

SEC Number: 031-050
File Number: _____

STA. LUCIA LAND, INC. AND SUBSIDIARIES

(Company's Full Name)

Penthouse Building 3, Sta. Lucia East Grand Mall,
Marcos Highway Cor. Imelda Ave., Cainta Rizal

(Company Address)

(632) 8681-7332

(Telephone Number)

December 31, 2023

(Year Ending)

Annual Report – SEC Form 17-A

(Form Type)

(Amendments)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A**

**ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SECTION 141 OF
THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended December 31, 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

N/A

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA:

Title of each class	Number of shares of common Stock outstanding
<u>Common</u>	<u>8,296,450,000</u>

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

Yes No

Name of Stock Exchange: Philippine Stock Exchange

Class of securities listed: Common Stock

12. Indicate by checkmark whether the registrant:

a. has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

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

Yes No

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PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1: BUSINESS

1.1 Overview

Sta. Lucia Land, Inc. (the Registrant, the Company, or SLI) was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 1966 under the name Zipporah Mining and Industrial Corporation to engage in mining.

On September 14, 1987, the Company launched its Initial Public Offering where a total of 20,000,000 common shares were offered at an offering price of Php1.00 per share.

Subject to a restructuring program, the Board of Directors (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 9 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:

- 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 charged rental fee to SLECC, an amount equivalent to 90% of SLECC’s net income excluding real property tax. SLECC charged 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 ₱1.20 per share to cover the settlement of the ₱900.00 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 ₱2.90 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, 2023, the Company is 81.76% 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 25, 2024.

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 157 residential subdivision projects and is currently developing 110 residential subdivision projects involving a total of 51,318 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 comprise 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 six 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. Downpayments 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.

Condominiums

The condominium projects of the Company are located in strategic locations near existing horizontal developments. The Company has completed the following eight (8) 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 (Tower 1)	Cainta, Rizal
The Orchard Pasig Tower	Pasig City

and currently has two (3) ongoing projects, one in (1) in Cainta, Rizal (Sta. Lucia Residenze – Madrid (Tower 3)), one (1) in Fairview, Quezon City (Neopolitan Condominium 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.

Condotels

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

The Company has completed the following fourteen (14) condotel projects:

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

and currently has six (6) ongoing projects in (i) Quezon City (The Tribute), (ii) Cebu (Nivel Hills) (iii) Baguio City (Sotogrande Baguio Tower 3), and (iv) 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 comprises 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.

As of December 31, 2023, the mall’s occupancy rate reported at 86.26% or 81,295 sqm out of the 94,245 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, 2023, 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 89.76% 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.

The four-storey commercial building will contribute an additional 40,918 sq m of GFA and 24,142 sq m of gross leasable area (GLA) to the mall portfolio of the company. As of the end of December 31, 2023, approximately 14% of the GLA has been reserved for future occupancy by interested tenants.

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, 2023, 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, Santalucia Ventures Inc. (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)

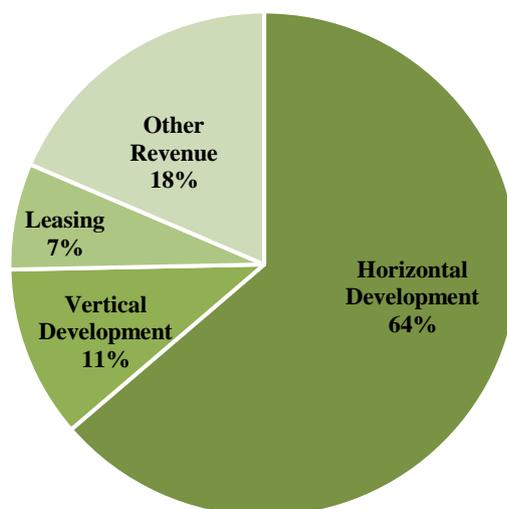
On January 9, 2013, the Parent Company filed an application with SEC for the incorporation of one of its wholly owned subsidiary Sta. Lucia Homes, Inc., the primary purpose of which is to construct, develop, improve, mortgage, pledge and deal with residential structure for lot buyers of the Group. The 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



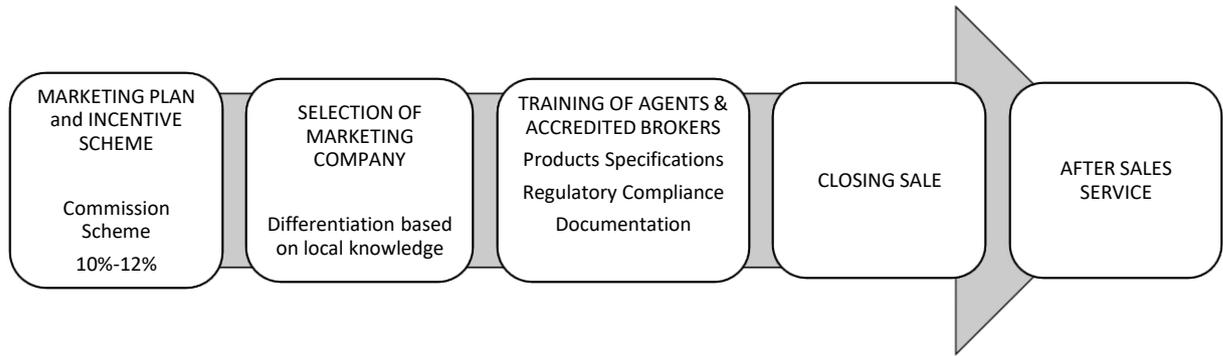
1.3 Distribution Methods of the Products

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.

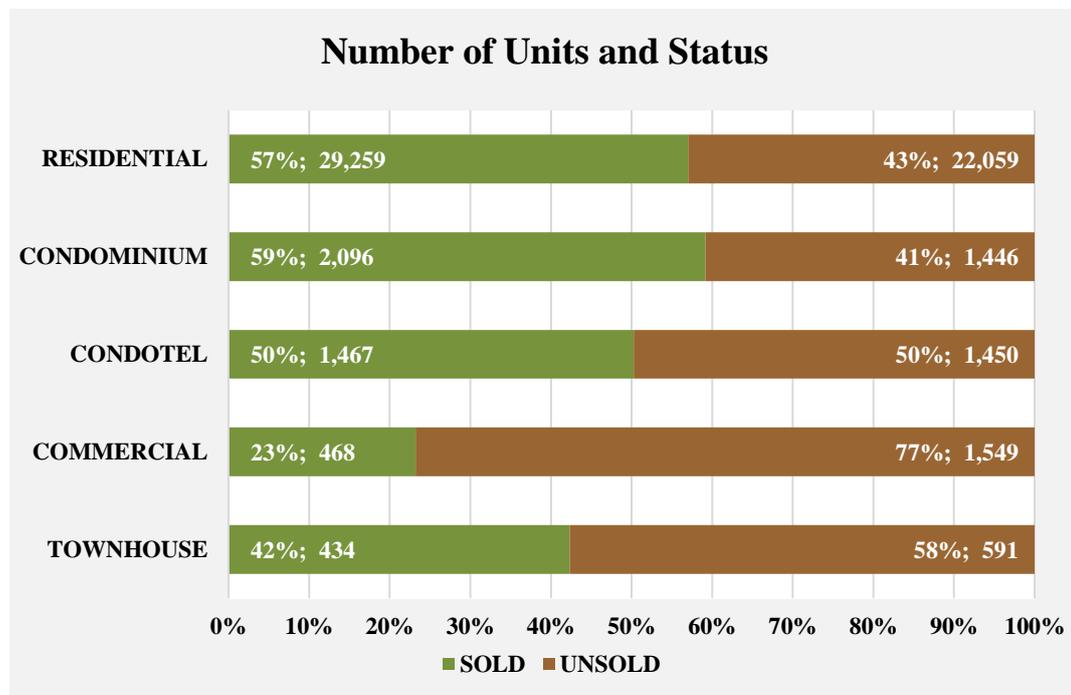
Once the Company has acquired an interest in land for development, it will begin the project development process. In addition to obtaining the required government regulatory approvals, this process involves the planning of the potential project, including master planning and design. Site development 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, 2023, the Group has already developed over 12,000 has. of land into over 280 projects strategically located in 13 regions and over 70 cities and municipalities in the country.



Almost 88% 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, 2023, 55% of its products were sold and 45% remains in its inventory.

Completed Projects

As of December 31, 2023, the Company completed the development of the following projects:

PROJECT NAME	LOCATION	PROJECT TYPE	YEAR
Aldea Residences	Pakiad, Oton, Iloilo	Horizontal	2021
Alta Vista Tagaytay Ph 1 & 1A	Sicat, Alfonso, Cavite	Horizontal	2023
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
Beverly Place Pampanga Ph 6E1	Mexico, Pampanga Philippines	Horizontal	2023
Beverly Place Pampanga Ph 10C	Mexico, Pampanga Philippines	Horizontal	2023
Beverly Place Pampanga Ph 10D	Mexico, Pampanga Philippines	Horizontal	2023
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
Cambridge Place Batangas Ph 1A	Darasa, Tanauan City, Batangas	Horizontal	2023
Catalina Lake Residences Palawan	Tagburos, Puerto Princesa City	Horizontal	2020
Club Morocco	Subic, Zambales	Horizontal	2022
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
Costa Verde Cavite	Rosario, Cavite	Horizontal	2007
Crown Residences at Harbor Springs	Boracay, Puerto Princesa	Vertical	2019
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
East Bel-Air Residences (Stradella) Tower 2	Cainta, Rizal	Vertical	2014
El Pueblo Verde	San Antonio, Gerona, Tarlac	Horizontal	2019
Glenrose Taytay Ph 2B	Taytay, Rizal	Horizontal	2017

PROJECT NAME	LOCATION	PROJECT TYPE	YEAR
Golden Meadows Biñan (Sta. Rosa) Ph 2E	Sta. Rosa, Laguna	Horizontal	2023
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	2022
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	2022
Greenwoods Executive Village Ph 1A1	Palatiw, Pasig City	Horizontal	2022
Greenwoods Executive Village Ph 1A2	Palatiw, Pasig City	Horizontal	2022
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 * & 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
Greenwoods Pasig	Pasig City	Horizontal	2007
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	2012
La Mirada Royale Ph 1A1	Plaridel, Bulacan	Horizontal	2023
La Mirada Royale Ph 1C	Plaridel, Bulacan	Horizontal	2023
La Mirada Tower	Lapu-Lapu City, Cebu	Vertical	2010

PROJECT NAME	LOCATION	PROJECT TYPE	YEAR
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
Metropoli Residenza Libis	Libis, Quezon City	Horizontal	2007
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
Metrosouth Townhouse	Dasmariñas, Cavite	Vertical	2023
Mira Verde Bulacan Ph 3 & 3A	Guiguinto, Bulacan	Horizontal	2023
Monte Vista Rizal	Rizal	Horizontal	2023
Monteverde Royale Ph 4C	Muzon, Taytay, Rizal	Horizontal	2023
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
Palo Alto Ph 3	Pinugay, Baras, Rizal	Horizontal	2023
Palo Alto Ph 2	Pinugay, Baras, Rizal	Horizontal	2021
Pinewoods Baguio	Baguio City and Tuba, Bunguet	Horizontal	2008
Ponte Verde Davao Ph 1	Communal, Davao City	Horizontal	2022
Ponte Verde Davao (Sandoval) Ph 2	Communal, Davao City	Horizontal	2022
Ponte Verde Davao (So) Ph 3	Communal, Davao City	Horizontal	2022
Pueblo Del Sol Ph 2	Tagaytay City, Cavite	Horizontal	2016
Pueblo Del Sol Ph 1	Tagaytay City, Cavite	Horizontal	2008
Rizal Technopark Ph 2D2	San Juan, Taytay, Rizal	Horizontal	2023
Rizal Technopark Ph 2B1	San Juan, Taytay, Rizal	Horizontal	2023
Rizal Technopark Ph 2S1	San Juan, Taytay, Rizal	Horizontal	2019
Rizal Technopark Ph 2D3	San Juan, Taytay, Rizal	Horizontal	2023
Rizal Technopark Ph 2H	San Juan, Taytay, Rizal	Horizontal	2019
Rizal Technopark Ph 2G	San Juan, Taytay, Rizal	Horizontal	2019

PROJECT NAME	LOCATION	PROJECT TYPE	YEAR
Rizal Technopark Ph 2F	San Juan, Taytay, Rizal	Horizontal	2019
Rizal Technopark Ph 2D1	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 3	Tagaytay City, Cavite	Horizontal	2015
Soto Grande Ph 2	Tagaytay City, Cavite	Horizontal	2015
Sotogrande Baguio Tower 2	Leonard Wood Road, Baguio City	Vertical	2023
Sotogrande Baguio Tower 1	Leonard Wood Road, Baguio City	Vertical	2023
Sotogrande Hotel Davao	Davao City, Davao	Vertical	2019
Sotogrande Iloilo Tower 2	Jaro, Iloilo City	Vertical	2023
Sotogrande Iloilo Tower 1	Jaro, Iloilo City	Vertical	2018
Sotogrande Katipunan	Katipunan Ave., Quezon City	Vertical	2023
Sotogrande Neopolitan Tower 2	Fairview, Quezon City	Vertical	2015
Sotogrande Palawan Tower 1	Tagbueros, Puerto Princesa City	Vertical	2023
South Groove Davao	Davao City, Davao	Horizontal	2015
South Spring Residential Estate Ph 1H	Canlalay, Biñan, Laguna	Horizontal	2023
South Spring Residential Estate Ph 1G	Canlalay, Biñan, Laguna	Horizontal	2023
South Spring Residential Estate Ph 1F	Canlalay, Biñan, Laguna	Horizontal	2019
South Spring Residential Estate Ph 1E	Canlalay, Biñan, Laguna	Horizontal	2019
South Spring Residential Estate Ph 1D	Canlalay, Biñan, Laguna	Horizontal	2019
South Spring Residential Estate Ph 1C2	Canlalay, Biñan, Laguna	Horizontal	2019
South Spring Residential Estate Ph 1C1	Canlalay, Biñan, Laguna	Horizontal	2019
South Spring Residential Estate Ph 1C	Canlalay, Biñan, Laguna	Horizontal	2019
Splendido Tower 2	Laurel, Batangas	Vertical	2015
Splendido Tower 1	Laurel, Batangas	Vertical	2010
Sta. Barbara Royale Ph 1	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 4A & 4B	Dela Paz, Antipolo City	Horizontal	2020
Summerhills Executive Ph 4	Dela Paz, Antipolo City	Horizontal	2020
Summit Point Ph 3E	Sta. Teresita, Sto. Tomas, Batangas	Horizontal	2020
Summit Point Ph 3D	Sta. Teresita, Sto. Tomas, Batangas	Horizontal	2020

PROJECT NAME	LOCATION	PROJECT TYPE	YEAR
Summit Point Ph 3C	Sta. Teresita, Sto. Tomas, Batangas	Horizontal	2020
Summit Point Ph 3B	Sta. Teresita, Sto. Tomas, Batangas	Horizontal	2020
Summit Point Ph 3A	Sta. Teresita, Sto. Tomas, Batangas	Horizontal	2020
Summit Point Ph 3	Sta. Teresita, Sto. Tomas, Batangas	Horizontal	2020
Valencia Towhouse Iloilo	Pakiad, Oton, Iloilo	Vertical	2023
Valle Verde Davao Ph 1	Panacan, Davao City	Horizontal	2020
Valle Verde Lapu-Lapu	Cebu City, Cebu	Horizontal	2023
Valleyview Executive Ph 2A	Munting Dilaw, Antipolo City	Horizontal	2023
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, Urduyog, Pangasinan	Horizontal	2020
Yanarra Residences Ph 1A	Natipunan, Nasugbu, Batangas	Horizontal	2022

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 has. and is approximately eight kilometers from Metro Manila. The total project development cost was approximately ₱22 million.

Aqua Mira at Saddle Cluster A, B and C

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

Arterra Residences at Discovery Bay

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

Blue Mountains Commercial & Residential Estates

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

Blue Ridge at Monterosa

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

Cainta Greenland

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

Catalina Lake Palawan

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

Colinas Verdes Bulacan

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

Costa Del Sol

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

Crown Residence at Harbor Springs

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

East Bel-Air Residences

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

El Pueblo Verde

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

Glenrose Taytay

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

Grand Villas Bauan

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

Green Meadows Dasmariñas

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

Green Meadows Iloilo

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

Green Meadows Tarlac

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

Green Peak Heights

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

Greenland Newtown

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

Greenmeadows at the Orchard Ph2A

Located in the progressive city of Dasmariñas, Cavite, Green Meadows brings the best of nature 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.

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

Metropolis East – Binangonan

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

Neopolitan Condominiums Tower 1

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

Nottingham Villas Iloilo

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

Nottingham Villas Palawan

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

Nottingham Villas Townhouse

Nottingham Villas Townhouse is a residential townhouse located in Taytay, Rizal. It has 80 townhouses 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 Philippines. 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. With multi-purpose function rooms, swimming pool, and a 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 residents 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 Baguio

Sotogrande Baguio breaks away from the traditional log cabin style commonly found in the city, providing a minimalist and uncomplicated retreat in a superb location. Sotogrande Baguio enjoys a prime location, conveniently within walking distance of numerous lounge bars and restaurants. Additionally, it's just a 5–10-minute drive from key city attractions such as Sky Ranch, Session Road, and Burnham Park.

Soto Grande Hotel Davao

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

Soto Grande Iloilo

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

Soto Grande Neopolitan

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

Soto Grande

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

South Groove Davao

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

South Spring Laguna

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

Splendido Taal Tower

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

Sta. Barbara Royale

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

Sta. Lucia Residenze

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

Stradella (East Bel-Air Residences Tower 2)

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

Sugarland Estates

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

Summer Hills Executive

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

Summit Point Golf & Residential 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 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.

Woodridge Iloilo and The Groove

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

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, 2023:

PROJECT NAME	PHASE	LOCATION
Acropolis Loyola	Ph 1 & 2	Tumana, Marikina City and Pansol, Quezon City
Almeria Verde	Ph 1	Bolosan, Dagupan City, Pangasinan
Almeria Verde	Ph 1A	Bolosan, Dagupan City, Pangasinan
Alta Monte Rizal	-	Halayahayin, Pililla, Rizal
Buena Vida Residencia	-	Brgy. Rizal, Silay, Negros Occidental
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
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	Ph 1A/Comm	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

PROJECT NAME	PHASE	LOCATION
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 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
Manville Royale Subdivision Expansion	Ph 2	Bacolod City, Bacolod
Marbella Lake Residences	Ph 2	Victoria, Laguna
Marbella Lake Residences	Ph 1	Victoria, Laguna
Marbella Residences Davao	-	Tigatto-Mandug, Davao City
Monte Verde	Ph 5	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 4	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 3	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 2	Kiagot, Digos City, Davao Del Sur
Monte Verde Digos	Ph 1	Kiagot, Digos City, Davao Del Sur
Monte Verde East	-	San Rafael, Rodriguez, Rizal
Monte Verde Iloilo	-	Sta. Barbara, Iloilo
Nasa Costa Cove	Ph 1A & 1B	Natipuan, Nasugbu, Batangas
Nasa Costa Cove	Ph 1	Natipuan, Nasugbu, Batangas
Nasa Costa Peak	Tower 2	Natipuan, Nasugbu, Batangas
Nasa Costa Peak	Tower 1	Natipuan, Nasugbu, Batangas
Nasugbu Town Center	-	Brgy. Lumbangan, Nasugbu, Batangas
Neopolitan Condominium	Tower 3	Fairview, Quezon City
Nivel Hills Cebu	Tower 1 & 2	Lahug, Cebu City
Oakland Residences	Ph 1	Sinawilan, Matanao, Davao Del Sur
Oakland Residences	Ph 1A	Sinawilan, Matanao, Davao Del Sur
Orchard Residences Digos	-	San Jose, Digos City, Davao Del Sur
Orchard Residences Polomok	Ph 2A & 2B	Glamang, Polomolok, South Cotabato
Orchard Residences Polomok	Ph 2	Glamang, Polomolok, South Cotabato
Orchard Residences Polomok	Ph 1	Glamang, Polomolok, South Cotabato
Orchard Residential Estate and Golf Country Club	Ph 5B	Dasmariñas, Cavite
Palo Alto	Ph 4	Pinugay, Baras, Rizal
Palo Alto	Ph 1A	Pinugay, Baras, Rizal
Parkhills Subdivision	Ph 2	Rizal
Ponte Verde Davao (Martinez)	Ph 4	Communal, Davao City
Ponte Verde Palawan	-	Brgy. Irawan, Puerto Princesa
Ponte Verde Rizal	2B	Halayhayin, Pililla, Rizal
Ponte Verde Rizal	2A	Halayhayin, Pililla, Rizal
Ponte Verde Rizal	1	Halayhayin, Pililla, Rizal
Ponte Verde De Sto. Tomas	Ph 5	Santiago, Sto. Tomas, Batangas

PROJECT NAME	PHASE	LOCATION
Ponteverde De Sto. Tomas	Ph 3A	Santiago, Sto. Tomas, Batangas
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 3	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 1A	Matabungcay, Lian, Batangas
South Coast	Ph 1	Matabungcay, Lian, Batangas
Spring Oaks Residence	Ph 4	Los Baños, Laguna
St. Charbel South	Ph 3	Dasmariñas, Cavite
Sta. Lucia Mall Davao	-	Communal, Davao City
Sta. Lucia Residenze - Madrid	Tower 3	Cainta, Rizal
Sta. Monica Lake Residences	Comm	Brgy. Baritao, Manaog, Pangasinan
Sta. Monica Lake Residences	Ph 1A	Brgy. Baritao, Manaog, Pangasinan
Summit Point	Ph 4	Inosluban, Lipa City, Batangas
Tierra Verde Digos	-	Colorado, Digos City, Davao Del Sur
Tupi Property	-	Tupi, South Cotabato
Valencia Homes	-	Rizal, Avenue, Puerto Princesa City, Palawan
Valleyview Executive	Ph 2D	Munting Dilaw, Antipolo City
Verterra Highlands Tanay, Rizal	-	Sampaloc, Tanay, Rizal
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 offers 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 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.

Yanarra Residences

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

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

YEAR	PROJECT EXPENDITURES	PERCENTAGE TO REVENUES
2023	6,532,998,247	58%
2022	6,173,620,510	62%
2021	5,263,928,666	63%

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

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

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

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

1.9 Government Approvals/Regulations

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

These permits and approvals include, but are not limited to, the environmental compliance certificates or certificates of non-coverage, development permits, department of agrarian reform conversions, and licenses to sell. In addition, the Company and its subsidiaries intend to continue to comply, in all material respects, with applicable regulations and law which govern its various businesses.

1.10 Environmental Compliance

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

	2021			
	Volume	Outstanding	Terms	Conditions
(Note 15) (b)			Due and demandable; noninterest-bearing	Unsecured; no impairment
Rental income (b)(c)	38,771,567	42,112,456	Due and demandable; noninterest-bearing	Unsecured; no impairment
		P543,452,716		
Key officers and directors (Note 6) (d)	P76,503,222	P116,323,028	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables (Note 12)				
<i>Ultimate Parent Company (SLRDI)</i>				
Advances (a)	P-	P3,254,988	Payable on demand; noninterest bearing	Unsecured
<i>Advances from shareholders</i>				
Advances (f)	-	14,711,492	Payable on demand; noninterest bearing	Unsecured
		P17,966,480		
Short-term Debt (Note 14) (e)				
<i>Ultimate Parent Company (SLRDI)</i>				
Principal	P300,000,000	P1,500,000,000	Payable on demand; interest bearing	Unsecured
Interest expense	57,556,250	5,139,583		

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. This includes noninterest-bearing cash advances for various charges for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies and other operating expenses. These advances amounted to P16.69 million, P314.99 million and P61.61 million in 2023, 2022 and 2021, respectively.

Other advances include the rentals for project exhibits and advertising/marketing costs amounting to P13.01 million, P16.11 million and P27.88 million in 2023, 2022 and 2021, respectively.

The amount of deductions applied or offset against the advances for the year amounted to P29.7 million, P331.10 million, and P89.49 million in 2023, 2022, and 2021, respectively.

Other advances also include the collection from buyers collected by SLRDI. This pertains to the monthly amortization payment from the buyers of the Parent Company, collected by the Ultimate Parent Company, and due to be remitted to the Parent Company. The amount collected by SLRDI amounted to P29.06 million, P61.34 million and P26.83 million in 2023, 2022 and 2021, respectively.

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 ₱388.20 million, ₱264.69 million and ₱144.48 million in 2023, 2022 and 2021, respectively. The share amounting ₱97.05 million, ₱66.17 million and ₱28.61 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2023, 2022 and 2021, respectively.

The Parent made cash advances from SLRDI to be used for various administrative and operating expenses. In 2022, advances were made from SLRDI amounting to ₱13.95 million.

- (b) SLECC and the Parent Company entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management and business development services, leveraging its knowledge in the mall operations from the past years. In exchange of SLECC's services, the Parent Company shall pay SLECC a management fee equivalent to 5% of the gross rental revenue for managing mall operations including repairs and maintenance and collection of space rental from storeowners or tenants. Management fee from SLECC amounted to ₱29.41 million, ₱23.43 million and ₱49.61 million in 2023, 2022 and 2021, respectively.

The Parent Company made noninterest-bearing cash advances to SLECC for various operating expenses to be offset against payable to SLECC amounting to ₱17.92 million, ₱29.30 million and ₱57.59 million in 2023, 2022 and 2021, respectively.

As of date, the Company has outstanding receivables from SLECC amounting to ₱39.58 million and ₱51.07 million in 2023 and 2022, respectively.

- (c) The Parent Company has receivables from affiliated mall tenants. This pertains to accrued rental income amounting to ₱118.01 million and ₱71.91 million in 2023 and 2022, respectively. Rental income from affiliated tenants amounted to ₱68.07 million, ₱69.54 million and ₱38.77 million in 2023, 2022 and 2021, respectively.
- (d) The Parent Company made noninterest-bearing cash advances to officers and directors which is subject to liquidation. These advances amounted to ₱20.46 million, ₱25.99 million and ₱76.50 million in 2023, 2022 and 2021, respectively. The remaining unliquidated receivables amounted to ₱126.22 million, ₱107.40 million and ₱86.13 million as of December 31, 2023, 2022 and 2021, respectively.
- (e) In September 2023, the Group availed loan from SLRDI amounting ₱300.00 million with 6% annual interest rates. 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 ₱1,800.00 million and ₱1,500.00 million as of December 31,

2023 and 2022, respectively. The related interest expense on these loans amounted to ₱ 79.86 million, ₱59.08 million and ₱57.56 million in 2023, 2022 and 2021, respectively.

- (f) In order to support the commercial operations of the SLVI, several shareholders and the Ultimate Parent Company provided advances. As of December 31, 2023 and 2022, the remaining unpaid balances amounted to ₱14.71 million.

As of December 31, 2023 and 2022, 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:

	2023	2022
Short-term employee benefits	₱18,638,235	₱16,943,850
Post-employment benefits (Note 20)	704,803	640,730
	₱19,343,038	₱17,584,580

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, 2023, 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	20
Administration	9
Advertising & Promotions	3
Asset Management	78
Commercial Business	3
Const. Permit & Post Const. (VRS)	1
Corporate Planning & Investor Relations	2
Credit & Finance	6

DEPARTMENT	COUNT
Hotels	1
Human Resources	4
Internal Audit & Controllershship	14
Legal	1
Management Information System	8
Project Development	29
Purchasing	5
Sales & Marketing	21
Special Projects	2
Treasury	6
Sta Lucia Homes/Customer Service	8
Total	223

The Company foresees an increase in its manpower complement by 30 in the ensuing 12 months.

