total</b>                             | <b>₱4,759,269,558</b>               | <b>₱46,473,873</b>        | <b>₱40,532,913</b> | <b>₱36,796,287</b> | <b>₱35,067,959</b> | <b>₱32,876,710</b> | <b>₱191,747,742</b> | <b>₱26,397,709</b> | <b>₱4,977,415,009</b> |



The table below shows the credit quality of the Group's financial assets as of December 31, 2022 and 2021.

|  | 2022                          |              |           |                |                              |             |                |
|--|-------------------------------|--------------|-----------|----------------|------------------------------|-------------|----------------|
|  | Neither Past Due Nor Impaired |              |           |                | Past Due But<br>Not Impaired | Impaired    | Total          |
|  | High Grade                    | Medium Grade | Low Grade | Total          |                              |             |                |
| Cash in banks and cash equivalents       | ₱3,341,502,536                | ₱—           | ₱—        | ₱3,341,502,536 | ₱—                           | ₱—          | ₱3,341,502,536 |
| Receivables:                             |                               |              |           |                |                              |             |                |
| Installment contracts receivables:       |                               |              |           |                |                              |             |                |
| Subdivision land                         | 1,862,096,791                 | —            | —         | 1,862,096,791  | 111,420,534                  | 10,392,365  | 1,983,124,960  |
| Condominium units                        | 1,001,535,049                 | —            | —         | 1,001,535,049  | 63,255,483                   | —           | 1,064,790,532  |
| Accrued interest receivable              | 614,663,712                   | —            | —         | 614,663,712    | —                            | —           | 614,663,712    |
| Receivable from related parties          | 857,223,697                   | —            | —         | 857,223,697    | —                            | —           | 857,223,697    |
| Advances to joint development operations | 301,064,370                   | —            | —         | 301,064,370    | —                            | —           | 301,064,370    |
| Advances to officers and employees       | 164,925,304                   | —            | —         | 164,925,304    | —                            | —           | 164,925,304    |
| Receivables from tenants                 | 241,410,645                   | —            | —         | 241,410,645    | —                            | —           | 241,410,645    |
| Dividend receivable                      | 37,930,257                    | —            | —         | 37,930,257     | —                            | —           | 37,930,257     |
| Commission receivable                    | 8,673,383                     | —            | —         | 8,673,383      | —                            | —           | 8,673,383      |
| Others                                   | 25,070,377                    | —            | —         | 25,070,377     | —                            | —           | 25,070,377     |
| Financial assets at FVOCI                | 657,295,971                   | —            | —         | 657,295,971    | —                            | —           | 657,295,971    |
| Short term investments                   | 300,000,000                   | —            | —         | 300,000,000    | —                            | —           | 300,000,000    |
|  | ₱9,413,392,092                | ₱—           | ₱—        | ₱9,413,392,092 | ₱174,676,018                 | ₱10,392,365 | ₱9,577,675,745 |

|  | 2021                          |              |           |                |              |             |                |
|--|-------------------------------|--------------|-----------|----------------|--------------|-------------|----------------|
|  | Neither Past Due Nor Impaired |              |           |                | Past Due But |             |                |
|  | High Grade                    | Medium Grade | Low Grade | Total          | Not Impaired | Impaired    | Total          |
| Cash in banks and cash equivalents       | ₱1,945,514,036                | ₱—           | ₱—        | ₱1,945,514,036 | ₱—           | ₱—          | ₱1,945,514,036 |
| Receivables:                             |                               |              |           |                |              |             |                |
| Installment contracts receivables:       |                               |              |           |                |              |             |                |
| Subdivision land                         | 1,810,158,498                 | —            | —         | 1,810,158,498  | 138,473,364  | 26,397,709  | 1,922,234,153  |
| Condominium units                        | 1,044,035,448                 | —            | —         | 1,044,035,448  | 53,274,378   | —           | 1,097,309,826  |
| Receivable from related parties          | 664,489,761                   | —            | —         | 664,489,761    | —            | —           | 664,489,761    |
| Accrued interest receivable              | 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    |
| Commission receivable                    | 20,082,111                    | —            | —         | 20,082,111     | —            | —           | 20,082,111     |
| Dividend 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 | ₱7,552,749,890 |



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, 2022 and 2021 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱65.73 million and ₱68.26 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, 2022 and 2021, with all variables held constant, (through the impact on floating rate borrowings):

|                         | Effect on income before income tax<br>Increase (decrease) |                |
|-------------------------|---|----------------|
|                         | 2022  | 2021           |
| Change in basis points: |   |                |
| +100 basis points       | (₱195,858,699)  | (₱181,784,845) |
| -100 basis points       | 195,858,699   | 181,784,845    |

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:

| 2022   |                                 |                    |                         |                         |                         |                         |                          |
|--|---------------------------------|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
|  | Interest terms (p.a.)           | Rate Fixing Period | On Demand               | 1 to 3 months           | 3 to 12 months          | 1 to 5 years            | Total                    |
| <b>Financial Assets</b>                          |                                 |                    |                         |                         |                         |                         |                          |
| Cash in banks and cash equivalents               | Fixed at the date of investment | Various            | ₱3,341,502,536          | ₱–                      | ₱–                      | ₱–                      | ₱3,341,502,536           |
| Installment contracts receivables                | Fixed at the date of sale       | Date of sale       | 174,676,018             | 425,428,785             | 1,276,286,354           | 1,126,972,131           | 3,003,363,288            |
| Receivables from related parties                 | N/A                             | N/A                | 664,489,761             | –                       | –                       | –                       | 664,489,761              |
| Other  | N/A                             | N/A                | 25,242,854              | –                       | –                       | –                       | 25,242,854               |
| Short term investments                           | Fixed at the date of investment | Date of investment | –                       | –                       | 300,000,000             | –                       | 300,000,000              |
| Financial assets at FVOCI                        | N/A                             | N/A                | –                       | –                       | –                       | 657,295,971             | 657,295,971              |
| Total financial assets                           |                                 |                    | 4,205,911,169           | 425,428,785             | 1,576,286,354           | 1,784,268,102           | 7,991,894,410            |
| Contract assets                                  |                                 |                    | 331,562,542             | 445,152,735             | 1,335,458,205           | 2,895,259,509           | 5,007,432,991            |
| Total undiscounted financial and contract assets |                                 |                    | 4,537,473,711           | 870,581,520             | 2,611,744,559           | 4,679,527,611           | 12,999,327,401           |
| <b>Financial Liabilities</b>                     |                                 |                    |                         |                         |                         |                         |                          |
| Loans payable                                    | Fixed at the date of loan       | Quarterly          | –                       | 3,796,941,042           | 5,775,200,000           | –                       | 9,572,141,042            |
| Notes payable                                    | N/A                             | N/A                | –                       | 2,132,956,554           | 1,252,626,031           | 9,776,242,071           | 13,161,824,656           |
| Accounts and other payables                      | N/A                             | N/A                | 6,106,781,812           | –                       | –                       | –                       | 6,106,781,812            |
| Total undiscounted financial liabilities         |                                 |                    | 6,106,781,812           | 5,929,897,596           | 7,027,826,031           | 9,776,242,071           | 28,840,747,510           |
| <b>Liquidity Position (Gap)</b>                  |                                 |                    | <b>(₱1,569,308,101)</b> | <b>(₱5,059,316,076)</b> | <b>(₱4,116,081,472)</b> | <b>(₱5,096,714,460)</b> | <b>(₱15,841,420,109)</b> |

| 2021   |                                 |                    |                         |                         |                         |                         |                          |
|--|---------------------------------|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
|  | Interest terms (p.a.)           | Rate Fixing Period | On Demand               | 1 to 3 months           | 3 to 12 months          | 1 to 5 years            | Total                    |
| <b>Financial Assets</b>                          |                                 |                    |                         |                         |                         |                         |                          |
| 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           |
| <b>Financial Liabilities</b>                     |                                 |                    |                         |                         |                         |                         |                          |
| 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           |
| <b>Liquidity Position (Gap)</b>                  |                                 |                    | <b>(₱3,806,004,149)</b> | <b>(₱5,581,567,006)</b> | <b>(₱2,544,742,152)</b> | <b>(₱4,061,822,648)</b> | <b>(₱15,994,135,955)</b> |





## 28. Notes to Statements of Cash Flows

Below are the non-cash investing and financing activities for December 31, 2022 and 2021:

- Effect of the modified retrospective approach in the adoption of PIC Q&A 2018-12 on the previously capitalized borrowing costs on inventories with a reduction in the beginning retained earnings amounting ₱524.50 million, and reduction of real estate inventories amounting to ₱393.38 million and the related deferred tax liability amounting ₱131.12 million, (see Notes 7 and 15).
- The interest paid excludes capitalized borrowing costs and accretion of loan transaction cost. The capitalized borrowing costs in 2022, 2021, and 2020 amounted to ₱11.90 million, ₱148.70 million and ₱116.26 million, respectively. The accretion of loan transaction cost amounted to ₱40.55 million, ₱52.95 million and ₱31.80 million, for the years 2022, 2021, and 2020, respectively.
- The Group transferred other current assets to other noncurrent assets amounting to ₱824.00 million and ₱622.45 million in 2022 and 2021, respectively.
- Purchases of lots which remain unpaid as of December 31, 2022 and 2021 amounted ₱554.74 million and ₱2,005.86 million, respectively.

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

|  | December 31,<br>2021   | Cash flows            | Non-cash changes      | December 31,<br>2022   |
|--|------------------------|-----------------------|-----------------------|------------------------|
| Payable to related parties (Note 19)               | ₱3,254,988             | ₱13,947,839           | ₱—                    | ₱17,202,827            |
| Short-term and long-term debt (Note 14)            | 19,352,294,854         | 3,341,120,489         | 40,550,356            | 22,733,965,699         |
| Interest payable                                   | 81,382,474             | (1,178,406,574)       | 1,194,575,070         | 97,550,970             |
| <b>Total liabilities from financing activities</b> | <b>₱19,436,932,316</b> | <b>₱2,176,661,754</b> | <b>₱1,235,125,426</b> | <b>₱22,848,719,496</b> |

|  | December 31,<br>2020   | Cash flows          | Non-cash changes      | December 31,<br>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             |
| <b>Total liabilities from financing activities</b> | <b>₱17,380,442,181</b> | <b>₱856,612,249</b> | <b>₱1,199,877,887</b> | <b>₱19,436,932,317</b> |

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.

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### 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.

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.

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### 31. Events After the Reporting Date

On March 10, 2023, the Group has drawn ₱2,550.00 million from the second drawdown of the Syndicated Loan Term Debt Facility Agreement signed last December 12, 2022 at an annual fixed rate of 8.53%. The loan matures on December 22, 2027.



## **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, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 26, 2023. 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. 89336-SEC (Group A)

Valid to cover audit of 2022 financial statements of SEC covered institutions

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. 9564691, January 3, 2023, Makati City

April 26, 2023



## **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, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 26, 2023. 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 Group'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 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 Group's consolidated financial statements as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 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. 89336-SEC (Group A)

Valid to cover audit of 2022 financial statements of SEC covered institutions

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. 9564691, January 3, 2023, Makati City

April 26, 2023



## **STA. LUCIA LAND, INC. AND SUBSIDIARIES**

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- Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration
- Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
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- Schedule A. Financial Assets
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**ANNEX A**

**STA. LUCIA LAND, INC.**

**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

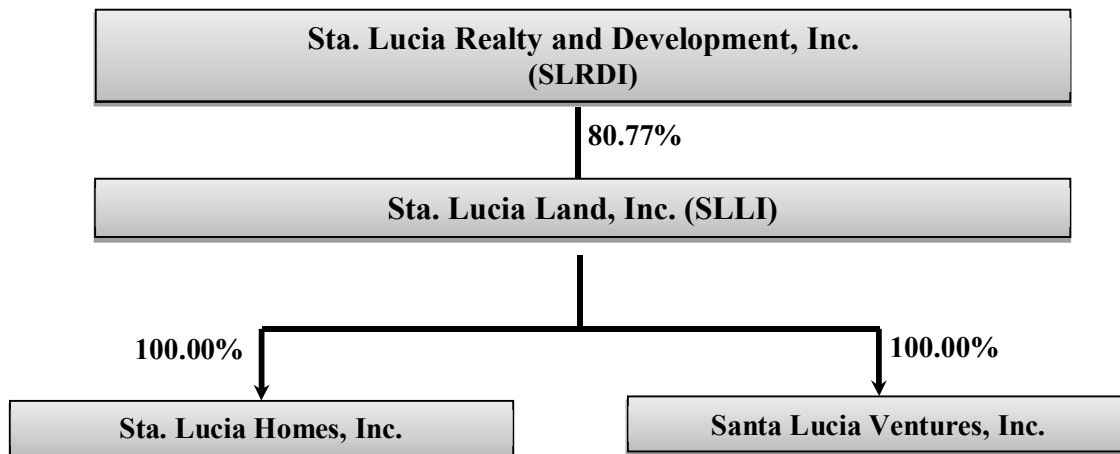
|   |                       |
|---|-----------------------|
| Total Unappropriated Retained Earnings - January 1, 2022  | P8,006,360,328        |
| Less:   |                       |
| Treasury shares   | (1,600,000,000)       |
| Income closed to retained earnings and other reconciling items  |                       |
| <b>TOTAL RETAINED EARNINGS, AVAILABLE FOR<br/>DIVIDEND DECLARATION, BEGINNING</b>   | <b>6,406,360,328</b>  |
| Net income actually earned/realized during the period:  |                       |
| Net income during the period closed to retained earnings  | 3,433,529,217         |
| 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  | (187,747,199)         |
| - Lease modification  | (13,083,489)          |
| 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  | 3,232,698,529         |
| Add (Less):   |                       |
| Dividend declarations during the period   | (331,858,000)         |
| Appropriations of retained earnings during the period   | —                     |
| Reversals of appropriations   | 40,000,000            |
| Effects of prior period adjustments   | (393,377,666)         |
| Treasury shares - see beginning reconciliation  | —                     |
| <b>TOTAL RETAINED EARNINGS, AVAILABLE FOR<br/>DIVIDEND DECLARATION, ENDING</b>  | <b>P8,953,823,191</b> |

**ANNEX B**

**STA. LUCIA LAND, INC. AND SUBSIDIARIES**

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**MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE  
COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-  
SUBSIDIARIES  
DECEMBER 31, 2022**



## SCHEDULE A

### STA. LUCIA LAND, INC. AND SUBSIDIARIES

#### SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED DECEMBER 31, 2022

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, 2022:

| Name of Issuing entity and association of<br>each issue                    | Number of<br>Shares | Amount Shown<br>in the Statement<br>of Financial<br>Position |
|--|---------------------|--|
| Financial Assets at Fair Value through Other<br>Comprehensive Income (OCI) |                     |  |
| Quoted:  |                     |  |
| Philippine Racing Club, Inc.   | 70,786,759          | 403,484,526  |
| Manila Jockey Club, Inc.   | 29,894,840          | 33,183,273   |
| Unquoted:  |                     |  |
| Uni-Asia Properties, Inc.  | 8,812,489           | 220,628,172  |
|  | 109,494,088         | ₱657,295,971   |

The basis in determining the value of quoted equity securities is the market quotation on December 31, 2022 while unquoted security is valued at cost less any allowance for impairment.



**SCHEDULE B****STA. LUCIA LAND, INC. AND SUBSIDIARIES****SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM  
DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND  
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)  
DECEMBER 31, 2022**

Below is the schedule of advances to employees of the Group with balances above ₱100,000 as of December 31, 2022:

| Name                 | Balance at<br>beginning of year | Additions   | Collections/<br>Liquidations | Balance at<br>end of year |
|----------------------|---------------------------------|-------------|------------------------------|---------------------------|
| Exequiel D. Robles   | ₱22,414,881                     | ₱1,560,000  | ₱—                           | ₱23,974,881               |
| Vicente R. Santos    | 10,162,826                      | 12,182,762  | —                            | 22,345,588                |
| Kristine May Robles  | 6,788,497                       | 1,629,122   | (247,635)                    | 8,169,984                 |
| Aurora D. Robles     | 5,945,000                       | 780,000     | —                            | 6,725,000                 |
| Antonio Robles       | 5,885,000                       | 780,000     | —                            | 6,665,000                 |
| Orestes R. Santos    | 5,018,718                       | 780,000     | —                            | 5,798,718                 |
| Mariza Santos Tan    | 4,546,618                       | 780,000     | —                            | 5,326,618                 |
| Paul Michael Robles  | 3,569,499                       | —           | —                            | 3,569,499                 |
| Maria Rosario Santos | 2,000,000                       | —           | —                            | 2,000,000                 |
| Michelle Robles      | 1,761,914                       | 76,492      | —                            | 1,838,406                 |
| Mardon Santos        | ₱1,042,205                      | ₱31,646     | (₱30,000)                    | ₱1,043,851                |
| Pampolina Jeremiah   | 429,393                         | 40,000      | (40,000)                     | 429,393                   |
| David M. Dela Cruz   | —                               | 112,166     | —                            | 112,166                   |
|                      | ₱69,564,551                     | ₱18,752,188 | (₱317,635)                   | ₱87,999,104               |

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

### STA. LUCIA LAND, INC. AND SUBSIDIARIES

#### SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS DECEMBER 31, 2022

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2022:

|                                | Nature   | Volume of Transactions | Receivable (Payable) | Terms  |
|--------------------------------|----------|------------------------|----------------------|--|
| Sta. Lucia Homes, Inc. (SLHI)  | Advances | ₱25,872                | (₱3,820,968)         | Non-interest bearing and to be settled within one year |
| Santalucia Ventures Inc. (SVI) | Advances | (49,005,839)           | 44,465,499           | Non-interest bearing and to be settled within one year |

|      | Balance at beginning of year | Additions | Collections   | Balance at end of year |
|------|------------------------------|-----------|---------------|------------------------|
| SLHI | (₱3,846,840)                 | ₱25,872   | –             | (₱3,820,968)           |
| SVI  | 93,471,338                   | –         | (49,005,839)  | 44,465,499             |
|      | ₱89,624,498                  | ₱25,872   | (₱49,005,839) | ₱40,644,531            |

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 receivables from related parties of the Group presented in the consolidated statements of financial position as of December 31, 2022:

|   | Relationship            | Nature              | Balance at end of year |
|---|-------------------------|---------------------|------------------------|
| Sta. Lucia Realty and Development, Inc. (SLRDI) | Ultimate Parent Company | a, b, c, d, e, f, g | ₱623,745,541           |
| Sta. Lucia East Commercial Corporation (SLECC)  | Affiliate               | h                   | 51,066,801             |
| Various mall tenants                            | Affiliate               | h                   | 71,910,759             |
| Others  | Affiliates              | a, i                | 107,402,765            |
|   |                         |                     | ₱854,125,866           |

##### *Nature of intercompany transactions*

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

- a. Consisting of non-interest bearing advances for working capital requirements with no fixed

repayment terms.

- b. Pertain to receivables from offsetting agreements with common suppliers with the Ultimate Parent Company.
- c. Pertain to noninterest-bearing cash advances for various charges to and from affiliated companies for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies, rentals for project exhibits and advertising/marketing costs.
- d. Represent monthly amortization payment from the buyers of the Group remitted to the Ultimate Parent Company.
- e. Pertain to the reinstated due from the Ultimate Parent Company after the after rescission of deposit on land rights and subsequently entering into a deed of assignment of shares of stock.
- f. Pertain to payable to Ultimate Parent Company for the Ultimate Parent Company's share in the sale of real estate properties of the Ultimate Parent Company but developed by the Parent Company.
- g. Pertains to the due from Ultimate Parent Company for the assumption of the its bank loan
- h. Pertain to uncollected rental income.
- i. Pertain to non-interest bearing cash advances to officers and directors.

The outstanding balances of intercompany transactions are all due and demandable as of December 31, 2022.

## **SCHEDULE D**

### **STA. LUCIA LAND, INC. AND SUBSIDIARIES**

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#### **SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT**

**DECEMBER 31, 2022**

The Group has long term loans amounting to ₱13,228.00 million as of December 31, 2022.