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

There has been no strike or threat of strike of the Company's employees over the 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, 2023 to June 30, 2024, 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 2023, 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 City	29,466	Residential/Commercial
Bataan	82,916	Residential/Commercial
Batangas	3,137,735	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
TOTAL	15,638,871	

In view of the Company's expansion plans, the Company continues to selectively explore land acquisitions, focusing on key emerging areas where it has successfully developed and sold projects. The following table summarizes the various sites that the Company has identified for acquisition in the next five years:

REGION	Percentage Concentration of Land banking
Region 4A – CALABARZON	49.72%
Region 11 - Davao Region	18.83%
Region 6 - Western Visayas	8.62%
Region 4B MIMAROPA	5.93%
Region 12 – SOCCSKSARGEN	5.32%
NCR	2.70%
Region 1 - Ilocos Region	2.57%
Region 3 - Central Luzon	2.31%
Region 9 – Zamboanga Peninsula	1.83%
Region 7 - Central Visayas	1.57%
Region 13 – CARAGA	0.42%
CAR	0.19%
TOTAL	100.00%

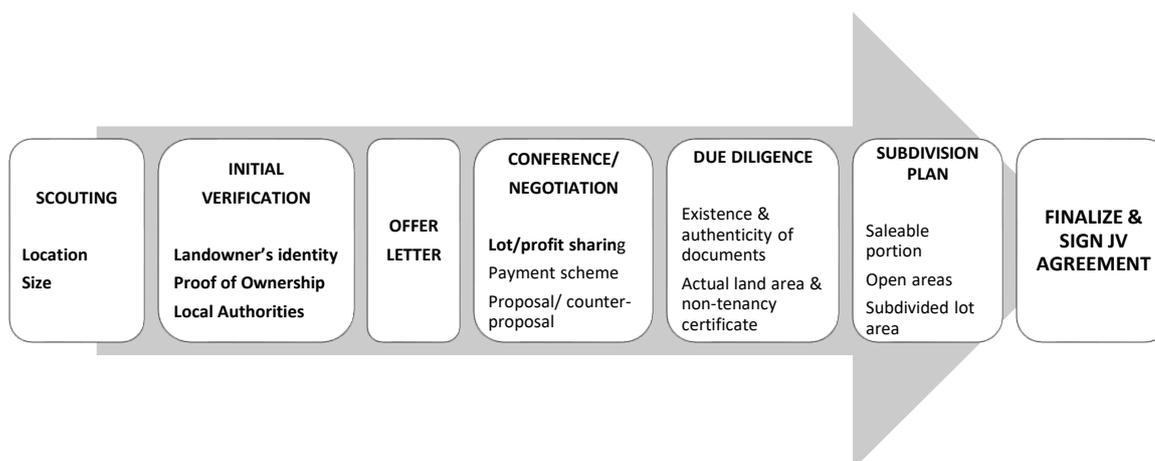
In the next 12 months, the Company intends to acquire the properties located in Laguna, Batangas, Bulacan, Davao and Cotabato.

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 the 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:

REGION	Percentage Concentration of Land banking
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	PALO ALTO P COM B 1 L 30	HLURB QUEZON CITY	HLURB REM-121012-14950	> 4,158,229.00 > 100,000.00 MORAL DAM > 100,000.00 EXEMPLARY DAM > 30,000.00 ATTORNEY'S FEES	FILED APPEAL MEMORANDUM AT OFFICE OF THE PRESIDENT SEPT. 22, 2017 PENDING APPEAL
2	SHERRYL ADRIANO VS. STA. LUCIA LAND	REFUND		HLURB CALAMBA LAGUNA	HLURB CASE NO. RIV-102317-4813	-	FOR REFUND SETTLEMENT CHECK UNDER PROCESS
3	JONAH FE ELISCUPIDES	WAIVER OF PENALTIES AND INTEREST	ALMERIA VERDE PANGASINAN	HLURB BAGUIO	N/A	-	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	-	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	-	FOR ARRAIGNMENT (DISMISSED)

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	-	MEDIATION SCHEDULED ON DEC 14, 2022 (SUBMITTED)
7	SPS RIVERA AND SULITE	REFUND	GOLDEN MEADOWS BINAN	HSAC	REM - 00458	-	SETTLED/TERMINATED COMPLAINANT FILED MOTION TO WITHDRAW COMPLAINT 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)	NON-DELIVERY OF DOAS AND TCT	GRAND VILLAS BATANGAS 001-016-0052	DHSUD	N/A	-	SUBMITTED A MANIFESTATION
10	NOTICE TO COMMENT (ARNESTO, SPS. MARIA SHEILA & JOVEN)	NON-DELIVERY OF DOAS AND TCT; SELLING W/O LTS	SOUTH COAST BATANGAS 01A-034-0025/26/27	DHSUD	N/A	-	1ST CONCILIATION DATED JUNE 29
11	NOTICE TO COMMENT (DE GUZMAN, JOHN AIRMER)	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)	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)	NON ACCESSIBILITY AND NON-OPERATIONAL OF ARTERRA RESIDENCES	ARTERRA RESIDENCES 001-005- ST00	DHSUD	N/A	-	1ST CONCILIATION DATED MAY 12
14	NOTICE TO COMMENT (JUSTINIANA, JEFFREY)	REFUND OF PAYMENTS	MESILO NUEVA VIDA 001-010- 0041	DHSUD	N/A	-	SUBMITTED NOTICE TO COMMENT

NO	CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	COURT	CASE NO.	AMOUNT INVOLVED	STATUS
16	NOTICE TO COMMENT (SAYCO, KATRINA CASSANDRA)	NON-ISSUANCE OF CONDOMINIUM CERTIFICATE OF TITLE	EAST BEL-AIR RESIDENCES 003- 004-STCE	DHSUD	N/A		SUBMITTED NOTICE TO COMMENT
17	NOTICE OF VIOLATION (DHSUD)	FAILURE TO SECURE COR, SELLING WITHOUT LTS AND ADVERTISEMENT WITHOUT PRIOR APPROVAL	CATALINA LAKE RESIDENCES PALAWAN	DHSUD	N/A		
18	NOTICE OF VIOLATION (DHSUD)	FAILURE TO SECURE COR, SELLING WITHOUT LTS AND ADVERTISEMENT WITHOUT PRIOR APPROVAL	GREENPEAK HEIGHTS PALAWAN	DHSUD	N/A		
19	NOTICE OF VIOLATION (DHSUD)	FAILURE TO SECURE COR, SELLING WITHOUT LTS AND ADVERTISEMENT WITHOUT PRIOR APPROVAL	SOTOGRADE PALAWAN TOWER 1	DHSUD	N/A		
20	REYMUEND ELARMO VS. SLLI, EDR, SOTOGRADE BAGUIO AND ENGR. JAIME URBANO	ILLEGAL DISMISSAL	SOTOGRADE BAGUIO	NLRC BAGUIO	RAB-CAR-01-00002- 24	-	POSITION PAPER FILED (3/1/24) REPLY C/O ENGR. JEN BUTALI (3/18/24)
21	MARIA TERESITA CANLAS VS. SLLI	WAIVER OF PENALTIES AND EXTENSION OF CONTRACT	BLUE MOUNTAIN 002-008-0011	HSAC NCR	NCR-REM-230620-00892	-	ANSWER FILED 3/13/24
22	S.A.M. MARQUES DE L'ETAT DE MONACO VS. SLLI	OPPOSITION TO REGISTRATION OF TRADEMARK MONTE CARLO	MONTE CARLO	IPO-BLA	C/2023/486	-	ANSWER DUE ON 3/16/24
23	NOTICE TO COMMENT (SOLIS, KARL KEVIN)	WAIVER OF PENALTIES	MESILO NUEVA VIDA 001-030- 0017	DHSUD	-	-	COMMENT SUBMITTED
24	NOTICE TO COMMENT (EBIO, AMY LEA AND EBIO, CZARINA)	REFUND OF RESERVATION FEE DUE TO ISSUE ON LEASEBACK AGREEMENT	SOTOGRADE BAGUIO 001-004-ST05	DHSUD	-	100,000.00	COMMENT SUBMITTED. CONCILIATION ON 9/27/23. REFUNDED 50,000.00 2/8/24
25	NOTICE TO COMMENT (MESA, JONATHAN JOSEPH, ET., AL.)	REFUND WITH INTEREST	SUMMERHILLS EXECUTIVE 004-001-0006	DHSUD	-	1,499,645.94 PLUS CLAIM OF INTEREST	COMMENT SUBMITTED. REFUNDED WITHOUT INTEREST 2/5/24
26	GARDIOLA, FRANCISCO AND MENDOZA, EUGENIA	REFUND	GRAND VILLAS BATANGAS 001- 015-0024	DHSUD	-	565,598.44	CONCILIATION. REFUNDED 2/8/24

NO	CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	COURT	CASE NO.	AMOUNT INVOLVED	STATUS
27	NOTICE TO COMMENT (ARAGO, NAPOLEON)	NON-DELIVERY OF TITLE	SUMMIT POINT 03A-023-0017	DHSUD	-	-	COMMENT SUBMITTED
28	NOTICE TO COMMENT (MANALO, MELISSA)	NON-DELIVERY OF TITLE	GRAND VILLAS BATANGAS 001- 016-0047	DHSUD	-	-	COMMENT SUBMITTED
29	HERNANDEZ VS. SLLI	REFUND	COLINAS VERDES BULACAN	HSAC	RIII-REM-0111723-02	2,890,811.00, MORAL DAMAGAS 50,000.00, ATTORNEY'S FEE 100,000.00 PLUS 10,000.00 APPEARANCE FEE	APPEAL MEMORANDUM 02/08/2024

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	PORTION OF SOUTH SPRING	RTC, BINAN, LAGUNA	CIVIL CASE NO. B-9022	DISMISSED
2	LA MIRADA ROYALE RESIDENTIAL I,II,III,IV AND V VS. VICENTE R. SANTOS AND LA MIRADA ROYALE RESIDENTIAL ASSOCIATION	CANCELLATION OF CERTIFICATES OF REGISTRATION	LA MIRADA	HLURB QUEZON CITY	HLURB CASE NO. NTR-HOA-082213-575	FILED APPEAL MEMORANDUM AT OP PENDING
3	BAYBREEZE EXECUTIVE VILLAGE HOMEOWNERS ASS. VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI	DEVELOPMENT DATE INSTITUTED: NOVEMBER 26, 2013	BAYBREEZE	OFFICE OF THE PRESIDENT	HLURB CASE NO. NCRHOA-112613-1932	FILED APPEAL MEMORANDUM AT OP PENDING
4	ROSALINA HONRADO VS. EXEQUIEL D. ROBLES, ET., AL. AND SLRDI	PAY THE DECREASE IN AREA AND/OR LOT REPLACEMENT	ORCHARD RES. PHASE 02 BLOCK 12 LOT 60	HLURB CALAMBA, LAGUNA	RIV-081214-4114	DISMISSED

NO	CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	PENDING COURT	CASE NO.	STATUS
		DATE INSTITUTED: AUGUST 12, 2014				
5	PTOLYME DIMENSIONS INC AND SIAPORE MICRO VS. EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI, EAGLERIDGE AND RS	FRAUDULENT MACHINATION, UNSOUND BUSINESS PRACTICE, ELECTION OF HOA OFFICERS, ANNULMENT OF PROPERTY MANAGEMENT CONTRACT, QUO WARRANTO WITH PRAYER FOR THE ISSUANCE OF A CEASE AND DESIST ORDER/ APPLICATION FOR TEMPORARY RESTRAINING ORDER AND OR WRIT OF PRELIMINARY INJUNCTION DATE INSTITUTED: APRIL 13., 2015	EAGLE RIDGE	OFFICE OF THE PRESIDENT	HLURB CASE NO. RIV-041315-0741	FILED APPEAL MEMORANDUM AT OP PENDING
6	GRACE PENDON ET., AL.. VS. EXEQUIEL D. ROBLES ET., AL.	HUMAN RIGHTS SUMMONS RECEIVED ON: JULY 01, 2015	RIZAL TECHNOPARK	CHR QUEZON CITY	CHR NO. 2015-0217	DISMISSED
7	VISTA VERDE COUNTRY HOMES VS. EXEQUIEL D. ROBLES, JOHNIELLE KEITH NIETO	VIOLATION OF SEC. 3 (A) GRAVE MISCONDUCT OPPRESSION AND CONDUCT PREJUDICIAL TO THE BEST INTEREST PF THE SERVICE SUMMONS RECEIVED ON: JULY 30, 2015	VISTA VERDE COUNTRY HOME	OFFICE OF THE OMBUDSMAN	OMB-L-C-15-0169	APPEAL AT SC FILED COMMENT
8	RENATO CABILZO VS. EXEQUIEL D. ROBLES VICENTE R. SANTOS MARIZA SANTOS-TAN EXALTACION R. JOSEPH FELIZARDO R. SANTOS ANTONIO D. ROBLES LIBERATO D. ROBLES	OTHER DECEITTS SYNDICATED ESTAFA LARGE SCALE ESTAFA DATE INSTITUTED: SEPTEMBER 18, 2015	ACROPOLIS MANDALUYONG B 5 L4, 5, 6	DOJ MANILA	XV-1-INV-151-02516	DISMISSED
9	SPS. MARTIN ERICSON CRUEL AND CZARINA CRUEL VS. MARIZA SANTOS-TAN, SLRDI	SPECIFIC PERFORMANCE DATE INSTITUTED: DECEMBER 23, 2015	VALLEY VIEW EXEC. P 1C B 2 L 12	HLURB QUEZON CITY	REM-122315-15873	PENDING
10	CLOVIS RANCHO, AMADO JOSE GARCIA ET., AL. VS. EXEQUIEL D. ROBLES, MARIZA SANTOS-TAN, VICENTE R. SANTOS ET.AL.	VIOLATION OF PD 957 AND ART. 318 OF RPC	ROYALE CEBU ESTATE	PROSECUTORS OFFICE OF CEBU	I.S. NO. VII-INV-16G-0925	FILED COUNTER AFFIDAVIT PENDING
11	TIMOTHY JASON PERALEJO VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS, MARIZA SANTOS-TAN, EXALTACION R. JOSEPH.	PD 957	VISTA REAL CLASSICA P UPM B 9 L 10	PROSECUTORS OFFICE OF QUEZON CITY	NPS XV-03-INV-17K-11187	DISMISSED

NO	CASE TITLE	NATURE OF CASES	PROPERTY INVOLVED	PENDING COURT	CASE NO.	STATUS
	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,	DATE INSTITUTED: NOVEMBER 27, 2017				
12	JERRY GALOPE VS. EXEQUIEL D. ROBLES, SLRDI, ET., AL.	QUIETING OF TITLE DATE INSTITUTED: APRIL 20, 2016	MEADOWOOD CAVITE	REGIONAL TRIAL COURT BR. 19 BACOR, CAVITE	BSC-2016- 04	FILED ANSWER JULY 06, 2018 WITH MOTION TO SET PRE-TRIAL PENDING
13	DEPT. OF AGRARIAN REFORM/PROVINCIAL TASK FORCE VS. EXEQUIEL D. ROBLES, IGMIDIO D. ROBLES, ET., AL.	SECTION 73, RA 6657 AS AMENDED 25 OF RA 9700 DATE INSTITUTED: JUNE 20, 2018	BLUEMOUNTAIN ANTIPOLO	PROSECUTORS OFFICE OF ANTIPOLO	XV-01- INV-18F- 00688	DISMISSED
14	RUSSEL MIRAFLO VS. EXEQUIEL D. ROBLES, ET., AL.	ESTAFA DATE INSTITUTED: JUNE 13, 2018	VISTA VERDE QUEZON P 2 B 41 L 35	PROSECUTORS OFFICE OF LUCENA	NPS-IV-16- INV-12E- 00232	DISMISSED
15	CECILIA CORDERO VS. EXEQUIEL D. ROBLES	VIOLATION OF SECTIONS 4 & 5 IN REL TO SEC. 39 OF PD 957 COMPLAINT RECEIVED ON: OCT. 13, 2014	PONTE VERDE BATANGAS P5 B7 L12	PROSECUTORS OFFICE OF TANAUAN	NPSD NO. IV-02-INV- 171-01384	DISMISSED
16	MANUEL MORATO ET., AL. VS. EXEQUIEL D. ROBLES, STA. LUCIA LAND INC. AND LIBERATO D. ROBLES, ET., AL.	INJUNCTION WITH PRAYER FOR ISSUANCE OF PRELIMINARY INJUNCTION AND/OR TEMPORARY RESTRAINING ORDER (TRO)		REGIONAL TRIAL COURT BR. 215 QUEZON CITY	R-QZN-18- 04305-CV	DISMISSED
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
18	ROMEO LADANO VS. DENNIS BELMONTE EUFEMIA ABEDES EXEQUIEL ROBLES IGMIDIO ROBLES	MALICIOUS MISCHIEF COMPLAINT RECEIVED ON: JAN. 23, 2018	BLUEMOUNTAIN ANTIPOLO	PROSECUTORS OFFICE OF ANTIPOLO	XV-01- INV-17J- 01001	DISMISSED
19	NELSON ZAPEDA VS. EXEQUIEL D. ROBLES	ESTAFA	GREENWOODS TAYTAY	NATIONAL BUREAU OF INVESTIGATION MANILA	NBI-CCN- C-18-06295	DISMISSED
20	DOMINGO PRADO VS MARIZA S. TAN	FALSIFICATION OF PUBLIC DOCUMENTS	VERMONT PARK EXECUTIVE PHASE IV-E BLK 2 LOT 10	OFFICE OF THE CITY PROSECUTOR	XV-06- INV-24B- 00392	SUBMISSION OF COUNTER AFFIDAVIT ON APRIL 19, 2024

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 2023, 2022 and 2021.

	2023			
	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	05 Jan./P3.25	19 Jun./P3.49	18 Jul./P3.39	21 Dec./P3.48
LOW	29 Mar./P3.01	29 May/P3.13	23 Aug./P3.11	07 Nov./P3.02

	2022			
	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	23 Feb./P2.93	08 Jun./P3.14	14 Sep./P3.16	29 Dec./P3.25
LOW	21 Mar./P2.53	29 Apr./P2.78	20 Jul./P2.74	24 Oct./P2.81

	2021			
	1st Quarter Date/Price	2nd Quarter Date/Price	3rd Quarter Date/Price	4th Quarter Date/Price
HIGH	15 Jan./P2.68	25 Jun./P3.55	15 Jul./P3.31	01 Nov./P3.01
LOW	07 Jan./P1.92	14 Apr./P2.20	26 Jul./P2.56	14 Dec./P2.74

As of December 29, 2023, the closing price of the Company’s common shares was ₱ 3.40 per share with a total market capitalization of ₱ 28,208 million.

5.2 Holders

Based on the 31 December 2023 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 2023**

RANK	NAME	TOTAL SHARES	PERCENT
1	STA. LUCIA REALTY & DEVELOPMENT, INC.	6,701,005,767	81.7550%
2	PCD NOMINEE CORPORATION (EXCLUDING TREASURY SHARES)	1,567,179,607	19.1202%

RANK	NAME	TOTAL SHARES	PERCENT
3	LUGOD, BERNARD D.	10,000,000	0.1220%
4	DELA CRUZ, THOMAS EDWIN M.	10,000,000	0.1220%
5	CITISECURITIES, INC.	3,250,000	0.0397%
6	EBE CAPITAL HOLDINGS, INC.	1,535,000	0.0187%
7	ROBLES, EXEQUIEL	712,500	0.0087%
8	SANTOS, VICENTE	712,494	0.0087%
9	LIMTONG, JULIE H.	400,000	0.0049%
10	FRANCISCO ORTIGAS SEC., INC.	365,000	0.0045%
11	TAN, PEDRO O.	278,050	0.0034%
12	ASA COLOR & CHEMICAL INDUSTRIES, INC.	182,774	0.0022%
13	SOLAR SECURITIES, INC.	60,000	0.0006%
14	VALDEZ, AMBROSIO &/OR FELISA VALDEZ	50,000	0.0005%
15	LIMTONG, ANTHONY FRANCIS H.	40,000	0.0005%
16	LIMTONG, GAIL MAUREEN H.	40,000	0.0005%
17	LIMTONG, HARRY JAMES H.	40,000	0.0005%
18	LIMTONG, JOHN PATRICK H.	40,000	0.0005%
19	LIMTONG, JULIE ANN KRISHA H.	40,000	0.0004%
20	G & L SECURITIES CO., INC.	30,000	0.0004%

Total Outstanding Shares as of December 31, 2023 - 8,296,450,000.

5.3 Dividends

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.

In 2023, SLI declared a special cash dividend to all stockholders of record as of December 07, 2023 in the amount of Php0.04 per share. Payment date was set on December 22, 2023.

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.

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.
- On November 29, 2023, the Company signed and executed a five (5)-year term loan facility with China Banking Corporation, totaling ₱5.00 billion.
 1. On December 18, 2023, the Company drew the ₱2.00 billion having a five (5) years maturity from the date of issue.
 2. The remaining ₱3.00 billion is expected to be drawn on March 13, 2024.

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 2023 VS. YEAR END 2022

RESULTS OF OPERATIONS

Overview of Operations

Throughout the year, the Group maintained a consistent pace of development and land acquisition, evident in its robust balance sheet and outstanding financial performance. With increased funding to bolster expansive operations across the country and improved collection of buyers receivables, coupled with successful fundraising endeavors, the Group yielded a 8% growth in total assets compared to the corresponding period last year. Leveraging its salesforce effectively, the Group achieved a remarkable 9% increase in real estate sales compared to the previous year.

Revenue

Due to increased demand, property values outside of Metro Manila have also incremented which ultimately resulted to the increase of Group's real estate sales during the year. The gross revenue for the period increased by 14% or ₱1,432 million as compared to prior year. The Group implemented strategic initiatives aimed at expanding its real estate portfolio and improving sales efficiency, which yielded a 9% or ₱664 million increased in its real estate sales. Commission income during the period increased by 41% or ₱34 million as compared to previous year. Both interest income on receivables and contract assets and interest income on cash in banks and investments increased by 28% or ₱159 million and 407% or ₱36 million, respectively as compared to the prior year. Other revenues increased by 84% or ₱159 million, which composed of gains from repossession of inventory, penalties and surcharges, processing and registration fees, and other miscellaneous income. Despite the increase of major revenue stream of the Group, its commercial group experienced a decrease of 1% or ₱9 million in 2023. The primary reason of the decrease is due to the vacancy of its BPO office. Nevertheless, it is expected to be rented-out in upcoming years as the Group has already received some advance payments from tenants.

Cost and Expense

The Group's total costs and expenses recognized in 2023 was ₱7,582 million. There had been an increase of 18% or ₱1,132 million as opposed to 2022. The total cost of sales increased by 18% or ₱457 million, mainly due to the cost actualization of newly completed projects during the year. The total selling and administrative expenses increased by 12% or ₱196 million. The increase was primarily attributed to the rise in commission expenses resulting from the heightened real estate sales. Commission expenses is at ₱971 million or increased by 14% in 2023. Due to the unfavorable economic condition globally, the interest rate had significantly increased as compared to the previous years. The Group recognized an increase of 31% or ₱378 million on its interest expense during the year.

Net Income

Directly benefiting from the upsurge in property prices beyond Metro Manila and the increase in demands of properties located in the fringes, the Group's net income increased by a whopping 9% or ₱300 million during the year.

PROJECT AND CAPITAL EXPENDITURES

In 2023, The Group apportioned ₱5,041 million for project and capital expenditures to meet the rising demand for real estate. Part of the allotted amount, ₱1,141 million were incurred to acquire raw lands for future developments and expansions of its existing horizontal and vertical projects. A daring attempt on the part of the Group to emerge as the top real estate company in the nation, not just in terms of size, but also in terms of more significant quality projects, quality business plans, growth, 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.

FINANCIAL CONDITION

Assets

During the year, the Group's total assets demonstrated resilience, reaching ₱61,899 million or 8% increase from the 2022 balance of ₱57,410 million. Notably, the increase in total assets is attributable to the more aggressive land banking and project development and expansions, which resulted to the 10% or ₱3,216 million increased in Group's real estate inventories during the year. The total receivables recognized in 2023 was ₱6,797 million or 32% increased from 2022. The upward movement on the total receivables was relatively connected to the increased of real estate sales during the year.

Liabilities

The Group showed efforts in sustaining a robust liquidity position amidst reduced cash inflows from operations, the Group strategically leveraged the debt markets to secure additional funding. Total liabilities for the year 2023 reached ₱35,384 million, reflecting a 3% increase compared to the prior year's reported total liabilities of ₱34,367 million. Primarily, the Group sourced a significant portion of its borrowings through long-term loans, resulting in a substantial growth of 18%, escalating from ₱13,162 million in 2022 to ₱15,495 million in 2023. The Group's deferred tax liabilities also exhibited an increase of ₱896 million or 34% from the previous year.

Equity

Total shareholders' equity surged by ₱3,470 million or 15%, mainly driven by the realized net income throughout the year. On November 10, 2023, the board announced special cash dividends at ₱0.04 per share for shareholders recorded as of December 07, 2023 and payment date on December 22, 2023, sourced from its unrestricted retained earnings.

Key Performance Indicators

	31-Dec-23	31-Dec-22
Current Ratio	2.29	2.13
Debt to Equity	0.90	0.99
Interest Coverage Ratio	309.89%	373.28%
Return on Asset	6.03%	5.98%
Return on Equity	14.08%	9.65%

*Notes to Key Performance Indicators:

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

5. Return on Equity = Net Income over shareholder's equity.

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

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2023.

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

11% decrease in cash and cash equivalents

Decrease in cash and cash equivalents is primarily attributable to the repayment of mature long-term and short-term borrowings, coupled with a slight slowdown in the acquisition of new lines of loans. The decrease in cash was also evident by the increase in Group's selling and operating cost and interest expense.

30% increase in receivables

Increase in receivables within the Group was primarily driven by the substantial increase in recognized real estate sales throughout the year.

34% increase in current portion of contract assets

As the Group allocated more capital funds to its project developments, several projects were completed during the year. With intensified sales efforts on these projects, there was a notable increase in current contract assets observed throughout the year.

10% increase in real estate inventories

With ample cash available to support operations, a substantial portion of capital expenditures was allocated to project developments and land banking activities, resulting in a rise in real estate inventories.

32% decrease in other current assets

The decrease was primarily attributable to the transfer of advances to landowners arising from land acquisitions. Initially recognized as other receivables, these advances were transferred to the Group's real estate inventories upon execution of contracts.

36% increase in noncurrent portion of installment contract receivables

The increase in the noncurrent portion of installment receivables was primarily driven by heightened real estate sales, particularly from projects still under development.

10% increase in noncurrent portion of contract assets

The increase in the noncurrent portion of contract assets was primarily due to increased real estate sales, especially from completed projects within the Group.

13% increase in property and equipment

In order to facilitate extensive expansion initiatives, the Group allocated additional capital funds towards acquiring property and equipment essential to support its business operations.

11% increase in financial assets at fair value through other comprehensive income

The increase was attributed to the incline in the fair market value of investment securities, particularly in Philippine Racing Inc. and Manila Jockey Club Inc.

9% decrease in other noncurrent assets

The decrease was primarily attributed to the application of prepaid commission particularly for Sta. Lucia Ventures, Inc. and Sta. Lucia Global, Inc.

13% decrease in short-term debt

As the Group optimized its funding strategies by securing long-term loans, short-term credit lines were repaid over the course of the year.