## **SCHEDULE E**

### **STA. LUCIA LAND, INC. AND SUBSIDIARIES**

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#### **SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES DECEMBER 31, 2022**

In May 2021, the Group obtained unsecured short-term loans from SLRDI (Ultimate parent) amounting to ₱300.00 million with an annual interest rate ranging from 3.75 to 4.25%. Also in March 2020, unsecured 3-months loans were borrowed from SLRDI amounting to ₱1,200.00 million with 5% annual interest rates. Total outstanding loans from SLRDI amounted to ₱1,500.00 million in 2022 and 2021, respectively.

## **SCHEDULE F**

### **STA. LUCIA LAND, INC. AND SUBSIDIARIES**

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### **SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS DECEMBER 31, 2022**

The Group does not have guarantees of securities of other issuers as of December 31, 2022.

## SCHEDULE G

### STA. LUCIA LAND, INC. AND SUBSIDIARIES

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### SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK

### DECEMBER 31, 2022

#### Schedule E. Capital Stock

| Title of issue | Number of shares<br>authorized | Number of shares<br>issued and<br>outstanding as<br>shown under<br>related balance<br>sheet caption | Number of<br>shares reserved<br>for options,<br>warrants,<br>conversion and<br>other rights | Number of shares<br>held by related<br>parties | Directors,<br>Officers and<br>Employees | Others        |
|----------------|--------------------------------|---|---|--|---|---------------|
| Common Shares  | 16,000,000,000                 | 8,296,450,000   | –   | 6,701,005,767                                  | 1,890,997                               | 1,593,553,236 |

## **SCHEDULE H**

### **STA. LUCIA LAND, INC. AND SUBSIDIARIES**

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### **SUPPLEMENTARY SCHEDULE OF BOND ISSUANCES - SECURITIES OFFERED TO THE PUBLIC DECEMBER 31, 2022**

This schedule is not applicable as there are no bond offering as of December 31, 2022.



**STA. LUCIA LAND, INC. AND SUBSIDIARIES****COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS****DECEMBER 31, 2022**

| <b>Ratio</b>                | <b>Formula</b>   | <b>Current Year</b> | <b>Prior Year</b> |
|-----------------------------|--|---------------------|-------------------|
| Current ratio               | Current assets / Current liabilities                       | <b>2:13:1</b>       | 2:03:1            |
| Debt to equity ratio        | Total debt / Stockholders equity                           | <b>0.99:1</b>       | 0.96:1            |
| Debt to total assets ratio  | Total liabilities / Total assets                           | <b>0.60:1</b>       | 0.61:1            |
| Return on average assets    | Net income attributable to Parent Company / Average assets | <b>6.28%</b>        | 5.61%             |
| Book value per share        | Stockholders' equity / Total number of shares              | <b>₱2.78</b>        | ₱2.46             |
| Earnings per share          | Net income / Total number of shares                        | <b>₱0.42</b>        | ₱0.35             |
| Debt service coverage ratio | EBITDA / Debt service                                      | <b>5.42:1</b>       | 4.37:1            |

SEC Number: 031-050

File Number: \_\_\_\_\_

## **STA. LUCIA LAND, INC. AND SUBSIDIARIES**

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(Company's Full Name)

Penthouse Building 3, Sta. Lucia East Grand Mall,  
Marcos Highway Cor. Imelda Ave., Cainta Rizal

---

(Company Address)

(632) 8681-7332

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(Telephone Number)

**March 31, 2023**

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(Quarter Ended)

**1st Quarter Report – SEC Form 17-Q**

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(Form Type)

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(Amendments)

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q**

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

1. For the quarterly period ended **March 31, 2023**

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. 

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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

**Common**

Number of shares of common  
Stock outstanding

**8,296,450,000**

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

**Yes [x] No [ ]**

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

12. Indicate by checkmark whether the registrant:

a. has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

**Yes [x] No [ ]**

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

**Yes [x] No [ ]**

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## PART I - FINANCIAL INFORMATION

### ITEM 1: FINANCIAL STATEMENTS

#### STA. LUCIA LAND, INC. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2023 and December 31, 2022

|   | March 31, 2023<br>(Unaudited) | December 31, 2022<br>(Audited) |
|---|-------------------------------|--------------------------------|
| <b>ASSETS</b>   |                               |                                |
| <b>Current Assets</b>   |                               |                                |
| Cash and cash equivalents   | ₱3,514,213,367                | ₱3,343,677,036                 |
| Receivables   | 4,168,873,987                 | 3,990,456,340                  |
| Contract assets   | 2,359,279,302                 | 2,112,173,482                  |
| Real estate inventories   | 31,909,616,290                | 31,650,084,686                 |
| Other current assets  | 3,643,365,515                 | 3,815,558,984                  |
| Total Current Assets  | 45,595,348,461                | 44,911,950,528                 |
| <b>Noncurrent Assets</b>  |                               |                                |
| Installment contracts receivables - net of current portion                | 1,277,547,636                 | 1,172,309,066                  |
| Contract assets - net of current portion                                  | 3,379,066,810                 | 3,046,723,304                  |
| Investment properties   | 6,422,132,483                 | 6,330,337,713                  |
| Property and equipment  | 64,626,350                    | 67,571,103                     |
| Financial assets at fair value through other comprehensive income (FVOCI) | 656,146,067                   | 657,295,971                    |
| Pension asset   | —                             | —                              |
| Other noncurrent assets   | 1,250,685,752                 | 1,224,161,836                  |
| Total Noncurrent Assets   | 13,050,205,098                | 12,498,398,993                 |
|   | ₱58,645,553,559               | ₱57,410,349,521                |
| <b>LIABILITIES AND EQUITY</b>   |                               |                                |
| <b>Current Liabilities</b>  |                               |                                |
| Accounts and other payables   | ₱6,409,735,623                | ₱6,106,781,812                 |
| Short-term debt   | 9,252,201,752                 | 9,572,141,043                  |
| Contract liabilities – current portion                                    | 1,422,343,566                 | 1,966,135,481                  |
| Income tax payable  | 114,046,379                   | 94,372,446                     |
| Long-term debt - current portion  | 4,415,426,093                 | 3,385,582,585                  |
| Total Current Liabilities   | 21,613,753,413                | 21,125,013,367                 |
| <b>Noncurrent Liabilities</b>   |                               |                                |
| Long-term debt – net of current portion                                   | 9,144,572,549                 | 9,776,242,071                  |
| Contract liabilities - net of current portion                             | 591,876,208                   | 818,162,954                    |
| Pension liabilities   | 9,552,922                     | 9,552,922                      |
| Deferred tax liabilities - net  | 2,985,954,745                 | 2,636,778,402                  |
| Total Noncurrent Liabilities  | 12,731,956,424                | 13,240,736,349                 |
| Total Liabilities   | 34,345,709,837                | 34,365,749,716                 |
| <b>Equity</b>   |                               |                                |
| Capital stock   | 10,796,450,000                | 10,796,450,000                 |
| Additional paid-in capital  | 580,004,284                   | 580,004,284                    |
| Retained earnings   | 14,323,177,702                | 13,066,783,882                 |
| Treasury shares   | (1,600,000,000)               | (1,600,000,000)                |
| Net unrealized gain on fair value of financial assets at FVOCI            | 199,390,320                   | 200,540,223                    |
| Remeasurement losses on pension liabilities                               | 821,416                       | 821,416                        |
| Total Equity  | 24,299,843,722                | 23,044,599,805                 |
|   | ₱58,645,553,559               | ₱57,410,349,521                |

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

For the three-month period ended March 31, 2023 and March 31, 2022 and  
December 31, 2022

|  | March 31, 2023        | March 31, 2022 | December 31, 2022 |
|--|-----------------------|----------------|-------------------|
| <b>REVENUE</b>   |                       |                |                   |
| Real estate sales  | <b>₱3,023,200,563</b> | ₱2,710,481,274 | ₱7,789,770,885    |
| Rental income  | <b>199,691,964</b>    | 111,814,454    | 771,276,745       |
| Interest income  | <b>145,719,749</b>    | 101,970,120    | 582,191,940       |
| Commission income  | <b>695,695</b>        | 3,278,156      | 82,790,717        |
| Dividend income  | <b>—</b>              | —              | 7,157,683         |
| Others   | <b>204,347,884</b>    | 132,633,022    | 649,622,589       |
|  | <b>3,573,655,855</b>  | 3,060,177,026  | 9,882,810,559     |
| <b>COSTS OF SALES AND SERVICES</b>   |                       |                |                   |
| Cost of real estate sales  | <b>894,010,874</b>    | 620,283,557    | 1,946,427,701     |
| Cost of rental income  | <b>150,650,090</b>    | 100,341,904    | 600,515,213       |
|  | <b>1,044,660,964</b>  | 720,625,461    | 2,546,942,914     |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>   |                       |                |                   |
| Commissions  | <b>356,425,763</b>    | 323,472,381    | 855,313,918       |
| Representation   | <b>32,635,797</b>     | 64,633,061     | 78,515,314        |
| Taxes, licenses and fees   | <b>48,557,413</b>     | 95,622,737     | 166,586,475       |
| Salaries and wages and other benefits  | <b>13,960,676</b>     | 18,479,062     | 140,032,582       |
| Advertising  | <b>9,324,990</b>      | 8,560,153      | 60,256,217        |
| Repairs and maintenance  | <b>1,275,623</b>      | 3,257,540      | 117,352,118       |
| Utilities  | <b>1,872,453</b>      | 2,737,528      | 18,173,652        |
| Professional fees  | <b>9,492,639</b>      | 9,019,490      | 21,227,476        |
| Depreciation and amortization  | <b>4,268,189</b>      | 3,016,320      | 20,178,920        |
| Expected credit loss   | <b>—</b>              | —              | (16,005,344)      |
| Surcharges and penalties   | <b>5,034,399</b>      | 835,374        | 17,635,344        |
| Legal expense  | <b>1,009,448</b>      | 2,417,686      | 18,861,348        |
| Software maintenance   | <b>446,429</b>        | 20,000         | 2,554,107         |
| Insurance expense  | <b>1,495,195</b>      | 1,494,246      | 6,087,905         |
| Transportation, travel, office supplies and miscellaneous                                    | <b>13,684,304</b>     | 9,312,327      | 59,979,267        |
|  | <b>499,483,318</b>    | 542,877,905    | 1,566,749,299     |
| <b>INTEREST EXPENSE</b>  | <b>353,567,307</b>    | 294,196,611    | 1,218,956,931     |
| <b>INCOME BEFORE INCOME TAX</b>  | <b>1,675,944,266</b>  | 1,502,477,049  | 4,550,161,415     |
| <b>PROVISION FOR INCOME TAX</b>  | <b>419,550,446</b>    | 375,818,577    | 1,116,632,198     |
| <b>NET INCOME</b>  | <b>1,256,393,820</b>  | 1,126,658,472  | 3,433,529,217     |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                       |                |                   |
| <b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b> |                       |                |                   |
| Unrealized gains on fair value of financial assets at FVOCI                                  | <b>(1,149,903)</b>    | (49,251,783)   | (25,320,292)      |
| Remeasurement gains (losses) on pension liabilities - net of tax                             | <b>—</b>              | —              | 96,739            |
|  | <b>(1,149,903)</b>    | (49,251,783)   | (25,223,553)      |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <b>₱1,255,243,917</b> | ₱1,077,406,689 | ₱3,408,305,664    |
| <b>Basic/Diluted Earnings Per Share</b>  | <b>₱0.15</b>          | ₱0.13          | ₱0.42             |