6% increase in income tax payable

Directly related to the recognized revenue for year 2023.

23% decrease in contract liabilities - current

Advance collections initially recorded as liabilities from buyers whose properties were yet to be developed were recognized as income due to increased project development accomplishments during the period.

50% increase in long term debts - current portion

The increase was primarily attributable to the ₱7,000 corporate notes falling due in March 2024, as well as some portion of the principal of the outstanding term-loans of the Group.

7% increase in long term debts - noncurrent portion

The increase in the noncurrent portion of long-term debts was primarily due to the ₱5,000 million term-loans in 2023.

69% decrease in contract liabilities – noncurrent

As project development milestones were achieved during the period, advance payments from buyers for properties yet to be constructed, previously classified as contract liabilities, are now recognized as income.

34% increase in deferred tax liabilities-net

The increase in deferred tax liabilities was mainly attributable to timing differences in revenue recognition for real estate transactions and other purposes.

60% increase in retirement liabilities

Primarily due to the increase of defined benefit obligation's present value, valued by the independent actuary

26% increase in retained earnings

The increase was mainly attributable to the significant revenue generation of the Group during the period, with net income showing a notable increase compared to the previous year.

35% increase in unrealized gain on fair value of available-for-sale financial assets

The movement was due to the increase in the market price of investment securities, particularly in Philippine Racing Inc. and Manila Jockey Club Inc.

213% decrease in unrealized gain on pension liabilities

The increase resulted from 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, 2023 versus the Income Statement for the year ended December 31, 2022

9% increase in real estate sales

The increase in demand for properties outside Metro Manila drove up property values, boosting the Group's recognized real estate sales during the period.

34% decrease in interest income

Aligned with the trend of real estate sales during the year, interest income increased as well.

41% increase in commission income

The increase in commission income was directly attributable to the rise in recognized real estate sales during 2023.

21% decrease in dividend income

Lower dividend payouts were attributed to dividends declared from the Group's investments in Philippine Racing Inc. during the period.

84% increase in other income

The increase was a result of surcharges, penalties from customer default on payments, income from hotel operations, and gains from repossession.

24% increase in cost of real estate sales

The increase is mainly due to the cost actualization of newly completed projects during the year.

14% increase in commission expense

Parallel to the increase in recognized real estate sales during the period, commission expenses increased during the period.

25% increase in taxes, licenses, and fees

The increase was primarily attributable to higher real property taxes paid during the period due to project developments and land acquisitions.

6% decrease in salaries, wages and other benefits

As a result of reduced employee turnover, existing staff members chose to stay with the company, leading to a decrease in the expenditure associated with recruiting and onboarding new employees.

9% increase in repairs and maintenance

The significant increase was due to expenses related to projects completed but not yet turned over to homeowners' associations and Condominium Corporations during the period.

13% decrease in representation

The main reason for the decrease is the reduction in representation-related expenses covered by the Group.

44% decrease in advertising

Considering that increased demand for properties outside Metro Manila was a direct result of companies' shift in work arrangements, promotional and advertising activities remained unchanged, leading to a decrease in expenses during the period.

24% increase in transportation, travel, office supplies and miscellaneous

The increase is mainly due to the gas and oil incurred not directly attributed to the project and other miscellaneous expense.

20% decrease in professional fees

The decrease resulted from the termination of contracts with several consultants and professionals involved in ongoing project developments.

19% increase in depreciation and amortization

As capital expenditures rose for acquiring properties and equipment to support business operations, depreciation expenses also increased accordingly.

37% decrease in legal expense

The decrease is mainly due to fewer lawsuits and legal disputes of the Group.

18% increase in utilities

The increase in utility expenses for the year was driven by extensive project developments and an increase in the volume of office operations.

70% increase in surcharges and penalties

The increase is mainly attributable to the regulatory fine associated with Group's activities and projects.

16% decrease in insurance

The main reason for the decrease is the reduction in insurance covered by the Group.

72% decrease in software maintenance

Due to lesser subscriptions of IT application and software as well as the cost incurred in maintaining the Group's website.

322% increase in expected credit loss

Deferred collections due to extended payment terms led to increased recognized expected credit losses for 2023.

31% increase in interest expense

Maximizing access to the debt market to maintain a strong liquidity position led to increased availment of long-term and short-term loans, resulting in increased recognized interest expenses during the period.

9% increase in provision to income tax

Due to higher income earned during the year.

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
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%

*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 for 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 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 evidence 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
Current Ratio	2.05	2.01
Debt to Equity	0.96	0.97

Interest Coverage Ratio	333.99%	341.52%
Return on Asset	5.45%	3.73%
Return on Equity	14.15%	9.65%

*Notes to Key Performance Indicators:

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

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

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2021.

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

107% increase in cash and cash equivalents

The increase in cash and cash equivalents was primarily due to the Group's action in the debt market to maintain a strong liquidity position. Also, the Group put up more payment channels making it easier 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 period.

11% decrease in other current assets

The decrease was primarily due to the transfer of advances to land owners arising from land acquisitions which was initially recognized as other receivables as the contracts are yet to be executed. Once executed the 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 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 a ₱7,000 million worth of corporate notes. The proceeds of which was used pay the ₱2,000 million bonds matured during the period and to pre-term more expensive loans, part of which was the 7-year ₱5,000 million corporate notes whose portion of its principal amounts were already falling due.

13% increase in income tax payable

Increase in net income during the period increases the amount of tax liabilities. Netted with the payments made during 2021 attributable tax liabilities increased during the period.

13% increase in long term debts - noncurrent portion

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

32% increase in deferred tax liabilities-net

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

276% increase in contract liabilities – noncurrent

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

32% increase in retained earnings

Increase was mainly attributable to the remarkable revenue generation of the Group 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.

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 Marketing, Inc.
7. SantaLucia Ventures, Inc.
8. 1Premiere Land Marketing Corporation
9. Sta. Lucia Prime Marketing Corporation

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. 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.

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 P6,533 million in 2023. For 2024, the Registrant allocated P5,620 million for its capital expenditures, including P4,500 million for project development and P1,120 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 16, 2023, at the Annual Stockholders' Meeting, the Board agreed to retain SGV and Co. as the external auditor of the Registrant for the year 2022-2023. 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)

Year	Audit and Audit related fees	Tax Fees	Other Fees
2023	4,150,000*		
2022	3,450,000*		
2021	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 16, 2023 and will hold office for a period of one (1) year from their election and until their successors have been duly elected and qualified.

The table below sets forth each member of the Company's Board and Executive Officers as of the date:

NAME	AGE	NATIONAL ITY	POSITION
Vicente R. Santos.	66	Filipino	Chairman of the Board
Exequiel D. Robles	68	Filipino	Director and President
Mariza Santos- Tan	65	Filipino	Director and Treasurer
Aurora D. Robles	57	Filipino	Director and Assistant Treasurer
Antonio D. Robles	59	Filipino	Director
Simeon S. Cua	66	Filipino	Director
Orestes R. Santos	62	Filipino	Director
Renato C. Francisco	75	Filipino	Independent Director
Danilo A. Antonio	69	Filipino	Independent Director
David M. Dela Cruz	57	Filipino	Executive Vice President / Chief Financial Officer and Chief Risk Officer
Patricia A. O. Bunye	55	Filipino	Corporate Secretary
Eric T. Dykimching	40	Filipino	Assistant Corporate Secretary
Crystal I. Prado	43	Filipino	Assistant Corporate Secretary
Jeremiah T. Pampolina	46	Filipino	Chief Compliance Officer and VP for Investor Relations & Corporate Planning
Hanani B. Palmon	35	Filipino	VP - Controller / 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 9th in the 1987 CPA board examinations.

ATTY. PATRICIA A. O. BUNYE, Corporate Secretary of the Company. She is a Senior Partner of Cruz Marcelo & Tenefrancia; Founding President / Trustee of Diwata-Women in Resource Development, Inc. and the Corporate Secretary of PTFC Redevelopment Corporation. She served as President of the Integrated Bar of the Philippines (Pasay, Parañaque, Las Piñas & Muntinlupa Chapter) and Licensing Executives Society Philippines; and Secretary, 15th House of Delegates National Convention, IBP. Atty. Bunye holds a Bachelor’s degree in Legal Management from Ateneo de Manila University, and obtained her Juris Doctor degree from Ateneo de Manila University School of Law.

ATTY. ERIC 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-Jepsen. 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.

HANANI B. PALMON, CPA, MBA, Vice President - Controller and Data Privacy Officer. Mrs. Palmon brings with her valuable expertise acquired during her tenure at SGV & Co., where she accumulated four years of experience auditing real estate and foundation industries. She holds a Bachelor of Science degree in Accountancy from Ateneo De Davao University and a Master's in Business Administration from Ateneo De Manila University.

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, 2023, 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 have even built a structure over the lot. Petitioner argued that he was made to purchase the property under the pretense that the occupants will be removed. The accused, in defense, maintained that the developer took steps to ensure that the subject property will be free from occupants. On June 26, 2018, the Office of the City Prosecutor of Quezon City dismissed the case on the ground that the acts complained of do not fall within the penal provision of PD 957 and there was no proof of any act of fraud and misrepresentation. Complainant filed a petition for review with the Department of Justice on October 16, 2018, which remains pending as of this date. Complainant signified his interest to settle and requested for lot replacement instead. Said request was approved and the parties are in the process of preparing the compromise.

3. DEPT. OF AGRARIAN REFORM/PROVINCIAL TASK FORCE VS. EXEQUIEL D. ROBLES, IGMIDIO D. ROBLES, ET. AL. XV-01-INV-18F-00688. Instituted last June 20, 2018 involving Bluemountain Antipolo, the DAR filed a criminal case for illegal conversion of land under Section 73 of Republic Act No. 6657, as amended by Republic Act No. 9700. Section 73 applies to landowners who convert their agricultural lands into non-agricultural purposes without any order of conversion issued by the DAR. On October 5, 2018, the case was dismissed for failure to show that the landowner caused its conversion. Moreover, the offense of conversion does not extend to the directors of the developer. DAR filed a motion for reconsideration on December 17, 2018, which remains pending as of this date.
4. RUSSEL MIRAFLOR VS. EXEQUIEL D. ROBLES, ET., AL., NPS-IV-16-INV-12E-00232. A complaint for Estafa was filed on June 13, 2018 on the ground of failure to develop the Vista Verde Residential Estate in Quezon. Complainant Miraflor argued that he stopped paying after he discovered that the period for development of VistaVerde was about to expire. SLRDI, in its Counter-Affidavit, claim that the case of estafa cannot prosper since the subdivision was completed and is already existing. The filing of the criminal case was merely an afterthought by the complainant after demand letters were sent to Miraflor due to delinquent payments. The Counter-Affidavit was filed in August 2018, and the case remains pending as of this date.
5. MANUEL MORATO ET. AL. VS. EXEQUIEL D. ROBLES, VICENTE R. SANTOS AND LIBERATO D. ROBLES, ET., AL. XV-03-INV-18F-05949. This case involves a complaint for syndicated estafa filed against these directors for entering into a joint venture agreement with Jose L. Morato for the development of a property in Quezon City knowing fully well that the latter was not the owner of the subject properties. Respondents filed their counter-affidavit claiming that (i) they had been given clearance by the HLURB to proceed with the development of the project; (ii) they are innocent third parties who dealt with registered parcels of land; (iii) the elements of syndicated estafa are unfounded and non-existent; and (iv) they entered into an agreement with Jose Morato in good faith. On November 13, 2018, the case was dismissed for insufficiency of evidence. Complainant filed a Petition for Review with the DOJ, which was denied. Undeterred, the Complainant filed a Special Civil Action for Certiorari and Mandamus under Rule 65 (the "Petition") before the Court of Appeals (CA). The CA, in its Resolution dated March 24, 2021 dismissed outright the Petition for being filed out of time. The Complainant filed a Motion for Reconsideration on 26 May 2021, which remains pending as of date.
6. NELSON ZAPEDA VS. EXEQUIEL D. ROBLES NBI-CCN-C-18-06295. This involves a complaint for estafa filed on the premise that the person who supposedly signed the Special Power of Attorney authorizing a certain John Roldan to enter into a joint venture

agreement with SLI was dead when the SPA was signed. The case is still under investigation with a possibility of settling amicably.

7. ROSALINA HONRADO VS. EXEQUIEL D. ROBLES NPS Docket No. IV-28-INV-14H-0707. A criminal case for estafa and falsification or estafa through falsification was filed against respondents for allowing the sale of a property in Orchard Residential Estate Gold and Club, Dasmarias 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, 2023, 2022 and 2021, the total salaries and allowances and bonuses paid to the five most highly compensated executive officers are as follows:

SUMMARY ANNUAL COMPENSATION TABLE			
Name and Principal Position	Period	Salary (in thousands)	Bonus (in thousands)
Five most highly compensated executive officers Vicente R. Santos (Chairman) Exequiel D. Robles (President) Mariza Santos – Tan (Treasurer) Aurora D. Robles (Assistant Treasurer) David M. Dela Cruz (Executive Vice President)	2023	7,450	2,580
	2022	7,450	2,580
	2021	7,450	2,580

For each of the years ended December 31, 2023, 2022 and 2021, the total salaries and allowances and bonuses paid to all other officers as a Company unnamed are as follows:

SUMMARY ANNUAL COMPENSATION TABLE			
Name and Principal Position	Period	Salary (in thousands)	Bonus (in thousands)
All other officers and directors as a Company unnamed	2023	2,130	365
	2022	2,130	365
	2021	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, 2023:

Name and Address of Record Owners	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	% of Total Outstanding Shares
Sta. Lucia Realty & Development, Inc. <i>Bldg. II, Sta. Lucia East Grand Mall, Marcos Highway corner Felix Avenue, Cainta, Rizal</i>	-same-	Filipino	6,701,005,767	80.7696%
PCD Nominee Corporation (Filipino) <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, 2023, 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, 2023:

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	-
TOTAL	Common	1,424,999	D		0.017%
		463,000	I		0.006%

Notes: (D) refers to direct ownership and (I) refers to indirect ownership.

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, 2023.

11.4 Change in Control

As of December 31, 2023, 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, 2023, 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 director of the Registrant.

PART IV – CORPORATE GOVERNANCE

ITEM 13: COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The Company submitted its Manual on Corporate Governance (the “Manual”) to the SEC on May 31, 2017 in compliance with SEC Memorandum Circular No. 19, series of 2016. The Company and its respective directors, officers and employees have complied with the best practices and principles on good corporate governance as embodied in its Manual. An evaluation system has been established by the Company to measure or determine the level of compliance of the Board of Directors and management with its Manual.

As part of its system for monitoring and assessing compliance with the Manual and the SEC Code of Corporate Governance, each committee is required to report regularly to the Board of Directors and the Manual is subject to quarterly review, unless the Board decides otherwise. The Compliance Officer is responsible for determining and measuring compliance with the Manual and the SEC Code of Corporate Governance. Any violation of the Company’s Manual shall subject the responsible officer or employee to such penalties that will be provided in the rules and regulations that will be adopted by the Board.

PART V – EXHIBITS AND SCHEDULES

ITEM 14: EXHIBITS AND REPORTS ON SEC FORM 17-C

14.1 Exhibits

The Registrant has attached hereto as Annex “A” its Consolidated Audited Financial Statements for the year ended 31 December 2023 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 2023 through official letters dated:

March 30, 2023

“Results of the Special Meeting of the Board of Directors held on 30 March 2023.”

“Setting the date of the Annual Stockholders’ Meeting of the Corporation for the year 2023.”

June 16, 2023

“Results of the 2023 Annual Stockholders’ Meeting held on 16 June 2023.”

“Results of the 2023 Organizational Meeting of the Board of Directors held on 16 June 2023.”

September 14, 2023

“Results of the Special Meeting of the Board of Directors held on 14 September 2023.”

November 10, 2023

“Results of the Special Meeting of the Board of Directors held on 10 November 2023.”

“Approval to Open Escrow or Trust Accounts”

“Declaration of Cash Dividends.”

“Change of Data Protection Officer from Mr. Ace Franziz D. Cuntapay to Ms. Hanani B. Palmon”

STA. LUCIA LAND, INC. AND SUBSIDIARIES
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AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Management's Responsibility for Financial Statements

Report of Independent Auditors Consolidated Statements of Financial Position as at December 31, 2023 and 2022

Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021

Consolidated Statements of Changes in Equity for the years December 31, 2023 and 2022

Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021

Notes to Consolidated Financial Statements

SUPPLEMENTARY SCHEDULES

Report of Independent Auditors' on Supplementary Schedules

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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. Long-term debt

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

F. Guarantees of Securities of Other Issuers

G. Capital Stock

H. Bond Issuances – Securities Offered to the Public

I. Reconciliation of Unappropriated Retained Earnings Available For Dividend Declaration

J. 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

FINANCIAL RATIOS

	31-Dec-23	31-Dec-22
Current Ratio	2.29	2.13
Debt to Equity	0.90	0.99
Interest Coverage Ratio	309.89%	373.28%
Return on Asset	6.03%	5.98%
Return on Equity	14.08%	14.90%

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 25 APR 2024 **MANDALUYONG CITY**

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 25 APR 2024 in _____, 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

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Book No. LVII ;
Series 2024



JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 31 December 2024
Appointment No. 0257-23
Roll Number 47018
IBP No. 422387/01.15.2024/RSM
PTR No. 5419649/01.03.2024/Mandaluyong
MCLE Compliance No. VII-0026012/02.06.2023
G/F State Center II Bldg.
Ortigas Avenue, Mandaluyong City

STA. LUCIA LAND, INC.

Contextual Information

Company Details	
Name of Organization	Sta. Lucia Land Inc. (“SLI” or the “Corporation”)
Location of Headquarters	Penthouse, Building III, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal 1900
Location of Operations	SLI projects are strategically located around the Philippines, with prominent projects situated in CALABARZON, Metro Manila, Davao Region, Iloilo Region, Central and Eastern Visayas, MIMAROPA, Ilocos Region, and CAR.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	This report covers the sustainability activities of SLI, specifically of its corporate offices and properties directly controlled and managed by SLI and its subsidiaries, Sta. Lucia Homes, Inc. and Santalucia Ventures, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	<p>SLI is a developer of residential communities in the Philippines, with a portfolio of projects including retail, commercial, recreational, and residential assets. The principal operating segments through which SLI conducts business are as follows:</p> <ol style="list-style-type: none"> 1. Residential Projects, which include horizontal and vertical developments; 2. Commercial Properties; and 3. Services, such as housing construction and marketing services.
Reporting Period	January 1 to December 31, 2023
Highest Ranking Person responsible for this report	David M. Dela Cruz Executive Vice President/Chief Financial Officer/ Chief Risk Officer

Materiality Process

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

Sustainability ideas have long been a pillar of SLI's corporate strategy and mindset.

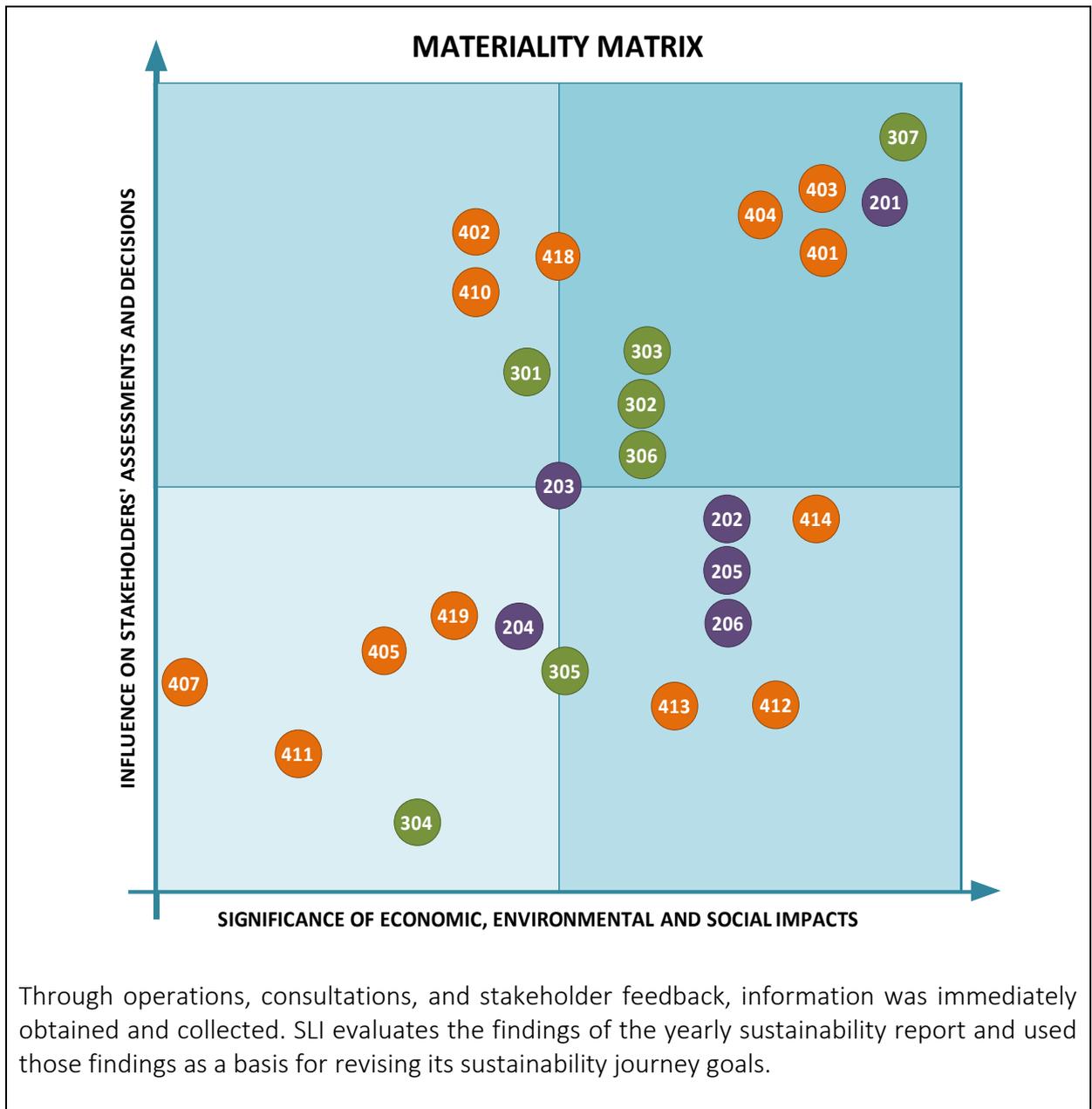
In determining material issues, SLI considered both internal and external factors that affect its mission and vision strategies, as well as the issues that its stakeholders have explicitly raised. The following important concerns are the main emphasis of this report:

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.

Since stakeholders are essential to its operation, SLI ensures their active participation in accomplishing SLI's sustainability goals.

The activities of SLI are covered in this report, specifically its business activities and the assets it directly owns and controls. Each unit's operations were assessed using metrics related to the pertinent issues. The results of the materiality assessment are shown in below:

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



ECONOMIC

Sta. Lucia Land, Inc primarily develops real estate, both vertically and horizontally, in different parts of the country and has established a solid reputation in the field, especially gated subdivisions. Since then, it has branched out into vertical developments, mall operations, house building, 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 (in millions)	Units
Direct Economic Value Generated (revenue)	11,350	PhP
Direct Economic Value Distributed:		PhP
a. Operating Costs	4,018	PhP
b. Employee Wages and Benefits	87	PhP
c. Payments to suppliers, and other operating costs	412	PhP
d. Dividends given to stockholders and interest payments to loan providers	0	PhP
e. Taxes given to the Government	821	PhP
f. Investments to community (e.g. donations, CSR)	0	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
SLI, through the developed master-planned gated subdivisions and vertical projects, structures goods and services with effectiveness and performance to diverse range of projects. The Corporation also promotes and generates economic activities to its employees, customers and business partners.	Customers, suppliers, communities, employees, shareholders, business partners.	<p>Focusing on high-end, upper middle-class, and affordable parts of the Filipino market both domestically and internationally, the Corporation is dedicated to meeting and delivering sustainable project developments throughout its operating region.</p> <p>As evidenced by its strong track record, it will continue to cater the welfare of every Filipino family through the promotion of state-of-the-art and established acceptable standards in the development of sustainable communities.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The decrease in project demand in the domestic and overseas Filipino worker (OFW) markets exposes the	Customers, suppliers, communities, employees, shareholders, business partners.	Through its marketing divisions, management stepped up its efforts to market the Company's

<p>Corporation to a number of risks.</p> <p>The Corporation faces the possibility of sales cancellation, a notable decline in revenues, and a reduction in operating profitability due to the fluctuations in the Philippine economy.</p>		<p>projects, especially those that are situated on the periphery. By the end of the period, the Company's efforts to generate sales were aided by the increase in demand for properties outside of Metro Manila.</p> <p>To anticipate any potential effects on the Corporation and its operations, the Corporation monitors the political, economic, and policy landscapes in the relevant jurisdictions. In the case of an escalation, the Company shall ensure the continuation of business operations.</p>
<p>What are the Opportunity/ies Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>Filipino expatriates, including their families, and OFWs, account up a sizable share of the market for the company's goods.</p>	<p>Customers, suppliers, communities, employees, shareholders, business partners</p>	<p>The Company targets employees, small- to medium-sized business owners, and growing provincial areas in order to optimize the identification of prospective future acquisitions and landbanking activities.</p>

Climate-related risks and opportunities

<p>Governance Disclose the organization's governance around climate related risks and opportunities</p>	
<p>a. Describe the board's oversight of climate-related risks and opportunities</p>	<p>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.</p>

<p>b. Describe management’s role in assessing and managing climate-related risks and opportunities</p>	<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>
<p>Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material</p>	
<p>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term</p>	<p>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. Regarding this, the Corporation sees potential to enhance both its own and the local community's efforts to improve catastrophe preparedness and prevention.</p>
<p>b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning</p>	<p>The Corporation is aware of the financial implications of climate-related hazards, regardless of whether they arise during the development's design, construction, or operating phases. When preparing its strategy and adjusting its annual budget as needed, the Corporation takes these risks into account.</p>
<p>c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</p>	<p>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.</p>

Risk Management	
Disclose how the organization identifies, assesses, and manages climate-related risks	
a. Describe the organization's processes for identifying and assessing climate-related risks	Under SLI's Manual on Corporate Governance, the Board oversees that a sound ERM framework is in place to effectively identify, monitor, assess and manage key business risks.
b. Describe the organization's processes for managing climate-related risks	The Corporation's Enterprise Risk Management Framework can be accessed at http://stalucialand.com.ph/corporate-governance/enterprise-risk-management/ .
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	To ascertain whether the risks that have been discovered, evaluated, quantified, and aggregated are still relevant and among the key risks, the Corporation updates its Risk Management Plan. Measures and/ or controls identified to address these key risk priorities are evaluated if still effective in mitigating subject risks. Risk monitoring and reporting activities are reviewed to ensure its effectiveness such that these risks priorities and control activities are optimized and utilized to help management meet its goals and objectives.
Metrics and Targets	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	As the Corporation's major operations are directly affected by natural calamities, climate-related risk are measured through the following: <ul style="list-style-type: none"> • Delays on project timeline in terms of days. • Costs of repairs on assets affected. • Costs of maintenance from wear and tear especially on vertical properties.
b. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	In order to manage the exposure in the identified risks and opportunities in relation to climate change, the following are the Corporations way of handling them: <ul style="list-style-type: none"> • Ongoing training for staff members, particularly those working in project

	<p>engineering and planning with emphasis on identified climate related hazards and opportunities.</p> <ul style="list-style-type: none"> • Regularly inspections of premises and assets. • Continuous assessment of appropriate protocols and proper documentation to track the Corporation’s responses on climate-related risks.
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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 wide network of local suppliers and not reliant on a small number of providers.	Local suppliers	<p>SLI's procedures ensure that, in addition to considering value for money, benefits are also generated for the economy and society, and that the environmental impact is minimized.</p> <p>Contracts with its suppliers are assessed based on corporate governance, attractiveness and strength of finances, innovation potential, and ethical business practices.</p> <p>Fair salaries and working conditions are taken into consideration while evaluating service contracts.</p> <p>Economic values, social concerns, and environmental</p>

		effects are taken into consideration when resources enter and exit the organization. This allows SLI to continue operating with confidence.
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 and/or contractors and employees	<p>SLI endeavors to deal honestly and ethically with customers, suppliers, competitors, employees and other stakeholders in all matters.</p> <p>SLI's Corporate Governance Committee and Related Party Transactions Committee oversee and ensure compliance with the foregoing policies pertaining to reviews of suppliers track record in delivering/performing goods/services.</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	In all business dealings, the Corporation aims to conduct itself with integrity and honesty toward its clients, partners, rivals, staff, and other stakeholders.

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>The Corporation's Code of Business Conduct and Ethics informs directors, management, and staff that they are not permitted to act in a way that could suggest they have been influenced by gifts, hospitality, or other considerations to display bias in favor of or against any person or organization while performing their official duties.</p> <p>To uphold the values of sound corporate governance, the Board of Directors and important officers participate in yearly corporate governance trainings.</p>	<p>Employees, Management, Board of Directors</p>	<p>The Corporation sees corruption as a negative element that impedes innovation, jeopardizes legal standing, and damages reputation. The development of the organization and the community at large is hindered, making it a significant barrier to economic progress.</p> <p>By doing this, the Company hopes to be a tenacious and accountable entity that promotes constructive transformation in the localities where it conducts business. In addition to fighting corruption, the Corporation is dedicated to acting as a catalyst to effectively address any irregularities it comes across.</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	In order to guarantee the reduction of corruption within the company, the Corporation raised its awareness of such actions in order to be better equipped to stop, identify, and react to such breaches.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the opportunity to develop and improve its anti-corruption trainings.	Employees, Management, Board of Directors	The Corporation strengthened its Business Ethics and Compliance Programs by promoting enhanced leadership and consistently reviewing and assessing its policies and controls. The Corporation has also established its Corporate Governance Committee, Board Risk Oversight Committee and Related Party Transactions Committee.

Incidents on Corruption

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
In accordance with the Corporation's Code of Business Conduct and Ethics,	Employees, Management, Board of Directors	The Corporation adheres scrupulously to its code of ethics and business conduct.

<p>no director or employee shall take any action that could cast doubt on their ability to perform their official duties impartially toward or away from any person or organization, whether as a result of gifts, hospitality, or other considerations.</p>		
<p>What are the Risk/s Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>The Corporation recognizes the business risks that will affect the organization due to corruption.</p>	<p>Employees, Management, Board of Directors</p>	<p>In order to guarantee the reduction of corruption within the company, the Corporation raised its awareness of such actions in order to be better equipped to stop, identify, and react to such breaches.</p>
<p>What are the Opportunity/ies Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>The Corporation recognizes the opportunity to ensure that the organization remains without any incident of corruption.</p>	<p>Employees, Management, Board of Directors</p>	<p>Enhancing leadership and regularly evaluating its policies and procedures helped the Corporation fortify its Business Ethics and Compliance Programs. The Committee on Board Risk Oversight, Related Party Transactions, and Corporate Governance have all been created by the Corporation.</p>

ENVIRONMENT

Resource Management

Energy Consumption within the organization

Disclosure	Quantity	Units
Energy Consumption Electricity	2,690,716.90	kWh
Energy Consumption Diesel	1,087.08	GJ
Energy Consumption Gasoline	22,892.52	GJ
Energy Consumption LPG	N/A	GJ
Energy Consumption Renewable Sources	1,871.60	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
In addition to the residential projects that are still managed by the Corporation, electricity is the main source of energy used by SLI for its activities. Its cars owned by the Corporation run on gasoline and diesel as well.	Employees, customers and management	<p>One of SLI's primary approaches to reducing energy use is to use efficient energy usage, which has the dual benefits of reducing costs and its environmental impact. The bulk of SLI's economic operations are directly reliant on the use of energy, particularly fuel and electricity.</p> <p>Before transferring ownership of each residential property to its respective home owners association, the Corporation would be able to assess and consider methods for efficiently regulating power consumptions by establishing standard average metrics and</p>

		regularly monitoring and record-keeping.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The amount of energy consumption relates to climate-related risks.	Employees and management	The management continues to support the current horizontal advancements in the use of renewable energy sources such as the installation of solar-powered street lighting and solar panels in a few of its mall businesses.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The company sees chances to reduce usage and switch to renewable energy sources.	Employees and management	The Corporation continues its initiatives on the use of renewable energy through solar panels in some parts of its mall operations and property developments.

Water Consumption within the organization

Disclosure	Quantity	Units
Water Consumption	261,300	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 controls the amount of water used in common areas across its developments, main office, and branch offices, as well as mall operations.	Employees and management	With the assistance of Sta. Lucia Waterworks Corp., the Company records and regularly monitors its water usage.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes that the excessive water use poses risks that could result in climate-related issues.	Employees and management	In conjunction with Sta. Lucia Waterworks Corp., the Company has been actively investigating strategies to control its water usage. A

		monthly check-in is implemented to ensure appropriate documentation.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There are opportunities in developing ways to conserve water.	Employees and management	With the assistance of Sta. Lucia Waterworks Corp., the Company has been actively investigating various appropriate approaches.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
- Cement	1,166,583	Bags
- Steel Bars	222,274	Pcs
- Aggregates	120,287	Cubic meters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not measured	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The construction services of the Corporation entail the use of materials.</p> <p>In this regard, the Corporation enters into contracts with local suppliers and/or contractors for the construction of its horizontal and vertical developments.</p>	Local suppliers and/or contractors	The Company imposes regulations on its contractors and suppliers in order to guarantee the superior caliber and standard of such products. A detailed examination of the construction materials utilized in project developments is required by the rules. This is to ensure that innovative, eco-friendly materials that are capable of withstanding natural disasters are used in project developments.

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 considers the property's ecology and biodiversity value while purchasing land and designing projects.	Employees, management, customers	<p>The Corporation is dedicated to making a difference in biodiversity preservation.</p> <p>When SLI purchases land for future developments after conducting regional assessments, the Corporation evaluates the overall condition of the area while accounting for its economic standing, proximity to regions of high biodiversity value, and</p>

		<p>degree of protection. This is done to reduce the likelihood of problems with future building projects and to stop potential violations of laws and environmental regulations.</p> <p>In this regard, the landscaping elements of some of its projects include the use of endemic trees and the preservation of freely flowing rivers.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes that disrupting the ecosystem and protected habitats can lead to the threatening of the local species and climate-related risks.	Employees, management, customers	The Corporation identifies possible development regions by conducting feasibility studies which involves determining if benefits outweigh costs. A number of factors are considered, including the overall condition of the land being evaluated, the demographic makeup of the area, and the proximity of the territory to areas of high biodiversity or protected areas.
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	1,122	Tonnes CO ₂ e

Energy Indirect (Scope 2) GHG Emissions	2,190	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The main sources of greenhouse gas emissions are the power used by SLI for its operations and the gasoline and diesel used by the corporation's cars.	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 is recognizes how hazards associated with climate change are impacted by rising GHG emissions.	Employees and management	The Corporation shifted to the use of renewable energy through solar panels in some parts of its mall operations to minimize its electricity consumption.
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 shifted to the use of renewable energy through solar panels in some parts of its mall operations to minimize its electricity consumption.

Air pollutants

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation ensures that its developments implement measures to ensure good air quality.	Employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of air pollutants from its operations, if any.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes the hazards associated with climate change as well as the health and safety effects of air pollution.	Employees and management	The Corporation is currently devising strategies to track and minimize any air pollution resulting from its operations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation sees potential to support the development of sustainable communities while maintaining a high level of living for its customers. This includes encouraging healthy air quality.	Employees and management	The Corporation is devising strategies to track and minimize any air pollution resulting 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
Taking good care of the environment by controlling waste is one of SLI's	Local contractors, employees and management	The Corporation is in charge of managing the proper segregation and disposal of

objectives. Adherence to suitable waste management methods is strongly enforced inside the sites under the supervision and control of SLI. In order to ensure that garbage is disposed of appropriately, the Corporation is now following a methodical process that involves collecting waste, properly sorting it, and transporting it to disposal sites.		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 taking steps to ensure that the solid waste is documented and monitored. To remove or at least lessen its influence on the community, the collected data are being analyzed and evaluated.
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	To lessen its influence on solid waste management, the Corporation has reduced the amount of single-use plastic used in its commercial operations and increased the usage of recyclable materials.

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
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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 has devised strategies to track and minimize any hazardous waste produced throughout its activities such as proper waste labelling and segregation.
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	To track and minimize the volume of water discharges produced by its activities, the Corporation budgeted amount of water bills to lessen the increase of wastage.
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.
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What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities in improving its measures to reduce water discharges and to recycle wastewater in its operations.	Local contractors, employees and management	The Corporation is in the process of establishing measures to monitor and reduce the amount of water discharges generated from its operations.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation is required to comply with environmental laws and regulations in the course of its business.	Management	The Company has complied with legal and regulatory obligations for environmental compliance while going about its regular business. Prior to construction or expansion, all projects undergo an environmental impact assessment in line with the Corporation's commitment to sustainable development. If necessary, they are also granted an Environmental Compliance Certificate ("ECC") by the Department

		of Environment and Natural Resources. The Corporation now complies with all relevant environmental legislation.
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What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Non-compliance with such laws may result to closure of business and/or negatively affect the financial performance of the Corporation.	Management and Employees	The Corporation has endeavored to comply with all legal and regulatory requirements concerning environmental compliance in the course of its ordinary business operations. As part of its commitment to sustainable development, the Corporation assesses the environmental effect of every project before it is built or enlarged. If necessary, the Department of Environment and Natural Resources issues an ECC for the project. As of date, the Corporation complies with all relevant environmental legislation.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities in entering environmental initiatives.	Management	Throughout its regular course of business, the Corporation has made an effort to comply with all legal and regulatory requirements for environmental compliance.

SOCIALEmployee Management

Employee Hiring and Benefits

Employee Data

Disclosure	Quantity	Units
Total Number of Employees		

Female Employees	146	#
Male Employees	79	#
Attrition Rate	0.89%	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	3%	8%
PhilHealth	Y	2%	8%
Pag-ibig	Y	6%	22%
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
<p>The Corporation has resolved to use its offerings of goods and services to reach out to every Filipino, hence, to meet the growing need for support resulting from an increase in the number of clients, the Corporation has hired more people in the current business year. In addition to its clients, the Corporation is always working to further the welfare and safety of its workers.</p>	<p>The Corporation makes sure that the benefits granted to employees under the law are followed. Beyond immediate financial indicators, the Corporation's performance is taken into consideration by its reward and pay strategy.</p> <p>The Corporation provides health care benefits that are covered by its health insurance provider in order to guarantee the promotion of employee health and well-being.</p> <p>Employees are also active in choosing, organizing, and carrying out programs and activities for the company,</p>

	including workplace parties, summer excursions, and sports.
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What are the Risk/s Identified?	Management Approach
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.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes the chance to better engage its workforce in order to pinpoint problems and potential areas for development.	In order to enhance working conditions, the Corporation takes steps to identify employee complaints and solicit input.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	476	Hours
a. Female employees	344	Hours
b. Male employees	132	Hours
Average training hours provided to employees		
a. Female employees	4.71	Hours/employee
b. Male employees	4.25	Hours/employee
List of Training Provided		
a. Training A: Refresher on Occupational Safety and Health Standards (OSHS), First Aid and Basic Life Support (BLS) Awareness	4 hrs per employee	Hours
b. Training B: Communicate and Relate Effectively at the Workplace	8 hrs per employee	Hours

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation provides opportunities for individuals to advance their skills and knowledge through trainings. In order to help new hires grow professionally and go up the corporate ladder, seasoned employees provide them with direct support.	The Company supports its employees' professional development by providing training and seminars to all of its workers. Employee development plans and job responsibilities determine which employees attend specialist training sessions or are assigned there.
What are the Risk/s Identified?	Management Approach
The Company understands the risks to its business that come with employees' slow professional	Through training and seminars, the Corporation helps all of its

development and how those risks could impact its bottom line.	employees advance their talents and careers. Employees either participate in or are assigned to specialized training courses, depending on their work assignment and employee development plans.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities for growth for its employees that will contribute to the overall success and financial performance of the Corporation.	By offering training and seminars to all of its workers, the Corporation fosters the professional development and skill enhancement of its workforce. Specialized training courses are delivered to employees or they undertake training based on their work assignments and employee development plans.

Labor-Management Relations

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation encourages the participation of its employees in regular staff meetings, coordination meetings and consultations.	The Corporation guarantees employees' freedom to engage in collective bargaining and self-organization. Additionally, the Corporation takes action to find and address employee complaints as soon as possible.
What are the Risk/s Identified?	Management Approach
The Corporation is recognize the hazards to its business that come with low employee performance and engagement.	The Corporation guarantees employees' freedom to engage in collective bargaining and self-organization. Additionally, the Corporation takes action to find and address employee complaints as soon as possible.

What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes the opportunity to increase its engagement with its employees to identify issues and areas of improvement.	The Corporation assures the rights of employees to self-organization and collective bargaining. Moreover, the Corporation implements measures to identify and quickly resolve employee concerns.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	65.02%	%
% of male workers in the workforce	34.98%	%
Number of employees from indigenous communities and/or vulnerable sector*	3	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation provides equal opportunities to its employees and fosters diversity in its workforce.	The Corporation adopts a policy of non-discrimination in its recruitment process and management of employees.
What are the Risk/s Identified?	Management Approach
The Corporation recognizes the dangers to productivity and financial performance resulting from discrimination in hiring and personnel management.	The Corporation adopts a policy of non-discrimination in its recruitment process and management of employees.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in having a diverse workforce and providing equal opportunities to sustain competitiveness and a policy of meritocracy.	The Corporation has a non-discrimination policy in place for both hiring and personnel management.

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 prioritizes providing a safe working environment for its employees because it is committed to doing so. The Corporation makes sure that workers don't take part in tasks that put them at higher risk of getting sick or getting into an accident.</p> <p>The Corporation ensures that all workers are physically fit for their jobs, capable of performing them, healthy, and receiving medical attention when needed. It also ensures that safety procedures are followed at all times.</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 evaluates its adherence to applicable laws and health and safety protocols on a regular basis.
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 Company sees opportunities to raise production levels across the board and enhance health and safety protocols in its operations.

Labor Laws and Human Rights

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

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

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation did not have any incidents relating to violations of labor laws and human rights in 2023.	The Corporation is compliant with all relevant laws, regulations and codes of best business practices.

What are the Risk/s Identified?	Management Approach
Human rights violations and labor law infractions may lead to low employee performance and productivity losses, which will have a negative financial impact on the Corporation's operations.	The Corporation is compliant with all relevant laws, regulations and codes of best business practices.
What are the Opportunity/ies Identified?	Management Approach
The Company sees potential to raise awareness of labor law compliance and human rights protection, as well as to improve its grievance procedures so that workers can report any events involving legal infractions.	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.	In order for its suppliers to realize how vital the firm is to them and to make every effort to provide the best service, the Corporation forges close partnerships with them. Getting the most for every peso spent is a top priority for the Corporation. Selecting a supplier entails determining who provides dependable and high-quality products and services.
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.	In order to guarantee that the greatest advantages are obtained from them, the Corporation

	consistently makes contact with both new and current suppliers.
What are the Opportunity/ies Identified?	Management Approach
The Corporation sees potential to put policies in place to guarantee that its long-term business partners share its vision of using best business practices to create sustainable communities.	The Company makes sure to cultivate positive relationships with its suppliers. By doing this, it ensures that the Corporation gets the greatest products and services possible, giving reliability and quality first priority.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that is a particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Development of sustainable communities	CALABARZON, Metro Manila, Davao Region, Iloilo Region, Central and Eastern Visayas, MIMAROPA, Ilocos Region and CAR	N/A	N	Job creation; promoting local suppliers	SLI's inclination for working with area suppliers on project developments is advantageous to local firms. Additionally, by include commercial sectors in its developments, it gives the local community job opportunities.

*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 made a commitment to act as a change agent in order to build a community that is more resilient and productive. By doing this, it guarantees that it contributes to nearby communities.</p> <p>To build strong ties with the local communities where it operates, SLI has formalized outreach initiatives and programs. By concentrating on initiatives and actions that support catastrophe risk reduction, readiness, and resiliency as well as environmental sustainability and protection, SLI ensures a beneficial outcome.</p>
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in supporting and creating a positive impact on local communities.	To promote positive relationships with the local communities in which it operates, the Corporation regularly participates in outreach initiatives and programs. By concentrating on initiatives and actions that support catastrophe risk reduction, readiness, and resiliency as well as environmental sustainability and protection, SLI ensures a beneficial outcome.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N?)
Customer Satisfaction	80 %	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer satisfaction is a significant factor in determining whether the organization has achieved its goal of building sustainable communities.	In order to attain high customer satisfaction, the Corporation has set up a distinct customer service group to make sure that the best services are offered to all of its stakeholders, including those potential clients, in addition to its current clientele.
What are the Risk/s Identified?	Management Approach
Customer dissatisfaction may lead to a decrease in the Corporation's financial performance.	To provide the best possible service to its customers, the Corporation has set up a dedicated customer service group whose job it is to promptly handle client issues.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in increasing engagement with its customers to gather feedback.	Along with setting up a customer care department, the Corporation has created a customer feedback procedure to collect feedback from customers and take it into account when evaluating business progress.

Health and Safety

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

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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.	Along with setting up a customer care department, the Corporation has created a procedure to collect feedback from customers and take it into account when evaluating business progress.
What are the Risk/s Identified?	Management Approach
The Corporation is aware of the reputational danger and financial repercussions of creating inferior initiatives that can put its clients' health and safety at risk.	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.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities in upgrading the materials and standards for its developments to increase the health and safety standards for its customers.	The health and safety of its customers are among the foremost priorities of the Corporation. Such factors are taken into account during the design, construction and operations of the Corporation's developments.

Marketing and labelling

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

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation adopted the necessary measures to solicit feedback from customers on the marketing of its developments.	The Corporation conducts regular meetings with its marketing and sales team to ensure that its products are accurately depicted and that potential customers receive the correct information.
What are the Risk/s Identified?	Management Approach
The Corporation recognizes the reputational risk and financial consequences of publishing false information on its developments.	The Corporation conducts regular meetings with its marketing and sales team to ensure that its products are accurately depicted and that potential customers receive the correct information.

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

Customer privacy

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

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

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

Data Security

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Corporation did not have any data breach in 2023.	<p>The Corporation has implemented technical, organizational, and physical security measures, including the following, to safeguard the private data of its clients:</p> <ol style="list-style-type: none"> 1. usage of firewalls, encryption, encrypted servers, and other cutting-edge security technologies. 2. restricted access to personal data to processors that have been properly authorized. After adhering to the established confidentiality policy and procedures, all transfers are made. 3. executing routine security patch updates and server hardening to maintain a secure server operating environment. <p>The Data Privacy Policy of the Corporation is available at https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf</p>
What are the Risk/s Identified?	Management Approach
The Corporation recognizes that data leaks may lead to customer dissatisfaction and pose a reputational risk for the Corporation.	The Data Privacy Policy of the Corporation is available at https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes opportunities to update its cybersecurity and data protection systems by meeting the requirements of the ISO27001 standard, which measures and evaluates information security management systems.	The Data Privacy Policy of the Corporation is available at https://stalucialand.com.ph/wp-content/uploads/2019/05/Data-Privacy-Policy-FINAL.pdf

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Corporation supports and adheres to the UN Sustainable Development Goals (SDGs). The Corporation constantly assesses its impact on the community, environment, and economy in order to pinpoint important topics and themes that directly affect the interests of its stakeholders.

Through its extensive landbanking operations in the Philippines, the Corporation, which supports SDG 11 (Sustainable Cities and Communities), aims to considerably contribute to the development of inclusive, secure, resilient, and sustainable cities and communities. Through expanding community possibilities, the Corporation's expansion strategy has contributed to the creation of the nation. Numerous large-scale construction projects across the country have improved the area by prioritizing local labor and suppliers. Wherever the Corporation is present, its continued growth has generated jobs and business opportunities.

Projects created by SLI are intended to improve stakeholder wellbeing in addition to building sustainable communities. Every project that has been built has been designed to provide families with leisure and recreational activities, as evidenced by its amenities and features. Among the features provided are private access to contemporary clubhouses, swimming areas, and sports facilities. Strict protocols are also in place to ensure the stakeholders' safety and security around-the-clock. These support both SDG 6 (Clean Water and Sanitation) and SDG 3 (Good Health and Well-Being).

SLI promotes their commitment to environmental conservation. The Corporation's impact on biodiversity is assessed during project development, and strict adherence to environmental regulations is ensured. When planning projects, environmental hazards and stress are also taken into consideration. Prospective project sites are carefully reviewed to make sure they are the best fits for the area. SLI fortifies its sites to provide quick recoveries in the event of adverse weather conditions. These promote SDGs 13 (Climate Action), 14 (Life Below Water), and 15 (Life on Land).

In order to achieve the SDGs, 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 expansion outside of	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>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>The company's integrated commercial districts provide homeowners with easy access to local goods and services, while simultaneously providing a means for business owners to reach a critical demographic target.</p> <p>By expanding the pool of potential customers for surrounding businesses and generating employment opportunities, these modifications also contribute to the growth of the local economy.</p>	<p>1. potential displacement of the local community and nature; 2. an increase in the area's population, which has an impact on the demand for and use of water and energy; 3. influence on the area's air quality; and 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,</p>	No material negative impacts identified.
Office Spaces	<p>SLI has been providing such spaces ever since. Utilizing its recently created Sta. Companies can locate and grow at the Lucia Business Center, which supports the creation of new jobs and</p>	<p>as well as to safeguard local populations' biodiversity.</p>	No material negative impacts identified.

	strengthens regional economies.		
Mall Spaces	<p>SLI has created a place where mall foot traffic benefits stakeholders. It makes it possible for companies, domestic and international, to grow and access key markets.</p> <p>The people living in the vicinity have easy access to high-quality products that meet their needs for clothing, food, medicine, and other essentials that improve their quality of life.</p>		No material negative impacts identified.

The Corporation places a strong emphasis on its duties to safeguard the community and environment when it comes to development. The Corporation will persist in advocating for ecologically sustainable approaches to achieve its objectives and will be proactive in exploring novel and inventive approaches to mitigate or minimize environmental impacts.



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, 2023, 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.

[Signature]
VICENTE R. SANTOS
Chairman of the Board

[Signature]
EXEQUIEL D. ROBLES
President & Chief Executive Officer

[Signature]
DAVID M. DELA CRUZ
EVP Chief Financial Officer

25 APR 2024

SUBSCRIBE AND SWORN to before me this 25 day of APR 2024, affiant exhibiting to me their government issued IDs, to wit:

Table with 3 columns: Name, Government I.D., Date/Place Issued. Rows for Vicente R. Santos, Exequiel D. Robles, David M. Dela Cruz.

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Book No. 2547
Series of 2024

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Undt 31 December 2024
Appointment No. 0257-23
Roll Number 47018
IBP No. 42238701 15.2024/RSM
PTR No. 541964001 03.2024/Mandaluyong
Official Seal No. 002001202006.2023
www.sta.lucialand.com.ph
Ortigas Avenue, Mandaluyong City

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	3	1	0	5	0				
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COMPANY NAME

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	i	,	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
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CONTACT PERSON'S ADDRESS

Penthouse Bldg. 3, Sta. Lucia Mall, Marcos Highway cor. Imelda Avenue, Cainta, Rizal

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Sta. Lucia Land, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, 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, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 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 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; and (2) application of the output method as the measure of progress in determining real estate revenue.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as payment history of buyers, age of residential development receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's project development engineers and project managers. This is based on the 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 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 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. 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 and obtained the supporting details of POC reports showing the completion of the major activities of project construction.

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, 2023 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, 2023 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.