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

For the three months ended March 31, 2023 and March 31, 2022

|   | <b>March 31, 2023</b>  | March 31, 2022  |
|---|------------------------|-----------------|
| <b>CAPITAL STOCK</b>  |                        |                 |
| Common shares - ₱1 par value  |                        |                 |
| Authorized - 16,000,000,000 shares  |                        |                 |
| Issued and outstanding – 10,796,450,000 shares                                  | <b>₱10,796,450,000</b> | ₱10,796,450,000 |
|   | <b>10,796,450,000</b>  | 10,796,450,000  |
| <b>ADDITIONAL PAID-IN CAPITAL</b>   | <b>580,004,284</b>     | 330,004,284     |
| <b>TREASURY SHARES</b>  | <b>(1,600,000,000)</b> | (1,640,000,000) |
| <b>RETAINED EARNINGS</b>  |                        |                 |
| Balance at beginning of year  | <b>13,066,783,882</b>  | 10,358,490,331  |
| Net income  | <b>1,256,393,820</b>   | 1,126,658,472   |
| Balance at end of period  | <b>14,323,177,702</b>  | 11,485,148,803  |
| <b>UNREALIZED GAIN ON FAIR VALUE OF<br/>AVAILABLE FOR SALE FINANCIAL ASSETS</b> | <b>199,390,320</b>     | 177,170,955     |
| <b>REMEASUREMENT GAIN (LOSS) ON PENSION<br/>LIABILITIES- NET OF TAX</b>         | <b>821,416</b>         | 162,454         |
|   | <b>₱24,299,843,722</b> | ₱21,148,936,496 |

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

For the three months ended March 31, 2023 and March 31, 2022

|   | March 31, 2023         | March 31, 2022  |
|---|------------------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |                        |                 |
| Income before income tax                            | <b>₱1,675,944,266</b>  | ₱1,502,477,049  |
| Adjustments for:                                    |                        |                 |
| Interest Expense                                    | <b>353,567,307</b>     | 294,196,611     |
| Depreciation and amortization expense               | <b>38,418,547</b>      | 36,650,485      |
| Gain on repossession of inventories                 | —                      | —               |
| Interest income                                     | <b>(145,719,749)</b>   | (101,970,120)   |
| Operating income before changes in working capital  | <b>1,922,210,371</b>   | 1,731,354,025   |
| Changes in operating assets and liabilities:        |                        |                 |
| Decrease (increase) in:                             |                        |                 |
| Receivables   | <b>(24,273,282)</b>    | (970,477,330)   |
| Real estate inventories                             | <b>(259,531,604)</b>   | (2,175,732,089) |
| Contract Assets                                     | <b>(579,449,326)</b>   | (708,642,592)   |
| Other current assets                                | <b>172,193,470</b>     | 1,111,428,573   |
| Increase (decrease) in:                             |                        |                 |
| Accounts and other payables                         | <b>302,953,811</b>     | 90,352,624      |
| Contract liabilities                                | <b>(770,078,661)</b>   | 37,518,169      |
| Net cash generated from (used in) operations        | <b>764,024,779</b>     | (884,198,620)   |
| Interest received                                   | <b>145,624,193</b>     | 101,970,120     |
| Income taxes paid                                   | <b>(333,893,374)</b>   | (8,829,109)     |
| Net cash provided by (used in) operating activities | <b>575,755,598</b>     | (791,057,609)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |                        |                 |
| Disposals of (additions to):                        |                        |                 |
| Property and equipment                              | <b>(4,363,239)</b>     | (2,028,730)     |
| Investment properties                               | <b>(122,905,325)</b>   | (35,557,099)    |
| Other noncurrent assets                             | <b>(26,523,916)</b>    | (103,811)       |
| Dividends received                                  | <b>2,134,166</b>       | —               |
| Net cash used in investing activities               | <b>(151,658,314)</b>   | (37,689,640)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |                        |                 |
| Proceeds from loans                                 | <b>6,245,900,000</b>   | 6,461,314,000   |
| Payment of loans                                    | <b>(6,142,850,000)</b> | (5,502,988,200) |
| Interest payments                                   | <b>(356,610,953)</b>   | (236,809,541)   |
| Net cash provided by financing activities           | <b>(253,560,953)</b>   | 721,516,259     |
| <b>NET INCREASE (DECREASE) IN CASH</b>              | <b>170,536,331</b>     | (107,230,990)   |
| <b>CASH AT BEGINNING OF YEAR</b>                    | <b>3,343,677,036</b>   | 1,946,959,536   |
| <b>CASH AT END OF PERIOD</b>                        | <b>₱3,514,213,367</b>  | ₱1,839,728,546  |



# STA. LUCIA LAND, INC. AND SUBSIDIARIES

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## NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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### 1. Corporate Information

Sta. Lucia Land, Inc. (SLI or the Parent Company) is a publicly-listed company incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 1966 under the name Zipporah Mining and Industrial Corporation. On August 14, 1996, the Parent Company's Articles of Incorporation was amended.

Under the amendment, it changed the corporate name to Zipporah Realty Holdings, Inc. and it transferred the original primary purpose to secondary purpose from being a mining firm to a real estate company with the amended primary purpose to acquire by purchase, lease, and to own and develop and hold for investment and/or disposal, real estate of all kinds together with their appurtenances.

On July 16, 2007, the Parent Company changed its corporate name from Zipporah Realty Holdings, Inc. to Sta. Lucia Land, Inc.

Prior to expiration of its corporate life, the Parent Company filed for a new 50-year corporate life which was approved by the SEC on June 16, 2016. The corporate life of the Parent Company expired on December 5, 2016. The approved new 50-year corporate life is until December 5, 2066.

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

The Group is 80.77% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company).

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### 2. Summary of Significant Accounting Policies

#### Basis of Preparation

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

The interim consolidated financial statements provide comparative information in respect of the previous period. While there are recent signs of increased market activity with the easing of quarantine measures in key areas in the Philippines, management believes that the impact of COVID-19 situation remains fluid and evolving and the pace of recovery remains uncertain.

### Statement of Compliance

The interim condensed consolidated financial statements of the Group for the three months ended March 31, 2023 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2022, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), and include the availment of the relief granted by the Securities and Exchange Commission (SEC) under Memorandum Circular Nos. 14-2018 and 3-2019. PFRSs include PAS and Interpretations issued by Philippine Interpretations Committee (PIC).

The interim condensed consolidated financial statements of the Group have been prepared for inclusion in the offering circular in relation to a planned capital-raising activity.

### Basis of Consolidation

The interim consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries.

A subsidiary is an entity which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance.

The interim consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the interim 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 interim consolidated financial statements include the interim financial statements of the Parent Company and the following wholly-owned subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

|                                 | % of Ownership |
|---------------------------------|----------------|
| Sta. Lucia Homes, Inc. (SLHI)   | 100.00%        |
| Santalucia Ventures, Inc. (SVI) | 100.00%        |

#### Adoption of New and Amended Accounting Standards and Interpretation

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS and PAS which became effective beginning January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Except as otherwise indicated, the adoption has no significant impact to the consolidated financial statements.

- *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 Group did not avail of the deferral of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (Philippine Accounting Standards 23, Borrowing Cost) for Real Estate industry. The SEC deferral is allowed until December 31, 2023. The Group adopted as at January 1, 2022 the provisions using the modified retrospective approach.

As a result of the adoption, the Group adjusted the previously capitalized borrowing costs on inventories with a reduction in the beginning retained earnings amounting **₱524.50** million, and reduction of real estate inventories amounting to **₱393.38** million, and the related deferred tax liability amounting **₱131.12** million.

- *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.

- 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.

- 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.

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippine 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.

- 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.

- 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.

#### Future Changes in Accounting Policy

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, 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.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments require the seller-lessee in a sale and leaseback transaction to determine the “lease payments” or “revised lease payments” in a way that the seller-lessee would not recognize any amount of gain or loss that relates to the right of use retained by the seller-lessee.

Seller-lessee in a sale and leaseback transaction is not prevented from recognizing in profit and loss any gain or loss relating to partial or full termination of lease as required by par 46(a) of PFRS 16.

*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. Treatment of uninstalled materials in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E (as amended by PIC Q&A 2020-04) | Until December 31, 2023 |

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

- a. The accounting policies applied.
- b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
- c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
- d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021.

The Group availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Group assessed that the impact would have been as follows:

Assessing if the transaction price includes a significant financing component

The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied using full retrospective approach or modified retrospective approach. The Group elected to adopt the PIC Q&A using the modified retrospective approach. Under this approach, the cumulative effect of initially applying the PIC Q&A is recognized at the date of the initial application as an adjustment to the opening balance of retained earnings therefore the comparative information will not be restated. The Group has yet to assess if the mismatch constitutes a significant financing component for its contracts to sell.

The above would have impacted the cash flows from operations and cash flows from financing activities for the year of initial application.

### 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 March 31, 2023 and December 31, 2022, 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, short term investment, 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. The Groups installment contracts receivable are interest bearing and with payment terms ranging from 5 to 15 years.