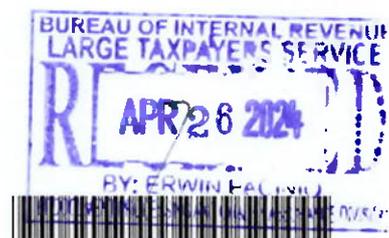


Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

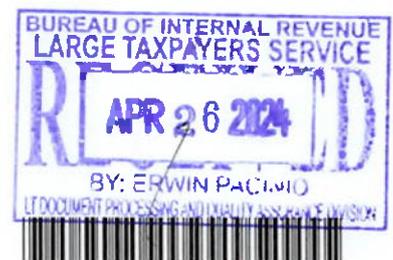
Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-073-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10082007, January 6, 2024, Makati City

April 25, 2024



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

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 27)	₱2,967,772,960	₱3,343,677,036
Receivables (Notes 6, 19 and 27)	5,197,804,959	3,990,456,340
Contract assets (Notes 4 and 6)	2,824,662,206	2,112,173,482
Real estate inventories (Notes 2 and 7)	34,865,859,862	31,650,084,686
Other current assets (Note 8)	2,611,383,707	3,815,558,984
Total Current Assets	48,467,483,694	44,911,950,528
Noncurrent Assets		
Installment contracts receivables - net of current portion (Notes 6 and 27)	1,600,185,077	1,172,309,066
Contract assets - net of current portion (Notes 4 and 6)	3,359,496,329	3,046,723,304
Investment properties (Note 10)	6,558,838,086	6,330,337,713
Property and equipment (Note 11)	76,440,532	67,571,103
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 9 and 27)	727,265,914	657,295,971
Other noncurrent assets (Note 8)	1,109,381,252	1,224,161,836
Total Noncurrent Assets	13,431,607,190	12,498,398,993
	₱61,899,090,884	₱57,410,349,521
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 14 and 27)	₱8,344,771,043	₱9,572,141,043
Accounts and other payables (Notes 12, 19 and 27)	6,122,011,034	6,106,781,812
Income tax payable	99,943,768	94,372,446
Contract liabilities - current portion (Notes 4, 6 and 13)	1,517,596,096	1,966,135,481
Long-term debt - current portion (Note 14)	5,072,296,259	3,385,582,585
Total Current Liabilities	21,156,618,200	21,125,013,367
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 14 and 27)	10,422,556,880	9,776,242,071
Contract liabilities - net of current portion (Notes 4, 6 and 13)	257,078,455	818,162,954
Deferred tax liabilities - net (Note 24)	3,532,925,725	2,636,778,402
Retirement liabilities (Note 20)	15,302,289	9,552,922
Total Noncurrent Liabilities	14,227,863,349	13,240,736,349
Total Liabilities	35,384,481,549	34,365,749,716
Equity		
Capital stock (Note 15)	10,796,450,000	10,796,450,000
Additional paid-in capital	580,004,284	580,004,284
Retained earnings (Notes 2 and 15)	16,468,576,800	13,066,783,882
Treasury shares (Note 15)	(1,600,000,000)	(1,600,000,000)
Net unrealized gain on fair value of financial assets at FVOCI (Note 9)	270,510,166	200,540,223
Remeasurement gains (loss) on pension - net of tax (Note 20)	(931,915)	821,416
Total Equity	26,514,609,335	23,044,599,805
	₱61,899,090,884	₱57,410,349,521

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2023	2022	2021
REVENUE			
Real estate sales (Notes 4, 13, 21 and 22)	₱8,453,844,312	₱7,789,770,885	₱6,827,172,459
Rental income (Notes 2, 10, 22 and 23)	762,501,539	771,276,745	465,863,634
Interest income on installment contract receivables and contract assets (Note 16)	732,744,600	573,312,286	517,588,597
Commission income	116,961,998	82,790,717	141,640,278
Other revenue (Note 16)	1,198,530,163	649,622,589	407,559,357
	11,264,582,612	9,866,773,222	8,359,824,325
OTHER INCOME			
Interest income on cash and cash equivalents and short-term investment (Notes 5, 8 and 16)	45,017,946	8,879,654	2,183,421
Dividend income (Note 9)	5,662,941	7,157,683	8,720,000
	50,680,887	16,037,337	10,903,421
	11,315,263,499	9,882,810,559	8,370,727,746
COST OF SALES AND SERVICES			
Cost of real estate sales (Notes 7, 21 and 22)	2,405,791,073	1,946,427,701	1,953,692,295
Cost of rental income (Notes 2, 10, 17, 19 and 22)	599,035,910	600,515,213	371,408,626
	3,004,826,983	2,546,942,914	2,325,100,921
SELLING AND ADMINISTRATIVE EXPENSES			
Commissions	971,766,501	855,313,918	797,478,931
Taxes, licenses and fees	209,016,187	166,586,475	183,093,613
Salaries and wages and other benefits (Notes 19 and 20)	132,261,677	140,032,582	99,464,784
Repairs and maintenance	127,396,969	117,352,118	85,772,220
Transportation, travel, office supplies and miscellaneous	74,199,024	59,979,267	68,652,913
Representation	68,213,800	78,515,314	73,655,533
Provision for (Recovery from) expected credit loss (Note 6)	35,495,908	(16,005,344)	8,144,996
Advertising	33,989,586	60,256,217	62,878,315
Surcharges and penalties	30,038,121	17,635,344	23,562,299
Depreciation and amortization (Note 11)	23,917,092	20,178,920	17,438,644
Utilities	21,379,488	18,173,652	9,334,825
Professional fees	17,086,994	21,227,476	28,878,031
Legal expense	11,849,942	18,861,348	9,875,222
Insurance expense	5,136,149	6,087,905	6,111,778
Software maintenance	705,357	2,554,107	9,308,042
	1,762,452,795	1,566,749,299	1,483,650,146
INTEREST EXPENSE (Notes 14 and 18)	1,597,481,944	1,218,956,931	1,051,174,591
INCOME BEFORE INCOME TAX	4,950,501,777	4,550,161,415	3,510,802,088
PROVISION FOR INCOME TAX (Note 24)	1,216,850,858	1,116,632,198	670,959,888
NET INCOME	3,733,650,919	3,433,529,217	2,839,842,200
OTHER COMPREHENSIVE INCOME			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Unrealized gain (loss) on fair value of financial assets at FVOCI (Note 9)	69,969,942	(25,320,292)	(138,831,962)
Remeasurement (gains) losses on pension - net of tax (Note 20)	(1,753,331)	96,739	562,223
	68,216,611	(25,223,553)	(138,269,739)
TOTAL COMPREHENSIVE INCOME	₱3,801,867,530	₱3,408,305,664	₱2,701,572,461
Basic/Diluted Earnings Per Share (Note 25)	₱0.45		

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, 2023, 2022 and 2021

	Capital stock (Note 15)	Additional paid-in capital (Note 15)	Retained earnings (Note 15)	Treasury shares (Note 15)	Net unrealized gain (loss) on fair value of financial assets at FVOCI (Note 9)	Remeasurement gains (losses) on pension - net of tax (Note 20)	Total
For the Year Ended December 31, 2023							
Balances as of January 1, 2023	₱10,796,450,000	₱580,004,284	₱13,066,783,882	₱1,600,000,000	₱200,540,223	₱821,416	₱23,044,599,805
Comprehensive income (loss)							
Net income	-	-	3,733,650,919	-	-	-	3,733,650,919
Other comprehensive income (loss)	-	-	-	-	69,969,942	(1,753,331)	68,216,611
Total comprehensive income (loss)	-	-	3,733,650,919	-	69,969,942	(1,753,331)	3,801,867,530
Dividend declaration	-	-	(331,858,000)	-	-	-	(331,858,000)
Balances as of December 31, 2023	₱10,796,450,000	₱580,004,284	₱16,468,576,801	₱1,600,000,000	₱270,510,165	(931,915)	₱26,514,609,335
For the Year Ended December 31, 2022							
Balances as of January 1, 2022	₱10,796,450,000	₱330,004,284	₱9,965,112,665	₱(1,640,000,000)	₱225,860,515	₱724,677	₱19,678,152,141
Comprehensive income (loss)							
Net income	-	-	3,433,529,217	-	-	-	3,433,529,217
Other comprehensive income (loss)	-	-	-	-	(25,320,292)	96,739	(25,223,553)
Total comprehensive income (loss)	-	-	3,433,529,217	-	(25,320,292)	96,739	3,408,305,664
Reissuance of treasury shares	-	250,000,000	-	40,000,000	-	-	290,000,000
Dividend declaration	-	-	(331,858,000)	-	-	-	(331,858,000)
Balances as of December 31, 2022	₱10,796,450,000	₱580,004,284	₱13,066,783,882	₱(1,600,000,000)	₱200,540,223	₱821,416	₱23,044,599,805
For the Year Ended December 31, 2021							
Balances as of January 1, 2021	₱10,796,450,000	₱330,004,284	₱7,846,506,131	₱(1,640,000,000)	₱364,692,477	₱162,454	₱17,697,815,346
Comprehensive income (loss)							
Net income	-	-	2,839,842,200	-	-	-	2,839,842,200
Other comprehensive income (loss)	-	-	-	-	(138,831,962)	562,223	(138,269,739)
Total comprehensive income (loss)	-	-	2,839,842,200	-	(138,831,962)	562,223	2,701,572,461
Dividend declaration	-	-	(327,858,000)	-	-	-	(327,858,000)
Balances as of December 31, 2021	₱10,796,450,000	₱330,004,284	₱10,358,490,331	₱(1,640,000,000)	₱225,860,515	₱724,677	₱20,071,529,807

See accompanying Notes to Consolidated Financial Statements



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

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱4,950,501,777	₱4,550,161,415	₱3,510,802,088
Adjustments for:			
Interest expense (Notes 14 and 18)	1,597,481,944	1,218,956,931	1,051,174,591
Depreciation and amortization (Notes 10, 11 and 17)	159,966,914	157,559,520	154,695,755
Retirement expense (Note 20)	3,411,592	12,758,697	1,001,372
Dividend income (Note 9)	(5,662,941)	(7,157,683)	(8,720,000)
Gain on repossession of inventories (Notes 7 and 16)	(386,378,317)	(261,047,824)	(136,347,823)
Interest income (Notes 5, 6 and 16)	(777,762,546)	(582,191,940)	(519,772,018)
Operating income before changes in working capital	5,541,558,423	5,089,039,116	4,052,833,965
Changes in working capital:			
Decrease (increase) in:			
Receivables (Notes 6, 27 and 28)	(1,535,618,100)	(328,007,983)	(329,419,722)
Contract assets (Notes 4, 6 and 27)	(1,025,261,749)	(1,042,570,239)	(1,268,450,546)
Real estate inventories (Notes 7, 27 and 28)	(2,607,427,468)	(3,008,101,210)	(3,699,615,464)
Other current assets (Notes 8 and 28)	1,204,175,277	1,267,317,265	618,112,412
Increase (decrease) in:			
Accounts and other payables (Notes 12 and 28)	(289,969,480)	(660,165,236)	1,462,217,384
Contract liabilities (Notes 4 and 6)	(1,009,623,884)	(1,032,183,052)	(154,697,375)
Net cash generated from (used in) operations	277,833,019	285,328,661	680,980,654
Interest received	680,411,087	632,001,216	473,293,670
Income taxes paid including applied creditable withholding tax	(314,547,768)	(254,365,751)	(201,388,081)
Contribution to plan asset (Note 20)	-	(2,000,000)	(1,000,000)
Net cash provided by operating activities	643,696,338	660,964,126	951,886,243
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties (Notes 10 and 28)	(338,059,846)	(598,902,242)	(281,250,768)
Property and equipment (Notes 11 and 28)	(32,956,067)	(38,668,746)	(13,726,041)
Increase in short-term investment (Note 8)	-	(300,000,000)	-
Decrease (increase) in other noncurrent assets	114,780,584	(468,637,069)	(190,244,649)
Dividends received	3,407,864	7,157,683	8,720,000
Net cash used in investing activities	(252,827,465)	(1,399,050,374)	(476,501,458)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans, net of transaction costs (Note 14)	20,260,458,483	21,768,848,000	17,736,499,998
Payment of loans (Note 14)	(19,154,800,000)	(18,427,727,512)	(15,615,950,000)
Payment of interest (including capitalized borrowing costs)	(1,589,739,125)	(1,178,406,574)	(1,210,874,190)
Dividend paid (Note 15)	(268,851,190)	(331,858,000)	(327,858,000)
Reissuance of treasury shares (Note 15)	-	290,000,000	-
Increase (decrease) in payable to related parties	(13,841,117)	13,947,834	(53,063,560)
Net cash provided by (used in) financing activities	(766,772,949)	2,134,803,748	528,754,248
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(375,904,076)	1,396,717,500	1,004,139,033
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,343,677,036	1,946,959,536	942,820,503
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱2,967,772,960	₱3,343,677,036	₱1,946,959,536

See accompanying Notes to Consolidated Financial Statements.



STA. LUCIA LAND, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Sta. Lucia Land, Inc. (SLLI or the Parent Company) is a publicly-listed company incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 1966 under the name Zipporah Mining and Industrial Corporation. On August 14, 1996, the Parent Company's Articles of Incorporation was amended.

Under the amendment, it changed the corporate name to Zipporah Realty Holdings, Inc. and it transferred the original primary purpose to secondary purpose from being a mining firm to a real estate company with the amended primary purpose to acquire by purchase, lease, and to own and develop and hold for investment and/or disposal, real estate of all kinds together with their appurtenances.

On July 16, 2007, the Parent Company changed its corporate name from Zipporah Realty Holdings, Inc. to Sta. Lucia Land, Inc.

Prior to expiration of its corporate life, the Parent Company filed for a new 50-year corporate life which was approved by the SEC on June 16, 2016. The corporate life of the Parent Company expired on December 5, 2016. The approved new 50-year corporate life is until December 5, 2066.

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

The Group is 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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were approved and authorized for issue by the BOD on April 25, 2024.

2. Basis of Preparation and Other Material Accounting Policy Information

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 and have been prepared under the going concern assumption.

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 Securities and Exchange Commission (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, 2023 and 2022, and for each of the three years in the period ended December 31, 2023.

A subsidiary is an entity which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.



Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements include the financial statements of the Parent Company and the following wholly-owned subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	<u>% of Ownership</u>
Sta. Lucia Homes, Inc. (SLHI)	100.00%
Santalucia Ventures, Inc. (SVI)	100.00%

Adoption of New and Amended Accounting Standards and Interpretation

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS and PAS which became effective beginning January 1, 2023. 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.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- 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.



As a result of the adoption, discussions about new standards and amendments adopted but without effect on the 2023 consolidated financial statements or any prior period and those that are forthcoming that do not have, or not expected to have significant or material impact to the Group have been simplified.

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, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025

- PFRS 17, *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*
- *Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC MC Nos. 14-2018 and 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

The PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

	<u>Deferral Period</u>
a. Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
b. 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.

As of December 31, 2023, the Group assessed that the adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings. These would have impacted the cash flows from operations and cash flows from financing activities for all years presented. The Group is finalizing the quantitative impact of the adoption of PIC Q&A No. 2018-12.

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.

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.

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, 2023 and 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 (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 (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.

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.

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

As of December 31, 2023 and 2022, the Group's other financial liabilities consist of accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.

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.

Subsequent measurement

The financial liabilities of the Group consist of accounts and other payables, short term and long term debt which are measured as follows:

Loans and borrowings

This category generally applies to the Group's accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.



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.

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.

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, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Inventories that are temporarily leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as real estate inventories. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

Transfers are made from real estate inventories to investment properties or owner-occupied properties when the intent to sell in the ordinary course of business has permanently changed, as evidenced by commencement of an operating lease to another party or owner occupation. Transfers between investment properties, owner-occupied property and real estate inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.



Prepaid Expenses

Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, and insurance.

With the exception of commission, which is amortized using POC, other prepaid expenses are amortized as incurred.

Refundable Deposits

Refundable deposits are measured initially at fair value. After initial recognition, refundable deposits are subsequently measured at amortized cost using the effective interest method.

The difference between the cash received and its fair value is deferred and amortized using the straight-line method under the “Real estate sales” account in the consolidated statement of comprehensive income.

Non-refundable deposits that are applicable against costs of services incurred or goods delivered are measured at fair value.

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

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.

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.

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 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.

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, 2023 and 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 22 to the consolidated financial statements.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Date

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



3. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRSs, 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, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 20% would demonstrate the buyer's commitment to pay.



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

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria - for installment contracts receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria

The customer meets unlikelihood to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

- a. The customer is experiencing financial difficulty or is insolvent
- b. The customer is in breach of financial covenant(s)
- c. An active market for that financial assets has disappeared because of financial difficulties
- d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
- e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's ECL calculation.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.



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.

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, 2023, 2022 and 2021, the Group reported the gross amounts of CUSA and air-conditioning amounting to ₱74.83 million, ₱66.80 million and ₱63.39 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 ₱8,453.84 million, ₱7,789.77 million and ₱6,827.17 million for the years ended December 31, 2023, 2022 and 2021, 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 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 ₱4,534.25 million and ₱6,184.16 million, respectively, as of December 31, 2023 and ₱3,048.70 million and ₱5,158.90 million, respectively, as of December 31, 2022 (see Notes 4 and 6).

The Group recognized provision for expected credit losses on trade receivables amounting to ₱35.50 million and ₱8.14 million in 2023 and 2021, respectively, presented under selling and administrative expenses and recognized gain from recovery of allowance for credit losses on trade receivables amounting to ₱16.01 million in 2022.

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 2023, 2022 and 2021.

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, 2023 and 2022 are disclosed below.

	2023	2022
Investment properties (Note 10)	₱6,558,838,086	₱6,330,337,713
Property and equipment (Note 11)	76,440,532	67,571,103
Other current assets* (Note 8)	2,311,383,707	3,515,558,984
Other noncurrent assets** (Note 8)	655,633,110	824,001,461
	₱9,602,295,435	₱10,737,469,261

*Excluding advances to agents and brokers and short-term investment

**Excluding deposits in escrow and refundable security deposits.

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:

	2023	2022	2021
Real estate sales by product			
Lot only	₱7,283,283,062	₱6,900,197,828	₱5,919,389,376
Condominium units	1,170,561,250	889,573,057	907,783,083
Total revenue from contracts with customers	₱8,453,844,312	₱7,789,770,885	₱6,827,172,459
Geographical Location			
Luzon	₱6,334,296,022	₱6,140,386,626	₱5,614,983,703
Visayas	948,324,556	1,317,117,272	582,330,732
Mindanao	1,171,223,734	332,266,987	629,858,024
Total	₱8,453,844,312	₱7,789,770,885	₱6,827,172,459

The Group's real estate sales are revenue from contracts with customers which are recognized over time.

Contract balances are as follows:

December 31, 2023

	Current	Noncurrent	Total
Installment contracts receivables (Note 6)	₱2,934,066,484	₱1,600,185,077	₱4,534,251,561
Contract assets (Note 6)	2,824,662,206	3,359,496,329	6,184,158,535
Contract liabilities (Notes 6 and 13)	1,517,596,096	257,078,455	1,774,674,551

December 31, 2022

	Current	Noncurrent	Total
Installment contracts receivables (Note 6)	₱1,876,391,156	₱1,172,309,066	₱3,048,700,222
Contract assets (Note 6)	2,112,173,482	3,046,723,304	5,158,896,786
Contract liabilities (Notes 6 and 13)	1,966,135,481	818,162,954	2,784,298,435

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.



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:

	2023	2022
Amounts included in contract liabilities at the beginning of the year	₱2,090,235,272	₱2,003,570,867
Performance obligation satisfied in previous years	1,098,857,189	1,167,210,044

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, 2023 and 2022 follows:

	2023	2022
Within one year	₱2,326,946,670	₱3,848,998,429
More than one year	1,768,429,025	3,326,141,007
	₱4,095,375,695	₱7,175,139,436



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 3 to 5 years, while the condominium units are expected to be completed within 2 to 3 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.

Cost to Obtain Contract

As at December 31, 2023 and 2022, the rollforward of the cost to obtain contract included in the other current assets as follows (see Note 8):

	2023	2022
Balance at beginning of year	P362,382,634	P195,475,224
Additions	940,361,257	737,503,712
Amortization	(971,766,501)	(570,596,302)
Balance at end of year	P330,977,390	P362,382,634

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:

	2023	2022
Cash on hand	P2,979,674	P2,174,500
Cash in banks	2,910,793,286	3,267,502,536
Cash equivalents	54,000,000	74,000,000
	P2,967,772,960	P3,343,677,036

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 4.20% to 5.00% and 4.30% to 4.70% in 2023 and 2022, respectively.



Interest income earned from cash in banks and cash equivalents amounted to ₱45.02 million, ₱8.88 million and ₱2.18 million in 2023, 2022 and 2021, respectively (see Note 16).

The Group has restricted cash in bank amounting ₱379.47 million and ₱326.07 million as of December 31, 2023 and 2022, 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:

	2023	2022
Installment contracts receivable (ICR):		
Subdivision land	₱3,219,962,376	₱1,983,909,690
Condominium units	1,314,289,185	1,064,790,532
Trade receivable from related parties (Note 19):	794,283,460	856,301,865
Accrued interest receivable	712,015,171	614,663,712
Advances to joint development operations (Note 21)	396,161,337	301,064,370
Receivable from tenants (Note 19)	254,893,303	241,410,645
Advances to officers, employees and agents (Note 19)	176,103,875	164,925,304
Dividend receivable (Note 9)	40,185,334	37,930,257
Commission receivable	62,376,560	8,673,383
Others	25,887,971	25,992,209
	6,996,158,572	5,299,661,967
Less unamortized discount	152,280,263	126,504,196
	6,843,878,309	5,173,157,771
Less allowance for expected credit losses (ECL)	45,888,273	10,392,365
	6,797,990,036	5,162,765,406
Less noncurrent ICR	1,600,185,077	1,172,309,066
	₱5,197,804,959	₱3,990,456,340

Contract balances as of December 31 are as follows:

2023

	Current	Noncurrent	Total
Installment contracts receivables	₱2,934,066,484	₱1,600,185,077	₱4,534,251,561
Contract assets	2,824,662,206	3,359,496,329	6,184,158,535
Contract liabilities (Note 13)	1,517,596,096	257,078,455	1,774,674,551

2022

	Current	Noncurrent	Total
Installment contracts receivables	₱1,876,391,156	₱1,172,309,066	₱3,048,700,222
Contract assets	2,112,173,482	3,046,723,304	5,158,896,786
Contract liabilities (Note 13)	1,966,135,481	818,162,954	2,784,298,435



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 ₱596.26 million, ₱383.57 million and ₱388.71 million in 2023, 2022 and 2021, respectively (see Note 16).

As of December 31, 2023 and 2022, receivables from sales of subdivision land and condominium units with a nominal amount aggregated ₱2,135.73 million and ₱3,841.48 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 7.36% to 8.77% and 4.53% to 8.65% in 2023 and 2022, respectively.

Movement in the unamortized discount arising from noninterest-bearing ICR follows:

	2023	2022
Balance at beginning of year	₱126,504,196	₱66,450,600
Additions	162,259,413	247,800,795
Accretion from unamortized discount (see Note 16)	(136,483,346)	(187,747,199)
Balance at end of year	₱152,280,263	₱126,504,196

Allowance for ECL pertain to trade receivables. Movement follows:

	2023	2022
Balance at beginning of year	₱10,392,365	₱26,397,709
Provisions	35,495,908	-
Recovery	-	(16,005,344)
Balance at end of year	₱45,888,273	₱10,392,365

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.

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:

	2023	2022
Balance at January 1	31,650,084,686	₱28,380,935,653
Construction and development costs incurred	4,878,992,538	3,954,241,677
Land acquired during the year	143,561,154	581,994,984
Repossessed real estate inventories	599,012,557	679,340,073
Costs of real estate sales	(2,405,791,073)	(1,946,427,701)
Balance at December 31	₱34,865,859,862	₱31,650,084,686

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 ₱143.56 million and ₱581.99 million in 2023 and 2022, 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 repossessed 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 ₱386.38 million, ₱261.05 million and ₱136.35 million in 2023, 2022 and 2021, 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 ₱30.70 million, ₱15.96 million and ₱5.00 million in 2023, 2022 and 2021, respectively (see Note 16).

Real estate inventories recognized as cost of sales amounted to ₱2,405.79 million in 2023, ₱1,946.43 million in 2022 and ₱1,953.69 million in 2021 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 2023, 2022 and 2021.

No inventories are pledged as collateral to borrowings of the Group as of December 31, 2023 and 2022.

The Group has committed to various construction and development projects awarded to contractors. These commitments represent contractual obligations to make future payments for construction related to ongoing projects. As of December 31, 2023 and 2022, the amount of capital commitment awarded to contractors amounted to ₱1,281.72 million and ₱1,361.72 million, respectively.

8. Other Assets

This account consists of:

	2023	2022
Advances to contractors	₱1,933,844,720	₱2,449,200,797
Deposits in escrow (Note 5)	379,467,671	326,068,303
Prepaid commission (Note 4)	320,044,138	842,073,308
Short term investment	300,000,000	300,000,000
Prepaid taxes	245,771,599	182,271,840
Input VAT – net	325,622,545	488,689,474
Security deposits	74,280,471	74,092,072
Advances to lot owners	15,778,401	213,732,350
Others	125,955,414	163,592,676
	3,720,764,959	5,039,720,820
Less noncurrent portion of:		
Advances to contractors	370,895,327	491,529,089
Deposits in escrow (Note 5)	379,467,671	326,068,303
Prepaid commission	49,500,589	165,200,365
Prepaid taxes	232,765,194	164,800,007
Security deposits	74,280,471	74,092,072
Others	2,472,000	2,472,000
	1,109,381,252	1,224,161,836
	₱2,611,383,707	₱3,815,558,984

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.

Short-term investment pertains to the premium yield advantage placement with more than 90 days of investment tenor that yields 5.00% interest per annum. Interest income earned from short term investments amounted to ₱10.27 million in 2023 (see Note 16).



Prepaid taxes pertain to creditable withholding taxes that can be applied against income tax payable and prepayments for registration of acquired lots.

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.

Security deposits pertain to refundable deposits for the electrical services or upgrade of electrical structures as necessary for every new project of the Group.

Advances to 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.

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:

	2023	2022
Investments at cost	P456,755,748	P456,755,748
Net unrealized gain	270,510,166	200,540,223
At end of year	P727,265,914	P657,295,971

Movement in unrealized gain reflected in the other comprehensive income follows:

	2023	2022
Balance at beginning of year	P200,540,223	P225,860,515
Fair value change during the year	69,969,943	(25,320,292)
Balance at end of year	P270,510,166	P200,540,223

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, 2023 and 2022:

December 31, 2023

	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Quoted					
Gaming	December 31, 2023	P509,277,060	P509,277,060	P-	P-
Unquoted					
Real estate	December 31, 2023	217,988,854	-	-	217,988,854
		P727,265,914	P509,277,060	P-	P217,988,854



December 31, 2022

	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Quoted					
Gaming	December 31, 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

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 ₱1,448.60 million and ₱1,466.14 million as of December 31, 2023 and 2022, 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 ₱5.66 million, ₱7.16 million and ₱8.72 million in 2023, 2022 and 2021, respectively.



10. Investment Properties

The rollforward analyses of this account follow:

	2023					Total
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	
Cost						
Balances at January 1	₱1,802,529,188	₱44,259,000	₱5,106,699,302	₱412,409,000	₱816,530,631	₱8,182,427,121
Additions	-	-	6,367,932	-	358,012,717	364,380,649
Balances at December 31	1,802,529,188	44,259,000	5,113,067,234	412,409,000	1,174,543,348	8,546,807,770
Accumulated Depreciation						
Balances at January 1	-	16,597,127	1,423,083,281	412,409,000	-	1,852,089,408
Depreciation (Note 17)	-	1,106,475	134,773,801	-	-	135,880,276
Balances at December 31	-	17,703,602	1,557,857,082	412,409,000	-	1,987,969,684
Net Book Value	₱1,802,529,188	₱26,555,398	₱3,555,210,152	₱-	₱1,174,543,348	₱6,558,838,086

	2022					Total
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	
Cost						
Balances at January 1	₱1,802,529,188	₱44,259,000	₱5,011,818,502	₱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
Accumulated Depreciation						
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
Net Book Value	₱1,802,529,188	₱27,661,873	₱3,683,616,021	₱-	₱816,530,631	₱6,330,337,713

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 ₱146.65 million and ₱193.62 million as of December 31, 2023 and 2022, respectively.



Rental income from investment properties amounted to ₱762.50 million, ₱771.28 million and ₱465.86 million in 2023, 2022 and 2021, respectively (see Note 22). Cost of rental income from investment properties amounted to ₱599.04 million, ₱600.52 million and ₱371.41 million in 2023, 2022 and 2021, respectively (see Note 17).

Depreciation expense recognized as costs of rental income amounted to ₱135.88 million, ₱136.77 million and ₱135.80 million in 2023, 2022 and 2021, respectively (see Note 17). The other related cost amounted to ₱462.99 million in 2023, ₱462.68 million in 2022 and ₱235.45 million in 2021 (Note 17).

The aggregate fair value of the Group's investment properties amounted to ₱10,299.52 million and ₱9,441.51 million as of December 31, 2023 and 2022, respectively.

The last 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, a new valuation is planned in 2024. In 2023 and 2022, 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 2023, 2022 and 2021 amounted to ₱13.90 million, ₱11.90 million and ₱10.35 million, respectively (Note 18). Capitalization rate used to determine the borrowing cost eligible for capitalization is 6.76%, 5.39% and 5.51% in 2023, 2022 and 2021, 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, 2023 and 2022 that are pledged as security for liabilities of the Group.



11. Property and Equipment

The rollforward analysis of this account follow:

	2023				
	Office Tools and Equipment	Transportation Equipment	Furniture and Fixtures	Software	Total
Cost					
Balances at January 1	₱72,039,221	₱148,459,497	₱15,090,253	₱38,333,814	₱273,922,785
Additions	6,806,442	21,393,531	4,756,094	–	32,956,067
Balances at December 31	78,845,663	169,853,028	19,846,347	38,333,814	306,878,852
Accumulated Depreciation and Amortization					
Balances at January 1	42,355,472	113,195,161	12,467,235	38,333,814	206,351,682
Depreciation and amortization	8,615,740	13,746,035	1,724,863	–	24,086,638
Balances at December 31	50,971,212	126,941,196	14,192,098	38,333,814	230,438,320
Net Book Value	₱27,874,451	₱42,911,832	₱5,654,249	₱–	₱76,440,532

	2022				
	Office Tools and Equipment	Transportation Equipment	Furniture and Fixtures	Software	Total
Cost					
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
Accumulated Depreciation and Amortization					
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
Net Book Value	₱29,683,749	₱35,264,336	₱2,623,018	₱–	₱67,571,103

Depreciation expense pertaining to mall operations recognized as costs of rental income amounted to ₱0.17 million, ₱0.61 million and ₱0.16 million in 2023, 2022 and 2021, 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, 2023 and 2022, there are no property and equipment items pledged to secure the obligations of the Group. The software is still in use.