*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.

Dividends earned on holding these equity instruments are recognized in the consolidated statement of comprehensive income when the Group’s right to receive the dividends is established in accordance with PFRS 15, unless the dividends clearly represent recovery of a part of the cost of the investment.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash

flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

As of March 31, 2023 and December 31, 2022, 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### *Determining the stage for impairment*

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

#### *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 March 31, 2023 and December 31, 2022, 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 and recognized at the prevailing market price. The repossessed properties are included in the "Real Estate Inventories" account in the consolidated statement of financial position. Any gain or loss arising from the fair valuation of the repossessed properties are included in the "Others" account presented under revenue under the consolidated statement of comprehensive income. 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 in 2022 and prior years, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Starting 2022, the Group adopted PIC Q&A 2018-12 using modified retrospective approach as provided under the SEC Memorandum Circular No. 8, series of 2021. The Group adjusted the previously capitalized borrowing costs on inventories. The Group recognized the impact of the change with a reduction in the beginning retained earnings and real estate inventories amounting to P393.38 million and P524.50 million, respectively.

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, 2020.

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, 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.

#### Unearned Income

Unearned income refers to collections from buyers intended to cover the related cost for the processing of transfer of title and registration of properties of buyers that is to be performed upon full payment of the contract price. Income is recognized when earned

#### 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. Retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

#### 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 less any incidental costs, 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.

#### 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.

#### *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 monthly 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.

The Group's unconditional right to an amount of consideration is recognized as "installment contracts receivables". Any excess of progress of work over the installment contracts 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 in 2022 and prior years.

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 using the percentage of completion method that is consistent with the related revenue that 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 pertains to unbilled revenue from sale of real estate. This 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. This is reclassified as installment contracts receivable when the monthly amortization of the customer is already due for collection.

##### *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, penalties for late payments which are recognized when services are rendered and gain from fair valuation on repossess inventories.

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” and “Inventories” in 2022 and prior years) account in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur.

Starting 2022, the Group adopted PIC Q&A 2018-12 using modified retrospective approach as provided under the SEC Memorandum Circular No. 8, series of 2021. The Group adjusted the previously capitalized borrowing costs on inventories. The group recognized the impact of the



change against the beginning retained earnings and real estate inventories in 2022 amounting to ₱393.38 million and ₱524.50 million, respectively.

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 March 31, 2023 and December 31, 2022, 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 5 to the interim 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.

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### **3. Significant Accounting Judgments and Estimates**

The preparation of the accompanying interim consolidated financial statements in conformity with PFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### *Revenue recognition*

Selecting an appropriate revenue recognition method for a particular sale transaction requires certain judgments based on the buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment and the stage of completion of the project. In determining whether the sales price are collectible, the Group considers that initial and continuing investment of 20% of the net contract price for real estate development and sale would demonstrate the buyer's commitment to pay. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of buyers' equity before allowing revenue recognition.

#### *Distinction between real estate inventories and investment properties*

The Group determines whether a property is classified as investment property or real estate inventories as follows:

- Investment property comprises land and buildings (principally offices, commercial and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Real estate inventories comprises property that is held for sale in the ordinary course of business. Principally, this is residential and industrial property that the Group develops and intends to sell before or on completion of construction.

#### *Operating lease commitments - Group as lessor*

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

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

#### *Recognizing deferred tax assets*

The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient future taxable profit to allow all or part of deferred tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

#### *Determination of significant influence on an investee company*

If an investor holds, directly or indirectly, less than 20% of the voting power of the investee company, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

Since the Group only has 12.50% ownership interest in Uni-Asia, the Group determined that it does not have control or significant influence.

### Management's Use of Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Revenue and cost recognition on real estate*

The Group applies the percentage of completion (POC) method in determining real estate revenue and cost. The POC is based on the physical proportion of work and the cost of sales is determined based on the estimated project development costs applied with the respective project's POC.

#### *Estimating allowance for impairment losses on receivables*

The Group maintains allowance for impairment losses at a level based on the result of the individual and collective assessment under PAS 39. Under the individual assessment, the Group is required to obtain the present value of estimated cash flows using the receivable's original EIR. Impairment loss is determined as the difference between the receivable's carrying balance and the computed present value. The collective assessment would require the Group to group its receivables based on the credit risk characteristics (e.g., industry, past-due status and term) of the customers. Impairment loss is then determined based on historical loss experience of the receivables grouped per credit risk profile. The assessment also considers that title of the property passes on to the buyer only when the receivable is fully collected.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for the individual and collective assessments are based on management's judgment and estimate. Therefore, the amount and timing of recorded expense for any period would differ depending on the judgments and estimates made for the year.

#### *Evaluation of net realizable value of inventories*

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether those inventories are damaged, slow or non-moving or if their selling prices have declined in comparison to the cost.

#### *Evaluation of impairment of other non-financial assets (except inventories)*

The Group reviews other current assets, investment properties and property and equipment for impairment in value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, plans in the real estate projects, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's net selling price, except for assets where value in use computation is applied.

The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the asset. Recoverable amounts are estimated for individual assets or, if it is not

possible, for the cash-generating unit to which the asset belongs.

*Estimating pension costs*

The cost of defined benefit pension plans and other post-employment benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds in the respective currencies with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Assumed discount rate is used in the measurement of the present value obligation, service and interest cost components of the pension expense. The mortality rate represents the proportion of current plan members who might demise prior to retirement..

*Fair value of financial instruments*

Where the fair values of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

#### 4. Aging of Receivables

As of March 31, 2023 (Unaudited)

|              | Neither Past<br>Due nor<br>Impaired | Past Due but not Impaired |                    |                    |                    |                    | Total               | Impaired           | Total                 |
|--------------|-------------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|-----------------------|
|              |                                     | 1-30 days                 | 31-60 days         | 61-90 days         | 91-120 days        | >120 days          |                     |                    |                       |
| Trade        | ₱8,573,608,744                      | ₱75,478,309               | ₱79,506,202        | ₱77,803,617        | ₱68,109,346        | ₱65,783,901        | ₱366,681,375        | ₱26,397,710        | ₱8,966,687,829        |
| Nontrade     | 603,896,635                         | –                         | –                  | –                  | –                  | –                  | –                   | –                  | 603,896,635           |
| <b>Total</b> | <b>₱9,177,505,379</b>               | <b>₱75,478,309</b>        | <b>₱79,506,202</b> | <b>₱77,803,617</b> | <b>₱68,109,346</b> | <b>₱65,783,901</b> | <b>₱366,681,375</b> | <b>₱26,397,710</b> | <b>₱9,570,584,464</b> |

As of March 31, 2022 (Unaudited)

|              | Neither Past<br>Due nor<br>Impaired | Past Due but not Impaired |                    |                    |                    |                    | Total               | Impaired           | Total                 |
|--------------|-------------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|-----------------------|
|              |                                     | 1-30 days                 | 31-60 days         | 61-90 days         | 91-120 days        | >120 days          |                     |                    |                       |
| Trade        | ₱8,396,946,595                      | ₱103,698,733              | ₱99,660,727        | ₱85,274,147        | ₱85,683,117        | ₱84,725,265        | ₱459,041,989        | ₱26,397,710        | ₱8,882,386,294        |
| Nontrade     | 563,986,835                         | –                         | –                  | –                  | –                  | –                  | –                   | –                  | 563,986,835           |
| <b>Total</b> | <b>₱8,960,933,430</b>               | <b>₱103,698,733</b>       | <b>₱99,660,727</b> | <b>₱85,274,147</b> | <b>₱85,683,117</b> | <b>₱84,725,265</b> | <b>₱459,041,989</b> | <b>₱26,397,710</b> | <b>₱9,446,373,129</b> |

## 5. Segment Information

The following tables regarding business segments present assets and liabilities as of March 31, 2023 and March 31, 2022 and revenue and income information for each of the two periods ended March 31, 2023 and March 31, 2022.

### As of March 31, 2023 (Unaudited)

|                                    | Leasing        | Residential<br>Development | Total           |
|------------------------------------|----------------|----------------------------|-----------------|
| Rental income                      | P199,691,964   | P–                         | P199,691,964    |
| Cost of rental income              | (150,650,090)  | –                          | (150,650,090)   |
| Real estate sales                  | –              | 3,023,200,563              | 3,023,200,563   |
| Cost of real estate sales          | –              | (894,010,874)              | (894,010,874)   |
| Segment profit                     | 49,041,874     | 2,129,189,689              | 2,178,231,563   |
| General and administrative expense | (21,514,820)   | (477,968,498)              | (499,483,318)   |
| Commission income                  | –              | 695,695                    | 695,695         |
| Interest income                    | 1,410,164      | 144,309,585                | 145,719,749     |
| Interest expense                   | –              | (353,567,307)              | (353,567,307)   |
| Other income                       | –              | 204,347,884                | 204,347,884     |
| Other expense                      | –              | –                          | –               |
| Provision for income tax           | (9,445,984)    | (410,104,462)              | (419,550,446)   |
| Net income                         | (109,170)      | P1,126,767,642             | P1,256,393,820  |
| Segment assets                     | P6,874,014,628 | P51,771,538,931            | P58,645,553,559 |
| Segment liabilities                | P539,605,010   | P30,706,103,703            | P31,245,708,713 |
| Income tax payable                 | –              | 114,046,379                | 114,046,379     |
| Deferred tax liability             | –              | 2,985,954,745              | 2,985,954,745   |
| Total liabilities                  | P539,605,010   | P33,806,104,827            | P34,345,709,837 |

### As of March 31, 2022 (Unaudited)

|                                    | Leasing        | Residential<br>Development | Total           |
|------------------------------------|----------------|----------------------------|-----------------|
| Rental income                      | P111,814,454   | P–                         | P111,814,454    |
| Cost of rental income              | (100,341,904)  | –                          | (100,341,904)   |
| Real estate sales                  | –              | 2,710,481,274              | 2,710,481,274   |
| Cost of real estate sales          | –              | (620,283,557)              | (620,283,557)   |
| Segment profit                     | 11,472,550     | 2,090,197,717              | 2,101,670,267   |
| General and administrative expense | (11,698,355)   | (531,179,549)              | (542,877,904)   |
| Commission income                  | –              | 101,889,877                | 101,889,877     |
| Interest income                    | 80,244         | (294,196,611)              | (294,116,367)   |
| Interest expense                   | –              | 3,278,156                  | 3,278,156       |
| Other income                       | –              | –                          | –               |
| Other expense                      | –              | 132,633,020                | 132,633,020     |
| Provision for income tax           | 36,391         | (375,854,968)              | (375,818,577)   |
| Net income                         | (109,170)      | P1,126,767,642             | P1,126,658,472  |
| Segment assets                     | P6,151,831,930 | P48,112,545,292            | P54,264,377,222 |
| Segment liabilities                | P396,069,670   | P30,352,476,819            | P30,748,546,489 |
| Income tax payable                 | –              | 117,678,087                | 117,678,087     |
| Deferred tax liability             | –              | 2,249,216,150              | 2,249,216,150   |
| Total liabilities                  | P396,069,670   | P32,719,371,056            | P33,115,440,726 |



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## 6. Financial Instruments

### Fair Value Information

The methods and assumptions used by the Group in estimating fair value of the financial instruments are as follows:

#### *Cash, receivables accounts and other payables*

Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

#### *Loans payable*

Carrying amounts approximate the fair values because they carry interest rates which are the prevailing market rates for similar instruments.

#### *Noncurrent installment contracts receivables*

The fair values of real estate receivable are calculated by discounting expected future cash flows at applicable rates for similar instruments using the remaining terms of maturity.

#### *AFS financial assets*

Fair values are based on quoted prices published in markets.

### Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- |          |  |
|----------|--|
| Level 1: | quoted (unadjusted) prices in active markets for identical assets or liabilities   |
| Level 2: | other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly |
| Level 3: | techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.           |

There have been no transfers between Level 1 and Level 2 during the first quarter of 2023 and for the year 2022.

### Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash, receivables, AFS financial assets and accounts and other payables, short-term debt and long-term debt. The Group has other financial liabilities such as accounts and other payables which arise directly from the conduct of its operations.

Management closely monitors the cash fund and financial transactions of the Group. These strategies, to an extent, mitigate the Group's interest rate and credit risks.

Exposure to liquidity and credit risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

### *Liquidity risk*

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

The Group actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments, matches debt maturities with the assets being financed, maintains a diversity of funding sources with its unhampered access to bank financing and the capital markets. As part of the liquidity risk management, the Group currently transacts with local banks for an extension and negotiation of higher undrawn credit lines to meet the suppliers' and contractors' obligations and business expansion.

Through scenario analysis and contingency planning, the Group also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost, and ensures the availability of ample unused credit facilities as back-up liquidity.

Cash are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise.

### *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial assets comprise of cash on hand and in bank, trade receivable, interest receivable and AFS financial assets. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. The Group's exposure to credit risk from cash on hand and in bank and AFS financial assets arise from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

### *Real estate contracts*

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. The credit risk for installment contracts receivables is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject lot in case of refusal by the buyer to pay on time the amortization due. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

The credit quality of the financial assets was determined as follows:

Cash - based on the nature of the counterparty.

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment.

### *Equity price risk*

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Group manages the equity price risk through diversification and placing limits on equity instruments.

*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.

## ITEM 2: MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULT OF OPERATIONS

### **Result of Operations**

*(Three-month period ended March 31, 2023 compared to the three-month period ended March 31, 2022)*

#### **Revenue**

The Group's financial performance has shown strong growth, with a total revenue increase of 17% or P513 million from previous period last year. These growth were attributed to real estate sales, rental income, interest income and other income, which grew by P313 million or 12%, P 88 million or 79%, P44 million or 43% and P72 million or 54%, respectively. The increased marketing efforts of the company's marketing arms have played a significant role in the 12% growth in real estate sales. By actively promoting the Group's product offerings, the Group was able to attracted more customers and expanded the real estate sales. The remarkable 79% growth in rental income can be attributed to the improved foot traffic in the mall. The Group have focused on enhancing the tenant mix and overall shopping experience, which has resulted in increased revenue from rentals.

Overall, the Group's financial performance reflects positive growth driven by increased marketing efforts for real estate sales and increased foot traffic in the mall for rental income. The Group will remain committed to continue to prioritize these areas and continue its commitment in developing sustainable communities.

#### **Cost and Expense**

The Group experienced a significant 22% or P340 million increase in total cost and expenses compared to the same period last year. This increase is attributed to various expense accounts. The cost of sales and services rose by 45% or P324million, which directly attributable to the increased real estate sales and rentals. Interest expense grew by 20% brought about by higher borrowings in the debt market. On the otherhand, the Group effectively managed its selling and administrative expenses, resulting in an 8% decrease or P43 million. The Group will continue monitoring its cost structure to ensure sustainable growth and profitability. Exploring strategies to diversify revenue streams and maintaining a prudent approach to borrowing will be essential for the company to navigate these financial factors successfully.

#### **Comprehensive Income**

Total comprehensive income of the Group reported increased by 17% or P178 million for the three-month period ending March 31, 2023 as compared to same period last year. The increase was primarily due to the reported increase in net income as well as the increase in the unrealized gains recognized during the period.

### **Financial Condition**

*(Three months ended March 31, 2023 compared to year ended December 31, 2022)*

#### **Total Assets**

The Group's financial position has shown positive growth, with a 2% increase in total assets or P1,235 million. The increase is mainly driven by an increase in receivables resulting from higher real estate sales. Additionally, the company experienced an increase in cash due to borrowing funds from the debt market to manage liquidity and deploying capital funds to expand its real estate inventory. This growth in assets reflects the company's successful sales generation and strategic financial decisions. The Group will continue to manage its assets effectively, optimize sales, and maintain a healthy balance sheet to sustain its strong financial position and support future growth.

## Total Liabilities

The Group's total liabilities have not shown any significant movement. However, a noteworthy event during the period is the second drawdown of the syndicated notes facility on March 10, 2023, amounting to P2.55 billion. This drawdown was specifically utilized to pay off maturing loans. It indicates the company's proactive approach in managing its debt obligations and ensuring smooth financial operations. While the overall liabilities have remained stable, the successful drawdown of the syndicated notes facility highlights Group's ability to secure additional financing and effectively address its loan repayment requirements. This strategic decision helps maintain the company's financial stability, liquidity, and ability to pursue growth opportunities.

## Key Performance Indicators

|                                | March 31, 2023 | December 31, 2022 |
|--------------------------------|----------------|-------------------|
| <b>Current Ratio</b>           | <b>2.11</b>    | <b>2.13</b>       |
| <b>Debt to Equity</b>          | <b>0.94</b>    | <b>0.99</b>       |
| <b>Interest Coverage Ratio</b> | <b>574.01%</b> | <b>373.28%</b>    |
| <b>Return on Asset</b>         | <b>2.14%</b>   | <b>5.98%</b>      |
| <b>Return on Equity</b>        | <b>5.17%</b>   | <b>14.90%</b>     |

\*Notes to Key Performance Indicator:

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

## Material Changes in the Balance Sheet (+/- 5%) as of March 31, 2023 versus the Balance Sheet as of December 31, 2022

| In ₱ millions, except per share figures                    | HORIZONTAL ANALYSIS |                   |              |           | VERTICAL ANALYSIS |                   |               |
|--|---------------------|-------------------|--------------|-----------|-------------------|-------------------|---------------|
|  | March 31, 2023      | December 31, 2022 | P Change     | % Change  | March 31, 2023    | December 31, 2022 | % Change      |
| <b>ASSETS</b>  |                     |                   |              |           |                   |                   |               |
| <b>Current Assets</b>                                      |                     |                   |              |           |                   |                   |               |
| Cash and cash equivalents                                  | 3,514               | 3,344             | 171          | 5%        | 6.0%              | 5.8%              | 0.2%          |
| Receivables  | 4,169               | 3,990             | 178          | 4%        | 7.1%              | 7.0%              | 0.2%          |
| Contract assets  | 2,359               | 2,112             | 247          | 12%       | 4.0%              | 3.7%              | 0.3%          |
| Real estate inventories                                    | 31,910              | 31,650            | 260          | 1%        | 54.4%             | 55.1%             | (0.7)%        |
| Other current assets                                       | 3,643               | 3,816             | (172)        | (5)%      | 6.2%              | 6.6%              | (0.4)%        |
| <b>Total Current Assets</b>                                | <b>45,595</b>       | <b>44,912</b>     | <b>683</b>   | <b>2%</b> | <b>77.7%</b>      | <b>78.2%</b>      | <b>(0.5)%</b> |
| <b>Noncurrent Assets</b>                                   |                     |                   |              |           |                   |                   |               |
| Installment contracts receivables - net of current portion | 1,278               | 1,172             | 105          | 9%        | 2.2%              | 2.0%              | 0.1%          |
| Contract assets - net of current portion                   | 3,379               | 3,047             | 332          | 11%       | 5.8%              | 5.3%              | 0.5%          |
| Investment properties                                      | 6,422               | 6,330             | 92           | 1%        | 11.0%             | 11.0%             | (0.1)%        |
| Property and equipment                                     | 65                  | 68                | (3)          | (4)%      | 0.1%              | 0.1%              | (0.0)%        |
| Financial assets at FV through OCI                         | 656                 | 657               | (1)          | (0)%      | 1.1%              | 1.1%              | (0.0)%        |
| Pension asset  | -                   | -                 | -            | -         | -                 | -                 | -             |
| Other noncurrent assets                                    | 1,251               | 1,224             | 27           | 2%        | 2.1%              | 2.1%              | 0.0%          |
| <b>Total Noncurrent Assets</b>                             | <b>13,050</b>       | <b>12,498</b>     | <b>552</b>   | <b>4%</b> | <b>22.3%</b>      | <b>21.8%</b>      | <b>0.5%</b>   |
|  | <b>58,646</b>       | <b>57,410</b>     | <b>1,235</b> | <b>2%</b> | <b>100.0%</b>     | <b>100.0%</b>     | <b>-</b>      |
| <b>LIABILITIES AND EQUITY</b>                              |                     |                   |              |           |                   |                   |               |
| <b>Current Liabilities</b>                                 |                     |                   |              |           |                   |                   |               |
| Accounts and other payables                                | 6,410               | 6,107             | 303          | 5%        | 10.9%             | 10.6%             | 0.3%          |