12. Accounts and Other Payables

This account consists of:

	2023T	2022
Payable to joint development operators	₱1,641,591,418	₱1,392,450,842
Contractors payable	1,533,780,851	1,944,120,117
Accounts payable	1,453,029,740	1,309,984,550
Unearned income	471,619,693	594,792,015

(Forward)



	2023	2022
Retentions payable	₱293,527,537	₱221,779,644
Security deposit	120,579,733	98,281,147
Interest payable (Note 14)	119,196,683	97,550,970
Commission payable	19,487,812	85,545,628
Taxes and licenses payable	19,930,042	62,513,083
Withholding tax payable	66,157,483	36,221,491
Advances from shareholders (Note 19)	14,711,492	14,711,492
Payable to related parties (Note 19)	3,361,710	17,202,827
Others	365,036,840	231,628,006
	₱6,122,011,034	₱6,106,781,812

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.

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 ₱1,150.00 million and ₱1,081.15 million as of December 31, 2023 and 2022, respectively. Revenue recognized on offsetting arrangements amounted to ₱341.46 million, ₱307.90 million and ₱133.77 million for the years ended December 31, 2023, 2022 and 2021, respectively.

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.

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 ₱2,090.24 million, ₱2,003.57 million and ₱370.59 million for the years ended December 31, 2023, 2022 and 2021, respectively.

As of December 31, 2023 and 2022, the contract liabilities account amounted to ₱1,774.67 million and ₱2,784.30 million, respectively. Details follow:

	2023	2022
Collections below equity threshold	₱1,214,075,994	₱1,613,728,182
Excess of collections over POC	560,598,557	1,170,570,253
	1,774,674,551	2,784,298,435
Less noncurrent portion	257,078,455	818,162,954
	₱1,517,596,096	₱1,966,135,481

The Group requires buyers of the residential condominium units and subdivision lots to pay a minimum percentage of the total selling price before revenue recognition. These reservation fees and down payments will be applied against the installment contracts receivables when revenue recognition is met.

14. Short-term and Long-term Debt

Short-term debt

Below are the details of the short-term debt:

	2023	2022
Loans under revolving credit facility agreements	₱6,444,771,043	₱7,072,141,043
Single payment short-term loan	1,900,000,000	2,500,000,000
	₱8,344,771,043	₱9,572,141,043



Loans under revolving credit facility agreements follow:

	2023	2022
Beginning balance	₱7,072,141,043	₱7,049,782,354
Availments	13,753,930,000	14,604,098,000
Payments	(14,381,300,000)	(14,581,739,311)
Ending balance	₱6,444,771,043	₱7,072,141,043

In 2023, the Group obtained various unsecured short-term loans amounting to ₱902.10 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 7.00% and 7.38%. Out of the total ₱902.10 million, ₱202.40 million were outstanding as of December 31, 2023.

In 2023, the Group also obtained unsecured short-term loans amounting to ₱7,520.70 million from RCBC Trust and Investment Group for refinancing purposes. These loans have maturity period of ranging from 2 to 4 months with annual interest rates ranging from 7.25% to 7.75%. Of the total ₱7,520.70 million, ₱1,644.80 million were outstanding as of December 31, 2023.

In 2023, the Group also obtained unsecured short-term loans amounting to ₱1,976.13 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 7.00% to 7.38%. Of the total ₱1,976.13 million, ₱417.30 million were outstanding as of December 31, 2023.

In 2023, unsecured-short term loans were borrowed from Maybank Philippines Inc. – Trust Department and Unicapital Inc. amounting to ₱1,550.00 million and ₱825.00 million, respectively. These loans have maturity periods ranging from 2 to 3 months, with annual interest rates ranging from 6.50% to 7.25%. As of December 31, 2023, ₱500.00 million and ₱225.00 million were outstanding from Maybank Philippines Inc. – Trust Department and Unicapital Inc., respectively.

On February 25, 2023, the Group availed a 3 months and 1-year unsecured loans from Banco De Oro (BDO) amounting to ₱200.00 million and ₱160.00 million, respectively, with interest rates of 7.75% per annum. Only the 1-year unsecured loans were outstanding as of December 31, 2023.

In February 2023 and April 2023, the Group availed loans from Philippine Veterans Bank amounting to ₱60.00 million and ₱10.00 million, respectively. These loans have maturity periods of 12 months with annual interest rates of 7.25%. All loans were still outstanding as of December 31, 2023.

In September 2023, the Group borrowed unsecured short-term loans from SLRDI amounting to ₱300.00 million with an annual interest rate of 6%. 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%. Additionally, in March 2020, the Group borrowed unsecured 3-month loans from SLRDI amounting to ₱1,200.00 million with a 5% annual interest rate. The total outstanding loans from SLRDI amounted to ₱1,800.00 million and ₱1,500.00 million as of December 31, 2023, and 2022, respectively (see Note 19).

In September 2023, the Group also availed an unsecured short-term loans from Bank of Commerce amounting to ₱250.00 million. These loans have an annual interest rate of 7.00%. The amount of ₱250 million availed during the year were still outstanding as of December 31, 2023.

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%. Outstanding balance of borrowings from MIB as of December 31, 2022 amounts to ₱599.60 million of which ₱80.00 million were still outstanding as of December 31, 2023.

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%. Outstanding balance of borrowing from RCBC as of December 31, 2022 amounts to ₱2,331.90 of which all were paid in 2023.

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%. These loans were paid in full in 2023. Of the total ₱1,778.80 million, ₱506.00 million were outstanding as of December 31, 2022. The remaining loans were settled in 2023.

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. The remaining balance of the loans were settled in 2023.

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. As of December 31, 2023 and 2022, the loans outstanding amounted to ₱280.00 million and ₱350.00 million, respectively.

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, and all were paid in 2023.

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, 2022 amounts to ₱849.64 million of which ₱814.64 million were still outstanding as of December 31, 2023.

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 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:

	2023	2022
Beginning balance	₱2,500,000,000	₱1,475,488,200
Availments	500,000,000	2,500,000,000
Payments	(1,100,000,000)	(1,475,488,200)
Ending balance	₱1,900,000,000	₱2,500,000,000

On December 18, 2023, the Group acquired a one-year unsecured loan from Robinsons Bank for an amount of ₱500.00 million, with an annual interest rate of 6.99%.

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%. A portion of the loan was repaid in 2023, totaling ₱50.00 million, ₱950.00 million was refinanced with a new interest rate of 8.03%.

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%. A portion of the loan was repaid in 2023, totaling ₱50.00 million, ₱450.00 million was refinanced with a new interest rate of 8.00%.

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 6.89%. This loan was settled in full in 2023.

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:

	2023	2022
Loans under term facility agreement	₱15,604,500,000	₱13,228,000,000
Less current portion of:		
Loans under term facility agreement	5,072,296,259	3,385,582,585
	10,532,203,741	9,842,417,415
Less: unamortized debt issuance cost	109,646,861	66,175,344
	₱10,422,556,880	₱9,776,242,071

The rollforward analysis of the long-term debt follows:

	2023	2022
Beginning balance	₱13,228,000,000	₱10,898,500,000
Availments	6,050,000,000	4,700,000,000
Payments	(3,673,500,000)	(2,370,500,000)
Ending balance	₱15,604,500,000	₱13,228,000,000

Unsecured Long Term Debt Facility Agreements

On May 31, 2023, the Group signed a 5-year Term Loan with China Banking Corporation amounting to ₱1,500 million with an annual interest rate of 8.83%.

On November 29, 2023, the Group signed a 5-year term loan with China Banking Corporation at an annual rate of 8.13% with an aggregate amount of ₱5,000 million. On December 18, 2023, the Group made the first drawdown amounting to ₱2,000 million and expected to draw the remaining loans on March 13, 2024.

On March 10, 2023, the Group made the second drawdown at an annual fixed rate of 8.53% from RCBC, Bank of the Philippine Islands (BPI), BDO and Robinsons Bank Corporation (RBC) amounting to ₱1,360.00 million, ₱510.00 million, ₱340.00 million and ₱340.00 million, respectively.

As of December 31, 2023, outstanding principal on this second drawdown from RCBC, BPI, BDO and RBC amounted to ₱1,224.00 million, ₱459.00 million, ₱306.00 million and ₱306.00 million, respectively.



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 with an annual interest rate ranging from 8.53% to 8.83%.

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. As of December 31, 2023, outstanding principal on this 1st drawdown from RCBC, BPI, BDO and RBC amounted to ₱576.00 million, ₱216.00 million, ₱144.00 million and ₱144.00 million, respectively.

On March 16, 2022, the Group obtained 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, 2023 and 2022, the outstanding balance amounted to ₱2,275.00 million and ₱2,975.00 million, respectively.

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, 2023, outstanding principal on this drawdown for Tranche A from BPI, BDO and RBC amounted to ₱170.73 million, ₱170.73 million and ₱97.56 million, respectively, and for Tranche B outstanding principal on this drawdown from BPI and RCBC amounted ₱102.44 million and ₱682.93 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, ₱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, 2023, outstanding principal on this drawdown for Tranche A from BPI, BDO, RBC and DBP amounted to ₱179.27 million, ₱179.27 million, ₱102.44 million and ₱950.00 million, respectively, and for Tranche B outstanding principal on this drawdown from BPI, RCBC and UBP amounted ₱107.56 million, ₱717.07 million and ₱700.00 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.

As of December 31, 2023 and 2022, the outstanding debt amounted to ₱4,160.00 million and ₱5,930.00 million, respectively.

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. As of December 31, 2023 and 2022, the remaining balance amounted to ₱450.00 million and ₱937.50 million, respectively.

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 ₱341.00 million and ₱325.50 million in 2023 and 2022, respectively. As of December 31, 2023 and 2022, the remaining balance amounted to ₱1,844.50 million and ₱2,185.50 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 bonds were paid in full in 2021.

Covenants

The Group is required to maintain a maximum of debt-to-equity ratio of 1.50:1.00, a minimum current ratio of 1.75:1.00 and a minimum debt service coverage ratio of 1.25. The Group has complied with the debt covenants as of December 31, 2023 and 2022.

Movement in unamortized debt issuance cost for long-term debt follows:

	2023	2022
Beginning balance	₱66,175,344	₱71,475,700
Additions	67,772,798	35,250,000
Amortization	(24,301,281)	(40,550,356)
Ending balance	₱109,646,861	₱66,175,344

Interest expense on short-term and long-term debts amounted to ₱1,555.06 million, ₱1,129.41 million and ₱1,068.86 million in 2023, 2022 and 2021, respectively (see Note 18). Of the total interest expense, amortization of transaction cost on short-term and long-term loans amounted to ₱24.30 million, ₱40.55 million and ₱52.95 million in 2023, 2022 and 2021, respectively, and included under "Interest expense" in the consolidated statements of comprehensive income (see Note 18).



Borrowing costs capitalized as part of investment properties in 2023, 2022 and 2021 amounted to ₱13.90 million, ₱11.90 million and ₱148.70 million, respectively (see Notes 10 and 18).

15. Equity

The capital stock as of December 31, 2023 and 2022 consists of:

December 31, 2023

	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, 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:

- 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.
- 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.
- 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 existing certified shareholders as at December 31, 2023 and 2022, and 265 as at December 31, 2021.

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

On November 10, 2023, the Board of Directors approved the declaration of special cash dividend amounting to ₱0.04 per outstanding common share on record as of December 7, 2023 and was paid on December 22, 2023.

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 ₱10,619.17 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 ₱26,514.61 million and ₱23,044.60 million as of December 31, 2023 and 2022, 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, 2023 and 2022:

	2023	2022
Debt (Note 14)	₱23,839,624,182	₱22,733,965,699
Less: Cash and cash equivalents (Note 5)	2,967,772,960	3,343,677,036
Net debt	20,871,851,222	19,390,288,663
Equity	26,514,609,335	23,044,599,805
Net debt-to-equity ratio	0.79:1	0.84:1

16. Interest Income and Other Revenue

This account consists of:

	2023	2022	2021
Interest income on installment contract receivables and contract assets:			
Installment contracts receivables and contract assets (Note 6)	₱596,261,254	₱385,565,087	₱388,708,043
Accretion from unamortized discount (Note 6)	136,483,346	187,747,199	128,880,554
	732,744,600	573,312,286	517,588,597
Interest income on banks and investments:			
Cash in banks and cash equivalents (Note 5)	34,752,946	6,884,654	2,183,421
Short term investment (Note 8)	10,265,000	1,995,000	-
	45,017,946	8,879,654	2,183,421
	₱777,762,546	₱582,191,940	₱519,772,018



Other revenue consists of:

	2023	2022	2021
Processing and registration fee	₱611,861,940	₱177,580,009	₱66,751,624
Gain on repossession of inventories (Note 7)	386,378,317	261,047,824	136,347,823
Surcharges and penalties	85,364,340	112,764,799	145,470,946
Profit share in hotel operations	30,697,170	15,958,403	5,000,000
Gain from forfeited deposits	7,332,936	9,257,611	32,992,807
Others	76,895,460	73,013,943	20,996,157
	₱1,198,530,163	₱649,622,589	₱407,559,357

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:

	2023	2022	2021
Utilities – net	₱301,375,500	₱337,139,110	₱141,356,595
Depreciation (Notes 10 and 11)	136,049,823	137,837,427	135,963,511
Carpark maintenance	84,172,850	65,954,005	29,434,597
Manpower	47,511,599	35,902,689	14,705,882
Management fee (Note 19)	29,411,765	23,429,412	49,609,558
Others	514,373	252,570	338,483
	₱599,035,910	₱600,515,213	₱371,408,626

18. Interest Expense

Interest expense consists of:

	2023	2022	2021
Interest expense on debt (Note 14)	1,555,060,276	₱1,129,411,353	₱1,038,572,566
Interest expense on bonds (Note 14)	–	–	30,284,650
Other financing charges	56,324,562	101,444,737	131,020,672
	1,611,384,838	1,230,856,090	1,199,877,888
Less capitalized borrowing costs (Notes 7, 10 and 14)	13,902,894	11,899,159	148,703,297
	₱1,597,481,944	₱1,218,956,931	₱1,051,174,591

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.



	2021			
	Volume	Outstanding	Terms	Conditions
Trade receivables (Note 6)				
<i>Ultimate Parent Company (SLRDI) (a)</i>		₱456,143,593		
Sharing of expenses	₱61,611,312		Due and demandable;	Unsecured; no
collection from buyers collected by SLRDI,	26,827,586		noninterest-bearing	impairment
unremitted share of SLRDI	(28,610,134)			(Note 15)
marketing fee	27,884,131			
<i>Affiliate (SLECC)</i>				
Management fee	57,586,228	45,196,667	Due and demandable;	Unsecured; no
(Note 15) (b)			noninterest-bearing	impairment
Rental income (b)(c)	38,771,567	42,112,456	Due and demandable;	Unsecured; no
			noninterest-bearing	impairment
		₱543,452,716		
Key officers and directors (Note 6) (d)	₱76,503,222	₱116,323,028	Due and demandable;	Unsecured; no
			noninterest-bearing	impairment
Trade payables (Note 12)				
<i>Ultimate Parent Company (SLRDI)</i>				
Advances (a)	₱-	₱3,254,988	Payable on demand;	Unsecured
			noninterest bearing	
<i>Advances from shareholders</i>				
Advances (f)	-	14,711,492	Payable on demand;	Unsecured
			noninterest bearing	
		₱17,966,480		
Short-term Debt (Note 14) (e)				
<i>Ultimate Parent Company (SLRDI)</i>				
Principal	₱300,000,000	₱1,500,000,000	Payable on demand;	Unsecured
			interest bearing	
Interest expense	57,556,250	5,139,583		

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. This includes noninterest-bearing cash advances for various charges for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies and other operating expenses. These advances amounted to ₱16.69 million, ₱314.99 million and ₱61.61 million in 2023, 2022 and 2021, respectively.

Other advances include the rentals for project exhibits and advertising/marketing costs amounting to ₱13.01 million, ₱16.11 million and ₱27.88 million in 2023, 2022 and 2021, respectively.

The amount of deductions applied or offset against the advances for the year amounted to ₱29.7 million, ₱331.10 million, and ₱89.49 million in 2023, 2022, and 2021, respectively.

Other advances also include the collection from buyers collected by SLRDI. This pertains to the monthly amortization payment from the buyers of the Parent Company, collected by the Ultimate Parent Company, and due to be remitted to the Parent Company. The amount collected by SLRDI amounted to ₱29.06 million, ₱61.34 million and ₱26.83 million in 2023, 2022 and 2021, respectively.

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 ₱388.20 million, ₱264.69 million and ₱144.48 million in 2023, 2022 and 2021, respectively. The share amounting ₱97.05 million, ₱66.17 million and ₱28.61 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2023, 2022 and 2021, respectively.

The Parent made cash advances from SLRDI to be used for various administrative and operating expenses. In 2022, advances were made from SLRDI amounting to ₱13.95 million.

- (b) SLECC and the Parent Company entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management and business development services, leveraging its knowledge in the mall operations from the past years. In exchange of SLECC's services, the Parent Company shall pay SLECC a management fee equivalent to 5% of the gross rental revenue for managing mall operations including repairs and maintenance and collection of space rental from storeowners or tenants. Management fee from SLECC amounted to ₱29.41 million, ₱23.43 million and ₱49.61 million in 2023, 2022 and 2021, respectively.

The Parent Company made noninterest-bearing cash advances to SLECC for various operating expenses to be offset against payable to SLECC amounting to ₱17.92 million, ₱29.30 million and ₱57.59 million in 2023, 2022 and 2021, respectively.

As of date, the Company has outstanding receivables from SLECC amounting to ₱39.58 million and ₱51.07 million in 2023 and 2022, respectively.

- (c) The Parent Company has receivables from affiliated mall tenants. This pertains to accrued rental income amounting to ₱118.01 million and ₱71.91 million in 2023 and 2022, respectively. Rental income from affiliated tenants amounted to ₱68.07 million, ₱69.54 million and ₱38.77 million in 2023, 2022 and 2021, respectively.



- (d) The Parent Company made noninterest-bearing cash advances to officers and directors which is subject to liquidation. These advances amounted to ₱20.46 million, ₱25.99 million and ₱76.50 million in 2023, 2022 and 2021, respectively. The remaining unliquidated receivables amounted to ₱126.22 million, ₱107.40 million and ₱86.13 million as of December 31, 2023, 2022 and 2021, respectively.
- (e) In September 2023, the Group availed loan from SLRDI amounting ₱300.00 million with 6% annual interest rates. 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 ₱1,800.00 million and ₱1,500.00 million as of December 31, 2023 and 2022, respectively. The related interest expense on these loans amounted to ₱79.86 million, ₱59.08 million and ₱57.56 million in 2023, 2022 and 2021, respectively.
- (f) In order to support the commercial operations of the SLVI, several shareholders and the Ultimate Parent Company provided advances. As of December 31, 2023 and 2022, the remaining unpaid balances amounted to ₱14.71 million.

As of December 31, 2023 and 2022, 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:

	2023	2022
Short-term employee benefits	₱18,638,235	₱16,943,850
Post-employment benefits (Note 20)	704,803	640,730
	₱19,343,038	₱17,584,580

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:

	2023	2022	2021
Current service cost	₱2,718,050	₱1,897,885	₱1,035,466
Past service cost	-	10,598,138	-
Interest cost (income)	693,542	262,674	(34,094)
	₱3,411,592	₱12,758,697	₱1,001,372

The remeasurements recognized in OCI for the years ended December 31, 2023, 2022 and 2021 follows:

	2023	2022	2021
Actuarial losses (gains) due to:			
Experience adjustments	(₱684,835)	₱3,103,446	₱128,119
Changes in financial assumptions	2,171,600	(3,840,551)	(1,001,953)
Changes in demographic assumptions	431,286	(248,263)	(39,351)
Asset return in net interest cost	419,724	922,684	113,798
Change in the effect of the asset ceiling	-	(66,303)	49,757
	₱2,337,775	(₱128,987)	(₱749,630)

Changes in the present value of the defined benefit obligation follow:

	2023	2022
Balances at beginning of year	₱19,719,321	₱7,398,269
Current service cost	2,718,050	1,897,885
Past service cost	-	10,598,138
Interest cost	1,431,623	810,397
Actuarial losses (gains) due to:		
Changes in financial assumptions	2,171,600	(3,840,551)
Changes in demographic assumptions	431,286	(248,263)
Experience adjustments	(684,835)	3,103,446
Balances at end of year	₱25,787,045	₱19,719,321



Changes in the fair value of the plan asset which are in the form of cash follow:

	2023	2022
Balances at beginning of year	P10,166,399	P8,538,119
Interest income	738,081	550,964
Contributions	-	2,000,000
Return on plan assets	(419,724)	(922,684)
Balances at end of year	P10,484,756	P10,166,399

The retirement liabilities (plan surplus) follow:

	2023	2022
Defined benefit obligation, ending	P25,787,045	P19,719,321
Fair value of plan assets, ending	(10,484,756)	(10,166,399)
Effect of the asset ceiling	-	-
Balances at end of year	P15,302,289	P9,552,922

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:

	2023	2022
Discount rate	6.12%	7.26%
Salary increase rate	3.00%	3.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant.

	Increase/ decrease in rate	2023	
		Impact on defined benefit obligation	
		Increase	Decrease
Salary increase rate	+/-1%	P2,302,742	(P1,996,503)
Discount rate	+/-1%	(2,252,901)	1,924,737

	Increase/ decrease in rate	2022	
		Impact on defined benefit obligation	
		Increase	Decrease
Salary increase rate	+/-1%	P1,788,984	(P1,550,709)
Discount rate	+/-1%	(1,730,111)	1,480,260

Shown below is the maturity analysis of the undiscounted benefit payments:

	2023	2022
2021	P4,253,382	P3,564,350
2022	1,921,131	1,552,048
2023	8,536,094	1,649,466
2024	8,536,094	7,935,906
2025	2,143,841	2,052,397
2026 – 2030	14,297,841	11,118,535

There was no plan amendment, curtailment, or settlement recognized in 2023 and 2022.



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, 2023, 2022 and 2021, the real estate sales and cost of real estate sales related to interest in joint project development operations are as follows:

	2023	2022	2021
Real estate sales	₱2,552,274,632	₱2,170,510,577	₱774,507,423
Cost of real estate sales	671,303,445	449,611,222	229,476,554

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 ₱6,780.20 millions and ₱6,500.00 million as of December 31, 2023 and 2022, 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, 2023, 2022 and 2021, 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, 2023, 2022 and 2021 and revenue and income information for each of the three years ended December 31, 2023.

	2023		
	Leasing	Residential Development	Total
Rental income	₱762,501,539	₱-	₱762,501,539
Cost of rental income	(599,035,910)	-	(599,035,910)
Real estate sales	-	8,453,844,312	8,453,844,312
Cost of real estate sales	-	(2,405,791,073)	(2,405,791,073)
Segment gross profit	163,465,629	6,048,053,239	6,211,518,868
Selling and administrative expense	(42,892,190)	(1,719,560,605)	(1,762,452,795)
Interest income on installment receivables, contract assets, cash and cash equivalents and investment	4,701,439	773,061,107	777,762,546
Interest expense	-	(1,597,481,944)	(1,597,481,944)
Commission income	-	116,961,998	116,961,998
Dividend income	-	5,662,941	5,662,941
Other revenue	-	1,198,530,163	1,198,530,163
Provision for income tax	(31,318,720)	(1,185,532,138)	(1,216,850,858)
Net income	₱93,956,158	₱3,639,694,761	₱3,733,650,919
Total segment assets	₱7,108,281,167	₱54,790,809,717	₱61,899,090,884
Segment liabilities	585,672,739	31,165,939,317	₱31,751,612,056
Income tax payable	-	99,943,768	99,943,768
Deferred tax liabilities	29,454,281	3,503,471,444	3,532,925,725
Total liabilities	₱615,127,020	₱34,769,354,529	₱35,384,481,549
Cash flows arising from:			
Operating activities	₱61,512,429	₱582,183,909	₱643,696,338
Investing activities	(356,892,924)	104,065,459	(252,827,465)
Financing activities	-	(766,772,949)	(766,772,949)

	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)	₱724,994,212	₱660,964,126
Investing activities	(356,892,924)	(1,042,157,450)	(1,399,050,374)
Financing activities	-	2,134,803,748	2,134,803,748



	2021		Total
	Leasing	Residential Development	
Rental income	₱465,863,634	₱-	₱465,863,634
Cost of rental income	(371,408,626)	-	(371,408,626)
Real estate sales	-	6,827,172,459	6,827,172,459
Cost of real estate sales	-	(1,953,692,295)	(1,953,692,295)
Segment gross profit	94,455,008	4,873,480,164	4,967,935,172
Selling and administrative expense	(49,651,376)	(1,433,998,770)	(1,483,650,146)
Interest income 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	₱33,855,722	₱2,805,986,478	₱2,839,842,200
Total segment assets	₱6,173,863,958	₱45,819,419,447	₱51,993,283,405
Segment liabilities	₱385,061,372	₱29,536,714,183	₱29,921,775,555
Income tax payable	-	98,572,462	98,572,462
Deferred tax liabilities	29,235,919	1,872,169,662	1,901,405,581
Total liabilities	₱414,297,291	₱31,507,456,307	₱31,921,753,598
Cash flows arising from:			
Operating activities	(₱13,720,181)	₱965,606,424	₱951,886,243
Investing activities	(311,318,348)	(165,183,110)	(476,501,458)
Financing activities	-	528,754,248	528,754,248

Capital expenditures consist of additions to investment property which amounted to ₱364.38 million, ₱598.90 million and ₱291.60 million in 2023, 2022 and 2021, 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:

	2023	2022
Within one year	₱407,790,048	₱305,464,914
After one year but not more than five years	132,653,400	166,540,348
	₱540,443,448	₱472,005,262

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 ₱762.50 million, ₱771.28 million and ₱465.86 million in 2023, 2022 and 2021, 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 for the years 2022 and 2021, 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 and ₱149.87 million for the years ended December 31, 2022 and 2021, respectively. These rent concessions qualified as a lease modification, thus, were accounted for as a new lease from the effective date of the modification and recognized remaining lease payments on a straight-line basis over the remaining lease term.



Parent Company

On October 1, 2014, SLLI directly entered into lease agreements with mall tenants. SLECC and SLLI, on the other hand, entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management business development services for a fee equivalent to 5% of the gross rental revenue (see Note 19).

24. Income Tax

Provision for income tax consists of:

	2023	2022	2021
Current – RCIT	₱311,094,242	₱248,606,904	₱212,180,978
Deferred	896,966,117	866,466,463	458,347,469
Final	8,790,499	1,558,831	431,441
	₱1,216,850,858	₱1,116,632,198	₱670,959,888

The Group recognized deferred tax liability from remeasurement loss on pension recognized in OCI for the years ended December 31, 2023 and 2022 amounting to ₱1.50 million and ₱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 amounting to ₱0.19 million.