|  |               |               |              |             |               |               |               |
|--|---------------|---------------|--------------|-------------|---------------|---------------|---------------|
| Short-term debt  | 9,252         | 9,572         | (320)        | (3)%        | 15.8%         | 16.7%         | (0.9)%        |
| Contract liabilities – current portion                 | 1,422         | 1,966         | (544)        | (28)%       | 2.4%          | 3.4%          | (1.0)%        |
| Income tax payable                                     | 114           | 94            | 20           | 21%         | 0.2%          | 0.2%          | 0.0%          |
| Long-term debt - current portion                       | 4,415         | 3,386         | 1,030        | 30%         | 7.5%          | 5.9%          | 1.6%          |
| <b>Total Current Liabilities</b>                       | <b>21,614</b> | <b>21,125</b> | <b>489</b>   | <b>2%</b>   | <b>36.9%</b>  | <b>36.8%</b>  | <b>0.1%</b>   |
| <b>Noncurrent Liabilities</b>                          |               |               |              |             |               |               |               |
| Long-term debt – net of current portion                | 9,145         | 9,776         | (632)        | (6)%        | 15.6%         | 17.0%         | (1.4)%        |
| Contract liabilities - net of current portion          | 592           | 818           | (226)        | (28)%       | 1.0%          | 1.4%          | (0.4)%        |
| Pension liabilities                                    | 10            | 10            | -            | -           | 0.0%          | 0.0%          | (0.0)%        |
| Deferred tax liabilities - net                         | 2,986         | 2,637         | 349          | 13%         | 5.1%          | 4.6%          | 0.5%          |
| <b>Total Noncurrent Liabilities</b>                    | <b>12,732</b> | <b>13,241</b> | <b>(509)</b> | <b>(4)%</b> | <b>21.7%</b>  | <b>23.1%</b>  | <b>(1.4)%</b> |
| <b>Total Liabilities</b>                               | <b>34,346</b> | <b>34,366</b> | <b>(20)</b>  | <b>(0)%</b> | <b>58.6%</b>  | <b>59.9%</b>  | <b>(1.3)%</b> |
| <b>Equity</b>  |               |               |              |             |               |               |               |
| Capital stock  | 10,796        | 10,796        | -            | -           | 18.4%         | 18.8%         | (0.4)%        |
| Additional paid-in capital                             | 580           | 580           | -            | -           | 1.0%          | 1.0%          | (0.0)%        |
| Retained earnings                                      | 14,323        | 13,067        | 1,256        | 10%         | 24.4%         | 22.8%         | 1.7%          |
| Treasury shares  | (1,600)       | (1,600)       | -            | -           | (2.7)%        | (2.8)%        | 0.1%          |
| Net unrealized gain on FV of financial assets at FVOCI | 199           | 201           | (1)          | (1)%        | 0.3%          | 0.3%          | (0.0)%        |
| Remeasurement losses on pension liabilities            | 1             | 1             | -            | -           | 0.0%          | 0.0%          | (0.0)%        |
| <b>Total Equity</b>                                    | <b>24,300</b> | <b>23,045</b> | <b>1,255</b> | <b>5%</b>   | <b>41.4%</b>  | <b>40.1%</b>  | <b>1.3%</b>   |
|  | <b>58,646</b> | <b>57,410</b> | <b>1,235</b> | <b>2%</b>   | <b>100.0%</b> | <b>100.0%</b> | <b>-</b>      |

### 5% increase in cash

Cash and cash equivalents increased by 5% due to the company's successful borrowings from the debt market and effective cash collections from sales. These actions have strengthened the company's liquidity position.

### 12% increase in current contract assets

Contract assets mirrored the same increase as receivables, aside that the real estate sales came from completed projects. The recognition of real estate sales from these completed projects has contributed to the growth in contract assets.

### 5% decrease in other current assets

Other current assets decreased by 5% as a result of increased liquidation and decreases in advances from contractors. The company may have liquidated certain assets and reduced the advances made to suppliers and other contractors.

### 9% increase in installment contracts receivables - net of current portion

Installment contracts receivables - net of current portion experienced a 9% increase, primarily driven by the surge in real estate sales. The company's successful sales efforts have resulted in higher accounts receivable as customers make payments for their purchases

### 11% increase in contract assets - net of current portion

Contract assets mirrored the same increase as receivables, aside that the real estate sales came from completed projects. The recognition of real estate sales from these completed projects has contributed to the growth in contract assets.

### 5% increase in accounts and other payables

Accounts and other payables increased by 5% due to the deployment of capital funds to increase inventory. The company invested in expanding its inventory, which led to higher payables to suppliers and other contractors.

### 28% decrease in current contract liabilities

Contract liabilities decreased by 28% as the company fulfilled its obligations from previously advanced collections over project completion. The decrease indicates that the company has satisfied its obligations and reduced the liability associated with advanced collections.

### 21% increase in income tax payable

Income tax payable increased by 21% due to higher tax liabilities resulting from increased net income. The company's improved profitability has led to a higher tax obligation to be paid.

### 30% increase in current portion long-term debt

Long-term debt - current portion increased by 30% as the currently maturing portion of long-term loans required repayment. The increase in this category reflects the need to settle the portion of long-term debt that is due within the next twelve months.

### 6% decrease in long-term debt - noncurrent portion

Long-term debt - noncurrent decreased by 6% due to the reclassification of certain debt to the long-term debt - current portion. This reclassification resulted in a shift of liabilities from noncurrent to current due to their near-term maturity.

### 28% decrease in current contract liabilities – net of current portion

Contract liabilities decreased by 28% as the company fulfilled its obligations from previously advanced collections over project completion. The decrease indicates that the company has satisfied its obligations and reduced the liability associated with advanced collections.

### 13% increase in deferred tax liabilities-net

Deferred tax liabilities increased by 13% due to timing differences in tax calculations. These differences in timing, such as recognizing revenue or expenses for tax purposes at different times than for accounting purposes, have led to an increase in the company's deferred tax liabilities.

### 10% increase in retained earnings

Retained earnings increased by 10% as a result of higher net income generated by the company. The retained earnings account represents the cumulative profits the company has earned and retained over time. The growth in net income has contributed to the increase in retained earnings.

## **Material Changes in the Income Statement (+/-5%) for the Three-Month Period Ended March 31, 2023 versus the Income Statement for the Three-Month Period Ended March 31, 2022**

| In ₪ millions, except per share figures    | HORIZONTAL ANALYSIS                    |              |             |              | VERTICAL ANALYSIS                      |               |             |
|--|--|--------------|-------------|--------------|--|---------------|-------------|
|  | Three Months<br>Ended March 31<br>2023 | 2022         | P<br>Change | %<br>Change  | Three Months<br>Ended March 31<br>2023 | 2022          | %<br>Change |
| <b>REVENUE</b>                             |  |              |             |              |  |               |             |
| Real estate sales                          | 3,023                                  | 2,710        | 313         | 12%          | 84.6%                                  | 88.6%         | (4.0)%      |
| Rental income                              | 200                                    | 112          | 88          | 79%          | 5.6%                                   | 3.7%          | 1.9%        |
| Interest income                            | 146                                    | 102          | 44          | 43%          | 4.1%                                   | 3.3%          | 0.7%        |
| Commission income                          | 1                                      | 3            | (3)         | (79)%        | 0.0%                                   | 0.1%          | (0.1)%      |
| Dividend income                            | -                                      | -            | -           | -            | -                                      | -             | -           |
| Others                                     | 204                                    | 133          | 72          | 54%          | 5.7%                                   | 4.3%          | 1.4%        |
|  | <b>3,574</b>                           | <b>3,060</b> | <b>513</b>  | <b>17%</b>   | <b>100.0%</b>                          | <b>100.0%</b> | <b>-</b>    |
| <b>COSTS OF SALES AND SERVICES</b>         |  |              |             |              |  |               |             |
| Cost of real estate sales                  | 894                                    | 620          | 274         | 44%          | 25.0%                                  | 20.3%         | 4.7%        |
| Cost of rental income                      | 151                                    | 100          | 50          | 50%          | 4.2%                                   | 3.3%          | 0.9%        |
|  | <b>1,045</b>                           | <b>721</b>   | <b>324</b>  | <b>45.0%</b> | <b>29.2%</b>                           | <b>23.5%</b>  | <b>5.7%</b> |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b> |  |              |             |              |  |               |             |
| Commissions                                | 356                                    | 323          | 33          | 10%          | 10.0%                                  | 10.6%         | (0.6)%      |
| Representation                             | 33                                     | 65           | (32)        | (50)%        | 0.9%                                   | 2.1%          | (1.2)%      |
| Taxes, licenses and fees                   | 49                                     | 96           | (47)        | (49)%        | 1.4%                                   | 3.1%          | (1.8)%      |
| Salaries and wages and other benefits      | 14                                     | 18           | (5)         | (24)%        | 0.4%                                   | 0.6%          | (0.2)%      |
| Advertising                                | 9                                      | 9            | 1           | 9%           | 0.3%                                   | 0.3%          | (0.0)%      |
| Repairs and maintenance                    | 1                                      | 3            | (2)         | (61)%        | 0.0%                                   | 0.1%          | (0.1)%      |
| Utilities                                  | 2                                      | 3            | (1)         | (32)%        | 0.1%                                   | 0.1%          | (0.0)%      |
| Professional fees                          | 9                                      | 9            | 0           | 5%           | 0.3%                                   | 0.3%          | (0.0)%      |
| Depreciation and amortization              | 4                                      | 3            | 1           | 42%          | 0.1%                                   | 0.1%          | 0.0%        |
| Expected credit loss                       | -                                      | -            | -           | -            | -                                      | -             | -           |
| Surcharges and penalties                   | 5                                      | 1            | 4           | 503%         | 0.1%                                   | 0.0%          | 0.1%        |
| Legal expense                              | 1                                      | 2            | (1)         | (58)%        | 0.0%                                   | 0.1%          | (0.1)%      |