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

	2023	2022	2021
Statutory income tax rate	25.00%	25.00%	25.00%
Tax effect of:			
Nondeductible expenses	0.07	0.01	–
Income subjected to final taxes	(0.05)	(0.01)	(0.01)
Nontaxable income	(0.03)	(0.04)	(0.06)
Others	–	–	(5.83)
Effective income tax rate	24.99%	24.96%	19.11%

The components of net deferred tax liabilities as of December 31, 2023 and 2022 are as follows:

	2023	2022
Deferred tax assets on:		
Allowance for estimated credit losses	₱11,472,068	₱2,598,091
Retirement liability	2,954,577	1,282,885
Others	342,557	–
	14,769,202	3,880,976
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	2,965,739,337	2,165,536,595
Prepaid commission	272,801,155	209,640,778

(Forward)



	2023	2022
Unamortized discount on receivables	₱108,826,500	₱139,898,798
Fair value gain on repossessed inventory	149,179,629	89,035,962
Capitalized borrowing cost	20,201,933	16,973,686
Unamortized transaction cost	21,694,025	10,826,146
Lease modification on rental income	9,252,348	8,743,884
Others	-	3,529
	3,547,694,927	2,640,659,378
Net deferred tax liabilities	(₱3,532,925,725)	(₱2,636,778,402)

Corporate Recovery and Tax Incentives for Enterprises” or “CREATE” Act

The Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act introduced reforms to the corporate income tax and incentives systems and took effect on April 11, 2021.

The key changes of the CREATE law are as follows:

- Effective July 1, 2020 and for a period of 3 years, MCIT rate will lower from 2% to 1% of gross income; and
- Improperly accumulated earnings tax of 10% was repealed.

The Group did not recognize deferred tax asset on NOLCO of SLHI amounting to ₱0.06 million and ₱0.02 million in 2023 and 2022, 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.

The Group has incurred NOLCO in taxable years 2023, 2022 and 2021 which can be claimed as deduction from the regular taxable income for the next 3-5 consecutive taxable years as follows:

Year Incurred	Availment Period	NOLCO Applied Previous Year	NOLCO Applied Current Year	NOLCO Expired	NOLCO Unapplied
2023	2024-2026	₱-	₱-	₱-	₱60,368
2022	2023-2025	-	-	-	25,872
2021	2022-2026	-	-	-	79,552
2020	2021-2025	-	-	-	87,500
		₱253,292	₱-	₱-	₱253,292

As of December 31, 2023, the Group has NOLCO incurred before taxable year 2020 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	NOLCO Applied Previous Year	NOLCO Applied Current Year	NOLCO Expired	NOLCO Unapplied
2019	2020-2022	₱-	₱-	₱65,190	₱-



25. Earnings per Share

The basic earnings per share for the years ended December 31, 2023, 2022 and 2021 were computed as follows:

	2023	2022	2021
Net income	₱3,733,650,919	₱3,433,529,217	₱2,839,842,200
Weighted average number of shares outstanding	8,296,450,000	8,207,134,932	8,196,450,000
Earnings per share	₱0.45	₱0.42	₱0.35

There are no potential dilutive shares in 2023, 2022 and 2021.

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 2023 and 2022 ranges from 7.36% to 8.77% and 4.53% to 8.65% respectively. The carrying value and fair value of the receivables amounted to ₱4,534.25 million and ₱4,381.97 million, respectively, in 2023 and ₱3,048.70 million and ₱2,911.80 million, respectively, in 2022.

Financial assets at FVOCI quoted equity securities

In 2023 and 2022, the fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities

In 2023 and 2022, 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 2023 and 2022 ranges from 4.96% to 9.10%. The carrying value and fair value of the loans payable amounted to ₱15,604.44 million and ₱15,494.79 million, respectively, in 2023, and ₱13,228.00 million and ₱11,519.06 million, respectively, in 2022.



The quantitative disclosures on fair value measurement hierarchy for assets as of December 31, 2023 and 2022 follow:

	2023				
	Fair value measurements using				
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Quoted equity securities	₱509,277,060	₱509,277,060	₱509,277,060	₱-	₱-
Unquoted equity securities	217,988,854	217,988,854	-	-	217,988,854
Assets for which fair value are disclosed					
Installment contracts receivables	4,534,251,561	4,381,971,296	-	-	4,381,971,296
Investment properties	6,558,838,086	10,299,520,911	-	-	10,299,520,911
Liabilities for which fair value are disclosed					
Short-term debt	8,344,771,043	8,344,832,339	-	-	8,344,832,339
Long-term debt*	15,604,500,000	15,604,500,000	-	-	15,604,500,000

*Includes current portion of long-term debt

	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)
Assets measured at fair value					
Quoted equity securities	₱436,667,800	₱436,667,800	₱436,667,800	₱-	₱-
Unquoted equity securities	220,628,171	220,628,171	-	-	220,628,171
Assets for which fair value are disclosed					
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
Liabilities for which fair value are disclosed					
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

As at December 31, 2023, the Group's financial assets at FVOCI amounting to ₱509.98 million is carried at fair value based on Level 1 while the fair value for the investment amounting ₱217.99 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 2023 and 2022.

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, 2023 and 2022, 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, 2023		
	Gross Amount	Offsetting	Net Amount
Due from related parties	₱527,064,355	₱—	₱ 527,064,355
Due to related parties (Note 19)	—	(3,361,710)	(3,361,710)
	₱527,064,355	(₱3,361,710)	₱523,702,645

	December 31, 2022		
	Gross Amount	Offsetting	Net Amount
Due from related parties	₱623,745,541	₱—	₱623,745,541
Due to related parties	—	(3,254,988)	(3,254,988)
	₱623,745,541	(₱3,254,988)	₱ 620,490,553

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, 2023 and 2022, 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:

	2023			Total
	< 1 year	>1 to <5 years	> 5 years	
Financial assets				
Cash in banks and cash equivalents	₱2,967,772,960	₱-	₱-	₱2,967,772,960
Receivables:				
Installment contracts				
receivables:				
Subdivision land	2,036,529,219	1,137,666,018	45,767,139	3,219,962,376
Condominium units	843,283,211	452,790,669	18,215,305	1,314,289,185
Receivable from related parties	794,283,460	-	-	794,283,460
Advances to joint development				
Operations	396,161,337	-	-	396,161,337
Advances to officers and				
Employees	176,103,875	-	-	176,103,875
Commission receivable	62,376,560	-	-	62,376,560
Accrued interest receivable	712,015,171	-	-	712,015,171
Receivable from tenants	254,893,303	-	-	254,893,303
Dividend receivable	40,185,334	-	-	40,185,334
Others	25,887,971	-	-	25,887,971
Short term investment	300,000,000	-	-	300,000,000
Financial assets at FVOCI	-	-	727,265,914	727,265,914
Total financial assets	8,609,492,401	1,590,456,687	791,248,358	10,991,197,446
Contract assets	2,824,662,207	3,229,573,878	129,922,450	6,184,158,535
	₱11,434,154,608	₱4,820,030,565	₱921,170,808	₱17,175,355,981
Financial liabilities				
Accounts and other payables:				
Contractors payable	₱1,533,780,851	₱-	₱-	₱1,533,780,851
Payable to joint development				
Operators	1,641,591,418	-	-	1,641,591,418
Accounts payable	1,453,029,740	-	-	1,453,029,740
Retention payable	293,527,537	-	-	293,527,537
Payable to related parties	3,361,710	-	-	3,361,710
Advances from shareholders	14,711,492	-	-	14,711,492
Interest payable	119,196,683	-	-	119,196,683
Others	365,036,840	-	-	365,036,840
Short term and long term debts	13,417,067,302	10,422,556,880	-	23,839,624,182
Total financial liabilities	₱18,841,303,573	₱10,422,556,880	₱-	₱29,263,860,453



	2022			Total
	< 1 year	>1 to < 5 years	> 5 years	
Financial assets				
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	856,301,865	-	-	856,301,865
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	25,992,209	-	-	25,992,209
Short term investments	300,000,000	-	-	300,000,000
Financial assets at FVOCI	-	-	657,295,971	657,295,971
Total financial assets	7,768,855,437	1,126,972,131	702,632,906	9,598,460,474
Contract assets	2,112,173,482	2,895,259,509	151,463,795	5,158,896,786
	9,881,028,919	4,022,231,640	854,096,701	14,757,357,260
Financial liabilities				
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
Total financial liabilities	₱ 18,187,152,076	₱9,776,242,071	₱-	₱27,963,394,147

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:

	2023		
	Total	Vertical	Horizontal
Expected credit loss rate	0.0%	0.0%	0.0%
Estimated total gross carrying amount at default	₱11,430,425,267	₱1,522,645,998	₱9,907,779,269

	2022		
	Total	Vertical	Horizontal
Expected credit loss rate	0.0%	0.0%	0.0%
Estimated total gross carrying amount at default	₱8,822,260,719	₱1,405,922,485	₱7,416,338,234

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, 2023 and 2022.

	2023	2022
Contract assets	₱6,184,158,535	₱5,158,896,786
Installment contracts receivables:		
Subdivision land	3,219,962,376	1,983,909,690
Condominium units	1,314,289,185	1,064,790,532
Receivable from related parties	794,283,460	856,301,865
Accrued interest receivable	712,015,171	614,663,712
Receivable from tenants	254,893,303	241,410,645
Dividend receivable	40,185,334	37,930,257
Commission receivable	62,376,560	8,673,383
	₱12,582,163,924	₱9,966,576,870



Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk. As of December 31, 2023 and 2022, the aging analysis of past due but not impaired receivables presented per class, is as follows:

2023

	Neither Past Due nor Impaired					Total
	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	
Installment contracts receivables:						
Subdivision land	₱2,948,073,192	₱48,631,834	₱43,080,429	₱50,598,019	₱66,667,181	₱15,007,679
Condominium units	1,253,045,957	7,741,553	9,211,505	18,840,896	17,666,275	-
Receivable from related parties	794,283,460	-	-	-	-	794,283,460
Accrued interest receivable	712,015,171	-	-	-	-	712,015,171
Advances to joint development operations	396,161,337	-	-	-	-	396,161,337
Receivable from tenants	224,012,710	-	-	-	-	30,880,593
Advances to officers and employees	176,103,875	-	-	-	-	176,103,875
Dividend receivable	40,185,334	-	-	-	-	40,185,334
Commission receivable	62,376,560	-	-	-	-	62,376,560
Others	25,887,971	-	-	-	-	25,887,971
Total	₱6,632,145,567	₱56,373,387	₱52,291,934	₱69,438,915	₱84,333,456	₱45,888,272
						₱318,124,733

2022

	Neither Past Due nor 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	₱31,826,035	₱21,256,303	₱14,263,933	₱8,914,958	₱10,392,365
Condominium units	1,001,535,049	18,218,961	11,872,829	7,975,983	4,984,988	-
Receivable from related parties	856,301,865	-	-	-	-	856,301,865
Accrued interest receivable	614,663,712	-	-	-	-	614,663,712
Advances to joint development operations	301,064,370	-	-	-	-	301,064,370
Advances to officers and employees	241,410,645	-	-	-	-	241,410,645
Receivable from tenants	164,925,304	-	-	-	-	164,925,304
Commission receivable	37,930,257	-	-	-	-	37,930,257
Dividend receivable	8,673,383	-	-	-	-	8,673,383
Others	25,992,209	-	-	-	-	25,992,209
Total	₱5,114,593,585	₱50,044,996	₱33,129,132	₱22,239,916	₱13,899,946	₱10,392,365
						₱174,676,017



The table below shows the credit quality of the Group's financial assets as of December 31, 2023 and 2022.

	2023					2022					
	Neither Past Due Nor Impaired		Total	Past Due But Not Impaired		Total	Neither Past Due Nor Impaired		Total	Past Due But Not Impaired	
	High Grade	Medium Grade		Low Grade	High Grade		Medium Grade	Low Grade		High Grade	Medium Grade
Cash in banks and cash equivalents	₱2,967,772,960	₱-	₱2,967,772,960	₱-	₱-	₱2,967,772,960	₱-	₱-	₱2,967,772,960	₱-	₱-
Receivables:											
Installment contracts receivables:											
Subdivision land	2,948,073,192	-	2,948,073,192	-	-	2,948,073,192	-	-	2,948,073,192	-	-
Condominium units	1,253,045,957	-	1,253,045,957	-	-	1,253,045,957	-	-	1,253,045,957	-	-
Accrued interest receivable	712,015,171	-	712,015,171	-	-	712,015,171	-	-	712,015,171	-	-
Receivable from related parties	794,283,460	-	794,283,460	-	-	794,283,460	-	-	794,283,460	-	-
Advances to joint development operations	396,161,337	-	396,161,337	-	-	396,161,337	-	-	396,161,337	-	-
Advances to officers and employees	176,103,875	-	176,103,875	-	-	176,103,875	-	-	176,103,875	-	-
Receivables from tenants	224,012,710	-	224,012,710	-	-	224,012,710	-	-	224,012,710	-	-
Dividend receivable	40,185,334	-	40,185,334	-	-	40,185,334	-	-	40,185,334	-	-
Commission receivable	62,376,560	-	62,376,560	-	-	62,376,560	-	-	62,376,560	-	-
Others	25,887,971	-	25,887,971	-	-	25,887,971	-	-	25,887,971	-	-
Financial assets at FVOCI	727,265,914	-	727,265,914	-	-	727,265,914	-	-	727,265,914	-	-
Short term investments	300,000,000	-	300,000,000	-	-	300,000,000	-	-	300,000,000	-	-
	₱10,627,184,441	₱-	₱10,627,184,441	₱-	₱318,124,733	₱10,945,309,174	₱45,888,272	₱10,991,197,446	₱11,363,533,917	₱10,392,365	₱11,465,926,282
Cash in banks and cash equivalents	₱3,341,502,536	₱-	₱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	-	-	1,862,096,791	-	-	1,862,096,791	-	-
Condominium units	1,001,535,049	-	1,001,535,049	-	-	1,001,535,049	-	-	1,001,535,049	-	-
Accrued interest receivable	856,301,865	-	856,301,865	-	-	856,301,865	-	-	856,301,865	-	-
Receivable from related parties	614,663,712	-	614,663,712	-	-	614,663,712	-	-	614,663,712	-	-
Advances to joint development operations	301,064,370	-	301,064,370	-	-	301,064,370	-	-	301,064,370	-	-
Advances to officers and employees	164,925,304	-	164,925,304	-	-	164,925,304	-	-	164,925,304	-	-
Receivables from tenants	241,410,645	-	241,410,645	-	-	241,410,645	-	-	241,410,645	-	-
Commission receivable	37,930,257	-	37,930,257	-	-	37,930,257	-	-	37,930,257	-	-
Dividend receivable	8,673,383	-	8,673,383	-	-	8,673,383	-	-	8,673,383	-	-
Others	25,992,209	-	25,992,209	-	-	25,992,209	-	-	25,992,209	-	-
Financial assets at FVOCI	657,295,971	-	657,295,971	-	-	657,295,971	-	-	657,295,971	-	-
Short term investments	300,000,000	-	300,000,000	-	-	300,000,000	-	-	300,000,000	-	-
	₱9,413,392,092	₱-	₱9,413,392,092	₱-	₱174,676,017	₱9,588,068,109	₱10,392,365	₱9,691,460,474	₱10,013,033,891	₱10,392,365	₱10,405,426,256



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, 2023 and 2022 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱72.80 million and ₱65.73 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, 2023 and 2022, with all variables held constant, (through the impact on floating rate borrowings):

	Effect on income before income tax	
	Increase (decrease)	
	2023	2022
Change in basis points:		
+100 basis points	(₱198,542,133)	(₱195,858,699)
-100 basis points	198,542,133	195,858,699

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:

		2023					Total
		On Demand	1 to 3 months	3 to 12 months	1 to 5 years		
		Rate Fixing Period					
Interest terms (p.a.)							
Financial Assets							
Cash in banks and cash equivalents	Fixed at the date of investment	₱2,967,772,960	₱-	₱-	₱-	₱2,967,772,960	
Installment contracts receivables	Fixed at the date of sale	318,124,733	640,421,924	1,921,265,772	1,590,456,688	4,470,269,117	
Receivables from related parties	N/A	794,283,460	-	-	-	794,283,460	
Other	N/A	25,887,971	-	-	-	25,887,971	
Short term investments	Fixed at the date of investment	-	-	300,000,000	-	300,000,000	
Financial assets at FVOCI	N/A	-	-	-	727,965,914	727,965,914	
Total financial assets		4,106,069,124	640,421,924	2,221,265,772	2,318,422,602	9,286,179,422	
Contract assets		302,667,883	630,498,581	1,891,495,742	3,229,573,878	6,054,236,084	
Total undiscounted financial and contract assets		4,408,737,007	1,270,920,505	4,112,761,514	5,547,996,480	15,340,415,506	
Financial Liabilities							
Loans payable	Fixed at the date of loan	-	2,704,966,043	5,639,805,000	-	8,344,771,043	
Notes payable	N/A	-	2,906,968,075	2,165,328,184	10,422,556,880	15,494,853,139	
Accounts and other payables	N/A	6,122,011,034	-	-	-	6,122,011,034	
Total undiscounted financial liabilities		6,122,011,034	5,611,934,118	7,805,133,184	10,422,556,880	29,961,635,216	
Liquidity Position (Gap)		(₱1,713,274,027)	(₱4,341,013,613)	(₱3,692,371,670)	(₱4,874,560,400)	(₱14,621,219,710)	
2022							
		On Demand	1 to 3 months	3 to 12 months	1 to 5 years	Total	
		Rate Fixing Period					
Interest terms (p.a.)							
Financial Assets							
Cash in banks and cash equivalents	Fixed at the date of investment	₱3,341,502,536	₱-	₱-	₱-	₱3,341,502,536	
Installment contracts receivables	Fixed at the 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	856,301,865	-	-	-	856,301,865	
Other	N/A	25,992,209	-	-	-	25,992,209	
Short term investments	Fixed at the date of investment	-	-	300,000,000	-	300,000,000	
Financial assets at FVOCI	N/A	-	-	-	657,295,971	657,295,971	
Total financial assets		4,398,472,628	425,428,785	1,576,286,354	1,784,268,102	8,184,455,869	
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		4,730,035,170	870,581,520	2,911,744,559	4,679,527,611	13,191,888,860	
Financial Liabilities							
Loans payable	Fixed at the date of loan	-	3,796,941,042	5,775,200,000	-	9,572,141,042	
Notes payable	N/A	-	2,132,956,554	1,252,626,031	9,776,242,071	13,161,824,656	
Accounts and other payables	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	
Liquidity Position (Gap)		(₱1,376,746,642)	(₱5,059,316,076)	(₱4,116,081,472)	(₱5,096,714,460)	(₱15,648,858,650)	



28. Notes to Statements of Cash Flows

Below are the non-cash investing and financing activities for December 31, 2023 and 2022:

- a. 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 in 2022 (see Notes 7 and 15).
- b. The interest paid excludes capitalized borrowing costs and accretion of loan transaction cost. The capitalized borrowing costs in 2023, 2022, and 2021 amounted to ₱13.90 million, ₱11.90 million and ₱148.70 million, respectively. The accretion of loan transaction cost amounted to ₱24.30 million, ₱40.55 million and ₱52.95 million, for the years 2023, 2022, and 2021, respectively.
- c. Purchases of lots which remain unpaid as of December 31, 2023 and 2022 amounted ₱221.97 million and ₱554.74 million, respectively.
- d. The Group's investment properties include outstanding balances amounting to ₱12.42 million and ₱23.21 million as of December 31, 2023 and 2022, respectively.

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

	December 31, 2022	Cash flows	Non-cash changes	December 31, 2023
Payable to related parties (Note 19)	₱17,202,827	(₱13,814,117)	₱-	₱3,388,710
Short-term and long-term debt (Note 14)	22,733,965,699	1,081,357,202	24,301,281	23,839,624,182
Interest payable	97,550,970	(1,589,739,125)	1,611,384,838	119,196,683
Total liabilities from financing activities	₱22,848,719,496	(₱522,196,040)	₱1,635,686,119	₱23,962,209,575

	December 31, 2021	Cash flows	Non-cash changes	December 31, 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
Total liabilities from financing activities	₱19,436,932,316	₱2,176,661,754	₱1,235,125,426	₱22,848,719,496

Non-cash changes pertain to accretion of bond discount from short-term and long-term debt, capitalized borrowing costs to inventories and investment properties and accrual of interest expense.

29. Contingencies

Contingencies

The Group has various contingent liabilities arising in the ordinary conduct of business including cases related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. No provision for any liability has been made in the consolidated financial statements.



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

30. Events After the Reporting Date

On March 13, 2024, the Group has drawn ₱3,000.00 million from the second drawdown of the Term Loan Agreement signed last November 28, 2023 at an annual fixed rate of 8.27%. The loan matures on December 18, 2028.





Building a better
working world

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Sta. Lucia Land, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 25, 2024. 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, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-073-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10082007, January 6, 2024, Makati City

April 25, 2024



STA. LUCIA LAND, INC. AND SUBSIDIARIES
INDEX TO SUPPLEMENTARY SCHEDULES

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

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock
- Schedule H. Bond Issuances – Securities Offered to the Public

STA. LUCIA LAND, INC.

**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Total Unappropriated Retained Earnings - January 1, 2023	₱8,953,823,191
Less:	
Treasury shares	(1,600,000,000)
Income closed to retained earnings and other reconciling items	
TOTAL RETAINED EARNINGS, AVAILABLE FOR DIVIDEND DECLARATION, BEGINNING	7,353,823,191
Net income actually earned/realized during the period:	
Net income during the period closed to retained earnings	3,733,650,919
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	(136,483,346)
- Lease modification	-
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	3,597,167,573
Add (Less):	
Dividend declarations during the period	(331,858,000)
Appropriations of retained earnings during the period	-
Reversals of appropriations	-
Effects of prior period adjustments	-
Treasury shares - see beginning reconciliation	-
TOTAL RETAINED EARNINGS, AVAILABLE FOR DIVIDEND DECLARATION, ENDING	₱10,619,132,764

STA. LUCIA LAND, INC. AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE
COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-
SUBSIDIARIES
DECEMBER 31, 2023



SCHEDULE A

STA. LUCIA LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED DECEMBER 31, 2023

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, 2023:

Name of Issuing entity and association of each issue	Number of Shares	Amount Shown in the Statement of Financial Position
Financial Assets at Fair Value through Other Comprehensive Income (OCI)		
Quoted:		
Philippine Racing Club, Inc.	70,786,759	452,327,390
Manila Jockey Club, Inc.	29,894,840	56,949,670
Unquoted:		
Uni-Asia Properties, Inc.	8,812,489	217,988,854
	109,494,088	₱727,265,914

The basis in determining the value of quoted equity securities is the market quotation on December 31, 2023 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, 2023**

Below is the schedule of advances to employees of the Group with balances above ₱100,000 as of December 31, 2023:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Exequiel D. Robles	₱23,974,881	₱2,260,000	₱-	₱26,234,881
Vicente R. Santos	22,345,588	1,560,000	-	23,905,588
Kristine May Robles	8,169,984	2,889,665	(1,328,056)	9,731,593
Aurora D. Robles	6,725,000	780,000	-	7,505,000
Antonio Robles	6,665,000	780,000	-	7,445,000
Orestes R. Santos	5,798,718	780,000	(86,400)	6,492,318
Mariza Santos Tan	5,326,618	780,000	(40,000)	6,066,618
Paul Michael Robles	3,569,499	883,550	-	4,453,049
Maria Rosario Santos	2,000,000	165,000	(30,000)	2,135,000
Michelle Robles	1,838,406	96,500	(172,992)	1,761,914
David M. Dela Cruz	112,166	1,347,900	(37,600)	1,422,466
Mardon Santos	1,043,851	-	-	1,043,851
Pampolina Jeremiah	429,393	5,800	(53,800)	381,393
	₱87,999,104	₱12,328,415	(₱1,748,848)	₱98,578,671

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, 2023

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of December 31, 2023:

	Nature	Volume of Transactions	Receivable (Payable)	Terms
Sta. Lucia Homes, Inc. (SLHI)	Advances	₱60,368	₱3,760,600	Non-interest bearing and to be settled within one year
Santalucia Ventures Inc. (SVI)	Advances	(44,465,499)	(55,754)	Non-interest bearing and to be settled within one year

	Balance at beginning of year	Additions	Collections	Balance at end of year
SLHI	(₱3,820,968)	₱60,368	₱-	(₱3,760,600)
SVI	44,465,499	(55,754)	(44,465,499)	(55,754)
	₱40,644,531	₱4,614	(₱44,465,499)	(₱3,816,354)

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, 2023:

	Relationship	Nature	Balance at end of year
Sta. Lucia Realty and Development, Inc. (SLRDI)	Ultimate Parent Company	a, b, c, d, e, f, g	₱636,643,119
Sta. Lucia East Commercial Corporation (SLECC)	Affiliate	h	39,579,368
Various mall tenants	Affiliate	h	118,010,004
Others	Affiliates	a, i	175,403,875
			₱969,636,366

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, 2023.

SCHEDULE D

STA. LUCIA LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2023

The Group has long term loans amounting to ₱15,604.50 million as of December 31, 2023.

STA. LUCIA LAND, INC. AND SUBSIDIARIES

**SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2023**

In September 2023, the Group availed loan from SLRDI amounting ₱300.00 million with 6% annual interest rates. 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 ₱1,800.00 million and ₱1,500.00 million as of December 31, 2023 and 2022, respectively.

STA. LUCIA LAND, INC. AND SUBSIDIARIES

**SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF
OTHER ISSUERS
DECEMBER 31, 2023**

The Group does not have guarantees of securities of other issuers as of December 31, 2022.

STA. LUCIA LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
DECEMBER 31, 2023

Schedule E. Capital Stock

<u>Title of issue</u>	<u>Number of shares authorized</u>	<u>Number of shares issued and outstanding as shown under related balance sheet caption</u>	<u>Number of shares reserved for options, warrants, conversion and other rights</u>	<u>Number of shares held by related parties</u>	<u>Directors, Officers and Employees</u>	<u>Others</u>
Common Shares	16,000,000,000	8,296,450,000	–	6,701,005,767	1,890,997	1,593,553,236

STA. LUCIA LAND, INC. AND SUBSIDIARIES

**SUPPLEMENTARY SCHEDULE OF BOND ISSUANCES - SECURITIES
OFFERED TO THE PUBLIC
DECEMBER 31, 2023**

This schedule is not applicable as there are no bond offering as of December 31, 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, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 25, 2024. 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, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 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, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-073-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10082007, January 6, 2024, Makati City

April 25, 2024



STA. LUCIA LAND, INC. AND SUBSIDIARIES**COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS****DECEMBER 31, 2023**

Ratio	Formula	Current Year	Prior Year
Current ratio	Current assets / Current liabilities	2:29:1	2:13:1
Debt to equity ratio	Total debt / Stockholders equity	0.90:1	0.99:1
Debt to total assets ratio	Total liabilities / Total assets	0.57:1	0.60:1
Return on average assets	Net income attributable to Parent Company / Average assets	6.26%	6.28%
Book value per share	Stockholders' equity / Total number of shares	₱3.20	₱2.78
Earnings per share	Net income / Total number of shares	₱0.45	₱0.42
Debt service coverage ratio	EBITDA / Debt service	4.22:1	5.42:1



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of STA. LUCIA LAND, INC. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2023 and December 31, 2022, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the 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 Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

VICENTE R. SANTOS
Chairman of the Board

EXEQUIEL D. ROBLES
President & Chief Executive Officer

DAVID M. DELA CRUZ
EVP Chief Financial Officer

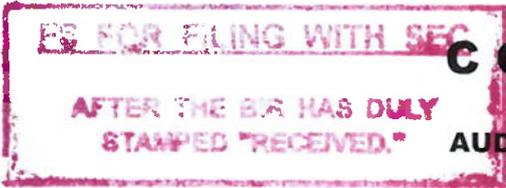
MANDALUYONG CITY 25 APR 2024

SUBSCRIBE AND SWORN to before me this _____ day of _____ 2024,
affiant exhibiting to me their government issued IDs, to wit:

Table with 3 columns: Name, Government I.D., Date/Place Issued. Rows include Vicente R. Santos, Exequiel D. Robles, and David M. Dela Cruz.