|  |              |              |             |             |              |              |               |
|--|--------------|--------------|-------------|-------------|--------------|--------------|---------------|
| Software maintenance   | 0            | 0            | 0           | 2,132%      | 0.0%         | 0.0%         | 0.0%          |
| Insurance expense  | 1            | 1            | 0           | 0%          | 0.0%         | 0.0%         | (0.0)%        |
| Transportation, travel, office supplies and miscellaneous                                    | 14           | 9            | 4           | 47%         | 0.4%         | 0.3%         | 0.1%          |
|  | <b>499</b>   | <b>543</b>   | <b>(43)</b> | <b>(8)%</b> | <b>14.0%</b> | <b>17.7%</b> | <b>(3.8)%</b> |
| <b>INTEREST EXPENSE</b>  | 354          | 294          | 59          | 20%         | 9.9%         | 9.6%         | 0.3%          |
| <b>INCOME BEFORE INCOME TAX</b>  | <b>1,676</b> | <b>1,502</b> | <b>173</b>  | <b>12%</b>  | <b>46.9%</b> | <b>49.1%</b> | <b>(2.2)%</b> |
| <b>PROVISION FOR INCOME TAX</b>  | 420          | 376          | 44          | 12%         | 11.7%        | 12.3%        | (0.5)%        |
| <b>NET INCOME</b>  | <b>1,256</b> | <b>1,127</b> | <b>130</b>  | <b>12%</b>  | <b>35.2%</b> | <b>36.8%</b> | <b>(1.7)%</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>  |              |              |             |             |              |              |               |
| <b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b> |              |              |             |             |              |              |               |
| Unrealized gains on FV of financial assets at FVOCI  | (1)          | (49)         | 48          | (98)%       | (0.0)%       | (1.6)%       | 1.6%          |
| Remeasurement gains (losses) on pension liabilities - net of tax                             | -            | -            | -           | -           | -            | -            | -             |
|  | (1)          | (49)         | 48          | (98)%       | (0.0)%       | (1.6)%       | 1.6%          |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <b>1,255</b> | <b>1,077</b> | <b>178</b>  | <b>17%</b>  | <b>35.1%</b> | <b>35.2%</b> | <b>(0.1)%</b> |

### **12% increase in real estate sales**

*Real estate sales grew by 12%, indicating a positive trend in the company's sales performance in the real estate. The growth can be attributed to increased marketing efforts and improved market demand for properties in the area where the Group's development are situated.*

### **79% increase in rental income**

*Rental income saw a significant growth of 79%, reflecting the company's efforts in leasing out properties and generating rental revenue. This increase can be attributed to increased foot traffic in the malls and effective property management strategies as well as the decrease in extended rental concessions.*

### **79% increase in interest income**

*Interest income increased by 43%, is directly attributable to the trend of real estate sales. This growth can be attributed to more buyres availing installment terms in their property purchase.*

### **79% decrease in commission income**

*Commission income experienced a decline of 79%, which indicates a decrease in the company's earnings from commission-based activities. This decline could be attributed to a decrease in transaction volumes.*

### **54% increase in other income**

*Other income showed a notable growth of 54%, reflecting additional sources of revenue beyond the core operations of the company. This growth could be attributed to income from penalties and surcharges and from reposessions.*

### **44% increase in cost of real estate sales**

*Cost of real estate sales increased by 44%, highlighting the higher costs associated with selling real estate properties.*

### **50% increase in cost of rental income**

*Cost of rental income rose by 50%, indicating increased expenses related to maintaining and managing rental properties. This increase can be attributed to higher maintenance and repair costs, property taxes, and utilities.*

### **10% increase in commission expense**

*Commissions expense increased by 10%, suggesting higher costs incurred in paying commissions to agents or brokers. This increase can be attributed to higher sales volumes during the period.*

### **50% decrease in representation expense**



*Representation expenses decreased by 50%, indicating cost reduction measures in activities related to representation and business development. This decrease can be attributed to streamlining of operations, renegotiating contracts with agents, or utilizing internal resources.*

**49% decrease in taxes, licenses and fees**

*Taxes, licenses, and fees decreased by 49%, suggesting a reduction in regulatory expenses.*

**24% decrease in salaries, wages and other benefits**

*Salaries, wages, and other benefits decreased by 24%, indicating potential cost-cutting measures in employee compensation and benefits. This decrease is a result of workforce optimization, or implementation of cost-saving initiatives.*

**9% increase in advertising expenses**

*Advertising expenses increased by 9%, suggesting the company's increased investment in marketing and promotional activities. This increase can be attributed to efforts to expand market reach, enhance brand visibility, and attract potential buyers or tenants.*

**61% decrease in repairs and maintenance expenses**

*Repairs and maintenance expenses decreased by 61%, indicating potentially efficient maintenance practices or reduced repair needs. This decrease could be a result of improved property condition, preventive maintenance measures, or cost-saving initiatives.*

**32% decrease in utilities expenses**

*Utilities expenses decreased by 32%, indicating potential cost-saving measures in utility usage. This decrease is attributed to energy-saving initiatives and improved efficiency in consumption.*

**5% increase in professional fees**

*Professional fees increased by 5%, reflecting the company's engagement of external professionals for specialized services. This increase can be attributed to advisory services required for specific projects or compliance needs.*

**42% increase in depreciation and amortization**

*Depreciation and amortization expenses increased by 42%, suggesting higher depreciation charges on the company's assets. This increase can be attributed to the acquisition of new assets, expansion of property portfolios.*

**503% increase in surcharges and penalties**

*Surcharges and penalties significantly increased by 503%, can be attributed to regulatory fees related to specific activities.*

**58% decrease in legal expenses**

*Legal expenses decreased by 58%, suggesting potential cost reductions in legal services. This decrease is a result of internal legal expertise, negotiated fee structures, or decreased litigation activity.*

**2,132% increase in software maintenance**

*Software maintenance expenses dramatically increased by 2,132% or P4 million, indicating higher costs associated with maintaining software systems. This increase can be attributed to system upgrades and maintenance.*

**47% increase in transportation, travel, office supplies and miscellaneous expenses**

*Transportation, travel, office supplies, and miscellaneous expenses increased by 47%, reflecting increased expenditure in these operational areas. This increase can be attributed to business expansion, increased travel requirements, and increase office supply needs.*

**20% increase in interest expense**

*Interest expense increased by 20%, suggesting higher costs incurred from interest payments on borrowings. This increase can be attributed to increased borrowing levels and higher interest rates in the debt market.*

**12% increase in provision for income tax**

*Provision for income tax increased by 12%, indicating a higher amount set aside for income tax obligations. This increase can be attributed to higher net income.*

**98% decrease in unrealized gains on the fair value of financial assets at FVOCI**

*Unrealized gains on the fair value of financial assets at FVOCI decreased by 98%, suggesting a significant decline in the value of financial assets held at fair value through other comprehensive income. This decrease can be attributed to market fluctuations valuation.*

|                                    |
|------------------------------------|
| <b>PART II – OTHER INFORMATION</b> |
|------------------------------------|

**Item 3: Three Months of 2023 Developments**

No additional subscription was made by the Company nor was any merger executed.

A. Composition of Board of Directors

|                     |                      |
|---------------------|----------------------|
| Vicente R. Santos   | Chairman             |
| Exequiel D. Robles  | President            |
| Mariza Santos-Tan   | Treasurer            |
| Aurora D. Robles    | Assistant Treasurer  |
| Antonio D. Robles   | Director             |
| Orestes R. Santos   | Director             |
| Simeon Cua          | Director             |
| Renato C. Francisco | Independent Director |
| Danilo A. Antonio   | Independent Director |

B. Performance of the corporation or result/progress of operations.

*Please see the unaudited Financial Statements and Management's Discussion and Analysis (MD&A) on result of operation with regards to the performance of the corporation or result/process of operations.*

C. Declaration of Dividends.

*None*

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

*None*

E. Offering of rights, granting of Stock Options and corresponding plans thereof.

*None*

F. Acquisition of additional mining claims or other capital assets or patents, formula, real estate.

*Not Applicable*

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

*None*

H. Transferring of assets, except in normal course of business.

*None*

**Item 4: Other notes to Operations and Financials as of March 31, 2023**

- A. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents  
*None*
- B. Nature and amount of change in estimates of amounts reported in prior periods and their material effect in the current period.  
*There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.*
- C. New financing through loans/issuances, repurchases and repayments of debt and equity securities.  
*Second drawdown of the ₱3.75 billion unsecured syndicated term loan facility on March 10, 2023 amounting to ₱2.55 billion.*
- D. All Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.  
*There were no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the period covered.*
- E. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investment restructurings, and discontinuing operations.  
*None*
- F. Changes in contingent liabilities or contingent assets since the last annual balance sheet date.  
*None*
- G. Existence of material contingencies and other material events or transactions during the interim period.  
*None*
- H. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.  
*None*
- I. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations) , and other relationships of the company with unconsolidated entities or others persons created during the reporting period.  
*None*
- J. Material commitments for capital expenditures, general purpose and expected sources of funds.  
*None*
- K. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.  
*None*
- L. Significant elements of income or loss that did not arise from continuing operations.  
*None*
- M. Causes for any material change/s from period to period in one or more line items of the financial statements.

*See Management Discussion & Analysis portion of the quarter report.*

- N. Seasonal aspects that had material effect on the financial condition or results of operations.  
*None*
- O. Disclosures not made under SEC Form 17-C  
*None*

**STA. LUCIA LAND, INC. AND SUBSIDIARIES****FINANCIAL RATIOS**

As of March 31, 2023

|                                | March 31, 2023 | December 31, 2022 |
|--------------------------------|----------------|-------------------|
| <b>Current Ratio</b>           | <b>2.11</b>    | <b>2.13</b>       |
| <b>Debt to Equity</b>          | <b>0.94</b>    | <b>0.99</b>       |
| <b>Interest Coverage Ratio</b> | <b>574.01%</b> | <b>373.28%</b>    |
| <b>Return on Asset</b>         | <b>2.14%</b>   | <b>5.98%</b>      |
| <b>Return on Equity</b>        | <b>5.17%</b>   | <b>14.90%</b>     |

## SIGNATURES

Pursuant to the Requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**STA. LUCIA LAND INC.**

Issuer



**DAVID M. DELA CRUZ**

Executive Vice President & CFO

Date: May 18, 2023