Doc. No. 335
Page 66
Book No. L474
Series of 2024

JERRY B. DELA CRUZ
Notary Public for Mandaluyong City
Until 31 December 2024
Appointment No. 9257-23
Reg. No. 47016
IBP No. 42233-01.15.2024/RSM
PTR No. 54196-09/01.03.2024/Mandaluyong
MCLE Compliance No. VII-0026912/02.06.2023
G/F State Center Bldg 4900
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 .

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

info@stalucialand.com.ph

Company's Telephone Number

682-7711

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.

NOTE 2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying parent company financial statements of Sta. Lucia Land, Inc. (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2023 and 2022, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

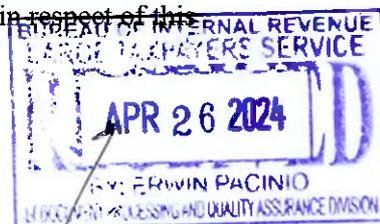
In our opinion, the accompanying parent company financial statements as at December 31, 2023 and 2022 and for the years then ended are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs) as modified by the application of the financial reporting reliefs issues and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the parent company financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the parent company financial statements which indicates that the parent company financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the parent company financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.



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

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

In preparing the parent company financial statements, management is responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.

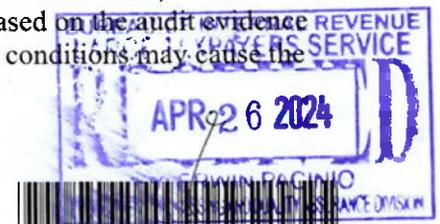
Those charged with governance are responsible for overseeing the Parent Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC as described in Note 2 to the parent company financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

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

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 34 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Robinsons Land Inc. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole. 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, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-073-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10082007, January 6, 2024, Makati City

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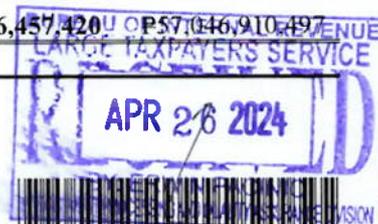


STA. LUCIA LAND, INC.

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 28)	₱2,913,488,922	₱3,325,501,201
Receivables (Notes 6, 20 and 28)	5,134,255,199	4,025,231,618
Contract assets (Notes 4 and 6)	2,670,019,884	2,063,564,122
Real estate inventories (Note 7)	34,865,859,862	31,650,084,686
Other current assets (Note 8)	2,444,539,561	3,656,677,532
Total Current Assets	48,028,163,428	44,721,059,159
Noncurrent Assets		
Installment contracts receivables - net of current portion (Notes 6 and 28)	1,600,185,077	1,172,309,066
Contract assets - net of current portion (Notes 4 and 6)	3,359,496,329	3,046,723,304
Investments in subsidiaries (Note 10)	6,312,500	6,312,500
Investments properties (Note 11)	6,558,838,086	6,330,337,713
Property and equipment (Note 12)	62,052,029	55,982,955
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 9 and 28)	727,265,913	657,295,971
Other noncurrent assets (Note 8)	874,144,058	1,056,889,829
Total Noncurrent Assets	13,188,293,992	12,325,851,338
	₱61,216,457,420	₱57,046,910,497
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 13, 20 and 28)	₱5,897,638,584	₱6,118,454,573
Short-term debt (Notes 15 and 28)	8,344,771,043	9,572,141,043
Contract liabilities - current portion (Notes 4, 6 and 14)	1,517,596,096	1,966,135,481
Long-term debt - current portion (Notes 15 and 28)	5,072,296,259	3,385,582,585
Income tax payable	99,943,768	94,372,446
Total Current Liabilities	20,932,245,750	21,136,686,128
Noncurrent Liabilities		
Long-term debt (Notes 15 and 28)	10,422,556,880	9,776,242,071
Contract liabilities - net of current portion (Notes 4, 6 and 14)	257,078,455	818,162,954
Deferred tax liabilities - net (Note 25)	3,532,925,725	2,636,778,402
Retirement liabilities (Note 21)	15,302,289	9,552,922
Total Noncurrent Liabilities	14,227,863,349	13,240,736,349
Total Liabilities	35,160,109,099	34,377,422,477
Equity		
Capital stock (Note 16)	10,796,450,000	10,796,450,000
Additional paid-in capital	580,004,284	580,004,284
Retained earnings (Note 16)	16,010,315,787	12,691,672,097
Treasury shares (Note 16)	(1,600,000,000)	(1,600,000,000)
Net unrealized gains on fair value of financial assets at FVOCI (Note 9)	270,510,165	200,540,223
Remeasurement gain (loss) on pension plan - net of tax (Note 21)	(931,915)	821,416
Total Equity	26,056,348,321	22,669,488,020
	₱61,216,457,420	₱57,046,910,497

See accompanying Notes to Parent Company Financial Statements.

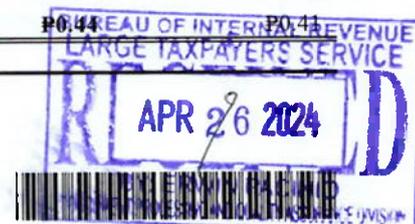


STA. LUCIA LAND, INC.

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2023	2022
REVENUE		
Real estate sales (Notes 3, 4, 22 and 23)	₱8,453,844,312	₱7,789,770,885
Rental income (Notes 11, 20, 23 and 24)	762,501,539	771,276,745
Interest income on receivables and contract assets (Note 17)	732,744,600	573,312,286
Commission income	13,012,829	16,107,072
Other revenue (Note 17)	1,174,367,099	634,481,406
	11,136,470,379	9,784,948,394
OTHER INCOME		
Interest income on cash in banks and investments (Notes 5, 8 and 17)	44,991,645	8,862,882
Dividend income (Note 9)	5,662,941	7,157,683
	50,654,586	16,020,565
	11,187,124,965	9,800,968,959
COSTS OF SALES AND SERVICES		
Cost of real estate sales (Notes 7, 22 and 23)	2,405,791,073	1,946,427,701
Cost of rental income (Notes 11, 18 and 23)	599,035,910	600,515,213
	3,004,826,983	2,546,942,914
SELLING AND ADMINISTRATIVE EXPENSES		
Commissions	1,013,577,842	918,358,568
Taxes, licenses and fees	204,334,352	164,848,874
Repairs and maintenance	125,067,341	115,638,897
Salaries, wages and other benefits (Notes 20 and 21)	87,281,983	101,471,485
Transportation, travel, office supplies and miscellaneous	57,624,526	42,978,497
Representation	55,453,617	75,492,112
Advertising	33,989,586	60,256,217
Surcharges and Penalties	30,038,121	17,635,344
Utilities	20,699,629	17,486,986
Depreciation and amortization (Note 12)	19,627,751	16,278,137
Professional Fees	16,766,756	20,644,779
Legal Expense	11,849,942	18,861,348
Insurance expense	5,136,149	6,079,106
Software maintenance	705,357	2,554,107
Provision for (Recovery from) expected credit loss (Note 6)	35,495,908	(16,005,344)
	1,717,648,860	1,562,579,113
INTEREST EXPENSE (Notes 15 and 19)	1,597,296,574	1,218,773,701
INCOME BEFORE INCOME TAX	4,867,352,548	4,472,673,231
PROVISION FOR INCOME TAX (Note 25)	1,216,850,858	1,116,632,198
NET INCOME	3,650,501,690	3,356,041,033
OTHER COMPREHENSIVE LOSS		
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		
Unrealized losses on fair value of financial assets at FVOCI (Note 9)	69,969,942	(25,320,292)
Remeasurement gains on pension plan - net of tax (Note 21)	(1,753,331)	96,739
	68,216,611	(25,223,553)
TOTAL COMPREHENSIVE INCOME	₱3,718,718,301	₱3,330,817,480
Basic/Diluted Earnings Per Share (Note 26)		

See accompanying Notes to Parent Company Financial Statements.



STA. LUCIA LAND, INC.

**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Retained Earnings (Note 16)	Treasury Shares (Note 16)	Net Unrealized Gains (Losses) on Fair Value of Financial Assets at FVOCI (Note 9)	Remeasurement Gain (Loss) on Pension Plan - net of tax (Note 21)	Total
For the Year Ended December 31, 2023							
Balances as of January 1, 2023	₱10,796,450,000	₱580,004,284	₱12,691,672,097	(₱1,600,000,000)	₱200,540,223	₱821,416	₱22,669,488,020
Comprehensive income (loss)							
Net income	-	-	3,650,501,690	-	-	-	3,650,501,690
Other comprehensive income (loss)	-	-	-	-	69,969,942	(1,753,331)	68,216,611
Total comprehensive income (loss)	-	-	3,650,501,690	-	69,969,942	(1,753,331)	3,718,718,301
Dividends declared (Note 16)	-	-	(331,858,000)	-	-	-	(331,858,000)
Balances as of December 31, 2023	₱10,796,450,000	₱580,004,284	₱16,010,315,787	(₱1,600,000,000)	₱270,510,165	(₱931,915)	₱26,056,348,321
For the Year Ended December 31, 2022							
Balances as of January 1, 2022	₱10,796,450,000	₱330,004,284	₱9,667,489,064	(₱1,640,000,000)	₱225,860,515	₱724,677	₱19,380,528,540
Comprehensive income (loss)							
Net income	-	-	3,356,041,033	-	-	-	3,356,041,033
Other comprehensive income (loss)	-	-	-	-	(25,320,292)	96,739	(25,223,553)
Total comprehensive income (loss)	-	-	3,356,041,033	-	(25,320,292)	96,739	3,330,817,480
Reissuance of treasury shares	-	250,000,000	-	40,000,000	-	-	290,000,000
Dividends declared (Note 16)	-	-	(331,858,000)	-	-	-	(331,858,000)
Balances as of December 31, 2022	₱10,796,450,000	₱580,004,284	₱12,691,672,097	(₱1,600,000,000)	₱200,540,223	₱821,416	₱22,669,488,020

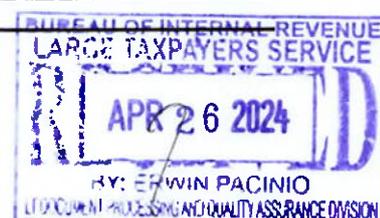
See accompanying Notes to Parent Company Financial Statement.



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

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱4,867,352,548	₱4,472,673,231
Adjustments for:		
Interest expense (Notes 15 and 19)	1,597,296,574	1,218,773,701
Depreciation and amortization (Notes 11, 12 and 18)	155,677,575	153,658,736
Retirement expense (Note 21)	3,411,592	12,758,697
Dividend income (Note 9)	(5,662,941)	(7,157,683)
Gain on repossession of inventories (Notes 7 and 17)	(386,378,317)	(261,047,824)
Interest income (Notes 5, 6 and 17)	(777,736,245)	(582,175,168)
Operating income before changes in working capital	5,453,960,786	5,007,483,690
Changes in working capital:		
Decrease (increase) in:		
Receivables (Notes 6, 28 and 29)	(1,437,293,058)	(291,822,132)
Contract assets (Notes 4 and 6)	(919,228,787)	(1,035,279,784)
Real estate inventories (Notes 7 and 29)	(2,607,427,468)	(3,008,101,210)
Other current assets (Notes 8 and 29)	1,212,137,971	1,232,629,419
Increase (decrease) in:		
Accounts and other payables (Notes 13 and 29)	(539,855,806)	(680,120,705)
Contract liabilities (Notes 4 and 6)	(1,009,623,884)	(1,032,183,052)
Net cash generated from (used in) operations	152,669,754	192,606,226
Interest received	680,384,786	632,001,216
Income taxes paid	(314,547,768)	(254,365,751)
Contribution to plan asset (Note 21)	-	(2,000,000)
Net cash provided by (used in) operating activities	518,506,772	568,241,691
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Investment properties (Notes 11, and 29)	(338,059,849)	(598,902,242)
Property and equipment (Note 12)	(25,866,374)	(36,583,014)
Increase in short-term investment (Note 8)	-	(300,000,000)
Decrease (increase) in other noncurrent assets	182,745,771	(337,600,301)
Dividend received	3,407,864	7,157,683
Net cash used in investing activities	(177,772,588)	(1,265,927,874)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans, net of transaction costs (Note 15)	20,260,458,483	21,768,848,000
Payment of interest (including capitalized borrowing costs)	(1,589,553,756)	(1,178,223,345)
Payment of loans (Note 15)	(19,154,800,000)	(18,427,727,511)
Reissuance of treasury shares (Note 16)	-	290,000,000
Dividend paid	(268,851,190)	(331,858,000)
Net cash provided by (used in) financing activities	(752,746,463)	2,121,039,144
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(412,012,279)	1,423,352,961
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,325,501,201	1902,148,240
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱2,913,488,922	₱3,325,501,201

See accompanying Notes to Parent Company Financial Statements.



STA. LUCIA LAND, INC.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Sta. Lucia Land, Inc. (SLLI or the Parent Company) is a publicly-listed company incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on December 6, 1966 under the name Zipporah Mining and Industrial Corporation. On August 14, 1996, the Parent Company's Articles of Incorporation was amended.

Under the amendment, it changed the corporate name to Zipporah Realty Holdings, Inc. and it transferred the original primary purpose to secondary purpose from being a mining firm to a real estate company with the amended primary purpose of which is to acquire by purchase, lease, and to own, use and develop and hold for investment and/or disposal, real estate of all kinds together with their appurtenances.

On July 16, 2007, the Parent Company changed its corporate name from Zipporah Realty Holdings, Inc. to Sta. Lucia Land, Inc.

Prior to expiration of its corporate life, the Parent Company filed for a new 50-year corporate life which was approved by the SEC on June 16, 2016. The corporate life of the Parent Company expired on December 5, 2016. The approved new 50-year corporate life is until December 5, 2066.

The registered office address and principal place of business of the Parent Company is at Penthouse Bldg. 3, Sta. Lucia Mall, Marcos Highway cor. Imelda Avenue, Cainta, Rizal.

The Parent Company is 80.77% owned by Sta. Lucia Realty and Development Inc. (SLRDI or the Ultimate Parent Company).

Approval of Parent Company Financial Statements

The parent company financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 25, 2024.

2. Basis of Preparation and Other Significant Accounting Policies

Basis of Preparation

The financial statements of the Parent Company have been prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The parent company financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency and all values are rounded to the nearest Philippine peso except when otherwise indicated.

The parent company financial statements provide comparative information in respect of the previous period and have been prepared under going concern assumptions.

Statement of Compliance

The financial statements of the Parent Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (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.

Adoption of New and Amended Accounting Standards and Interpretation

The accounting policies adopted in the preparation of the Parent Company's financial statements are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS and PAS which became effective beginning January 1, 2023. The Parent company 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.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- 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.



As a result of the adoption, discussions about new standards and amendments adopted but without effect on the 2023 parent company financial statements or any prior period and those that are forthcoming that do not have, or not expected to have significant or material impact to the Parent Company have been simplified.

Future Changes in Accounting Policy

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

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025

- PFRS 17, *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*
- *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, 2024
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, 2024

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.



- d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021.

The Parent Company availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Parent Company assessed that the impact would have been as follows:

Assessing if the transaction price includes a significant financing component

The mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied using full retrospective approach or modified retrospective approach. The Parent Company elected to adopt the PIC Q&A using the modified retrospective approach. Under this approach, the cumulative effect of initially applying the PIC Q&A is recognized at the date of the initial application as an adjustment to the opening balance of retained earnings therefore the comparative information will not be restated.

As of December 31, 2023, the Parent Company assessed that the adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings. These would have impacted the cash flows from operations and cash flows from financing activities for all years presented. The Parent is finalizing the quantitative impact of the adoption of PIC Q&A No. 2018-12.

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

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 Parent Company financial statements.

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Parent Company.

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



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

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

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

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

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

For purposes of fair value disclosures, the Parent Company has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy.

Financial Instruments

Date of recognition

The Parent Company recognizes financial assets and liabilities in the parent company statement of financial position when, and only when, the Parent Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Financial assets

Initial recognition of financial instruments

Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost and at FVOCI.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient, the Parent Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers (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 Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Parent Company commits to purchase or sell the asset.

As of December 31, 2023 and 2022, the Parent Company's financial assets comprise of financial assets at amortized cost and financial assets at FVOCI.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at 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 Parent Company's business model whose objective is to hold assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as interest income in the parent Company statement of comprehensive income.

The Parent Company classified cash and cash equivalents, installment contracts receivables and other receivables, 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 Parent Company's installment contracts receivable are interest bearing and with payment terms ranging from 5 to 15 years.

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the Parent Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the Parent Company statement of comprehensive income when the right of payment has been established, except when the Parent Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.



The Parent Company's financial assets at FVOCI includes investments in quoted and unquoted equity instruments (see Note 9).

Dividends earned on holding these equity instruments are recognized in the Parent Company statement of comprehensive income when the Parent Company's right to receive the dividends is established in accordance with PFRS 15, unless the dividends clearly represent recovery of a part of the cost of the investment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Parent Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Parent Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Parent Company could be required to repay.

Impairment of Financial Assets

The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For installment contracts receivables and contract assets, the Parent company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Parent Company has established a vintage analysis for installment contracts receivables and contract assets that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For



those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Parent Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Parent Company's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Parent Company uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the parent company determines the ratings by reference to a comparable bank.

The Parent Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Determining the stage for impairment

At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Parent Company considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Write-off of financial assets

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows (e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the Parent Company has effectively exhausted all collection efforts).

Financial liabilities

Initial recognition and measurement

As of December 31, 2023 and 2022, the Parent Company's financial liabilities are classified and consist of accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.

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.



Subsequent measurement

The financial liabilities of the Parent Company consist of accounts and other payables, short term and long term debt which are measured as follows:

Loans and borrowings

This category generally applies to the Parent Company's accounts and other payables (excluding statutory liabilities), short-term debt and long-term debt.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the parent company statement of comprehensive income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the parent company statement of comprehensive income.

Real Estate Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation or will be occupied by the Parent Company, is held as inventory and is measured at the lower of cost and net realizable value (NRV). In few cases of buyer defaults, the Parent Company can repossess the properties and held it for sale in the ordinary course of business at the prevailing market price. The repossessed properties are included in the "Real estate inventories" account in the parent company statement of financial position. Any gain or loss arising from the fair valuation of the repossessed properties are included in the "Others" account presented under revenue under the 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.

The cost of inventory recognized in the 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 statement of comprehensive income.

Transfers are made from real estate inventories to investment properties or owner-occupied properties when the intent to sell in the ordinary course of business has permanently changed, as evidenced by commencement of an operating lease to another party or owner occupation. Transfers between investment properties, owner-occupied property and real estate inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Prepaid Expenses

Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, and insurance.

With the exception of commission, which is amortized using percentage of completion, other prepaid expenses are amortized as incurred.

Refundable Deposits

Refundable deposits are measured initially at fair value. After initial recognition, refundable deposits are subsequently measured at amortized cost using the effective interest method.

The difference between the cash received and its fair value is deferred and amortized using the straight-line method under the "Real estate sales" account in the parent company statement of comprehensive income.

Non-refundable deposits that are applicable against costs of services incurred or goods delivered are measured at fair value.

Investment Properties

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

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

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

Depreciation of investment properties is computed using the straight-line method over the estimated useful lives of the assets and included under "Costs of Rental Income" in the 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

The Parent Company discloses the fair values of its investment properties in accordance with PAS 40. The Parent Company engages independent valuation specialist to assess the fair values as of December 31, 2020.

The Parent Company's investment properties consist of land and building pertaining to properties, mall and office properties. These were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Property and Equipment

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

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

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

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

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

Fully depreciated and amortized property and equipment are retained in the accounts until they are no longer in use. No further depreciation and amortization are charged against current operations.

Interests in Joint Development Projects

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



Contribution of the Parent Company to the joint operations are included in real estate inventories.

Impairment of Nonfinancial Assets

This accounting policy relates to the other assets, inventories, interests in joint development projects, investment properties and property and equipment.

The Parent Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the parent company statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of comprehensive income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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 parent company statement of financial position. It is also recognized when the cash received from customers is greater than the receivable from customers under percentage of completion. Subsequently, customers' deposits are applied against receivable from customers as a result of the recognition of sales through completion of the project.



Pension

The Parent Company has a funded, noncontributory defined benefit pension plan covering substantially all of its qualified employees. The Parent Company's pension liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Defined benefit costs comprise the following:

- (a) service cost;
- (b) net interest on the net defined benefit liability or asset; and
- (c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Parent Company, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Equity

The Parent Company records capital stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are deducted from proceeds and charged to "Additional Paid-in Capital" (APIC) account. If APIC is not sufficient, the excess is charged against retained earnings.

Retained earnings represent accumulated earnings of the Parent Company less dividends declared. The individual accumulated retained earnings of the subsidiaries are available for dividend



declaration when they are declared by the subsidiaries as approved by their respective BOD.

Treasury Shares

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

Retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

Revenue from Contract with Customers

The Parent Company primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services. The Parent Company has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its mall retail spaces and office leasing activities, wherein it is acting as agent.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales

The Parent Company derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Parent Company's performance does not create an asset with an alternative use and the Parent Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Parent Company uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Parent Company's project development engineers and project managers. This is based on the monthly project accomplishment report prepared by the management's project development engineers as approved by the project managers which integrates the surveys of performance as of quarter end of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

The Parent Company 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 Parent Company'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 statements of financial position.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contracts receivables, under trade receivables, is included in the “contract asset” account in the asset section of the statement of financial position.

Any excess of collections over the total of recognized installment contracts receivables is included in the “contract liabilities” account in the liabilities section of the parent company statement of financial position.

In case of sales cancellation due to the default of the buyers, the Parent Company derecognizes the outstanding balance of contract asset or installment contracts receivable and recognize the repossessed property at fair value less cost to repossess, with any difference taken to profit or loss.

Cost of real estate sales

The Parent Company recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs 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 Parent Company recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Costs to obtain contract (Commission expense)

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Parent Company expects to recover them. The Parent Company has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Selling and administrative expense” account in the statement of comprehensive income.

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



Contract Balances

Installment contracts receivables

Installment contracts receivables represent the Parent Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset 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 Parent Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. 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 Parent Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Parent Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Parent Company performs under the contract.

The contract liabilities also include payments received by the Parent Company from the customers for which revenue recognition has not yet commenced.

The impact of the significant financing component on the transaction price has not been considered since the Parent Company 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 Parent Company firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Parent Company applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable. The Parent Company's contract fulfillment assets pertain to land acquisition costs.

Amortization, de-recognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract

The Parent Company amortizes contract fulfillment assets and capitalized costs to obtain a contract over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization of contract fulfillment assets and cost to obtain a contract is included within "Cost of real estate sales" and "Selling and administrative expense", respectively.



A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Parent Company determines whether there is an indication that the contract fulfillment asset or capitalized cost to obtain a contract maybe impaired. If such indication exists, the Parent Company makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Parent Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Parent Company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Other Revenue and Income Recognition

Rental income

Rental income arising from operating leases on investment properties is recognized in the parent company statement of comprehensive income as follows:

- Based on certain percentage of net income of operator after adjustments on shared expenses, as provided in the terms of the contract.
- Based on a straight-line basis over the term of the lease plus a certain percentage of sales of the tenants, as provided under the terms of the contract.

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 Parent Company's right to receive the payment is established.

Others

Other income is derived from processing the registration of properties of buyers, collection from surcharges and penalties for late payments which are recognized when services are rendered and gain from fair valuation on repossess inventories.

Other income also includes profit share in hotel operations which is derived from the Parent Company's share in service income, net of operating expenses, from units in a specific property development which is being operated as a hotel by a third party. Income is recognized when earned.



Costs and Expenses

Costs and expenses are recognized in the parent company statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the parent company statement of comprehensive income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the parent company statement of financial position as an asset.

Cost of real estate sales

Cost of real estate sales includes all direct materials, labor costs and incidental costs related to the construction of housing units.

Cost of rental income

Cost of rental income is mostly coming from depreciation, utilities and management fees. These are recognized as cost when incurred, except for depreciation which is recognized on a straight-line basis.

Cost of hotel operations

Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Selling and administrative expenses

“Selling and administrative expenses” are expenses that are incurred in the course of the ordinary operations of the Parent Company. These usually take the form of an outflow or depletion of assets such as cash and cash equivalents, property and equipment and investment properties. Selling and administrative expenses are costs incurred to sell real estate inventories, which include commissions, advertising and promotions, among others and costs of administering the business.

Expenses are recognized in the parent company statement of comprehensive income as incurred based on the amounts paid or payable.

The interest capitalized is calculated using the Parent Company’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.



Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate for those coming from general borrowings and the actual borrowing costs eligible for capitalization for funds borrowed specifically.

Leases

The Parent Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Parent Company as lessee - Short-term leases

The Parent Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Parent Company as a lessor

Leases in which the Parent Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease modification

Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease e.g., addition or termination of the right to use one or more underlying assets, or the extension or shortening of the contractual lease term. In case of a lease modification, the lessor shall account for any such modification by recognizing a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease and the remaining lease payments will be recognized as income on a straight-line basis over the remaining lease term.

In case of change in lease payments for an operating lease that does not meet the definition of a lease modification, the lessor shall account for any such change as a negative variable lease payment and recognize lower lease income.

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.



Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating losses carryover (NOLCO), to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carry forward benefits of unused tax credits from excess MCIT over RCIT credits and unexpired NOLCO can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Movements in the deferred tax assets and liabilities arising from changes in tax rates are credited to or charged against income for the period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Basic and Diluted Earnings Per Share

Basic EPS is computed by dividing net income applicable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period.

Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options and dilutive convertible preferred shares. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted would decrease the basic EPS, and then such convertible preferred shares would be deemed dilutive.

Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount. As of December 31, 2023 and 2022, the Parent Company has no potential diluted common shares.

Segment Reporting

The Parent Company's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 23 to the parent company financial statements.



Provisions

Provisions are recognized when the Parent Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Parent Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the parent company financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Date

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

3. Significant Accounting Judgments and Estimates

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

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Parent Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements:

Real estate revenue recognition

Existence of a contract

The Parent Company's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation application, buyer's ledger and official receipts evidencing collections from buyer, would contain all the criteria to qualify as a contract with the customer under PFRS 15.



In addition, part of the assessment process of the Parent Company before revenue recognition is to assess the probability that the Parent Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Parent Company considers the significance of the buyer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as past history with buyers, age of installment contracts receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

Revenue recognition method and measure of progress

The Parent Company concluded that revenue for real estate sales is to be recognized over time because (a) the Parent Company's performance does not create an asset with an alternative use and; (b) the Parent Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Parent Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Parent Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Parent Company. The Parent Company considers that the initial and continuing investments by the buyer of about 20% would demonstrate the buyer's commitment to pay.

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

Definition of default and credit-impaired financial assets

The Parent Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria - for installment contracts receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria

The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

- a. The customer is experiencing financial difficulty or is insolvent
- b. The customer is in breach of financial covenant(s)
- c. An active market for that financial asset has disappeared because of financial difficulties
- d. Concessions have been granted by the Parent Company, for economic or contractual reasons relating to the customer's financial difficulty
- e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Parent Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Parent Company's ECL calculation.



Incorporation of forward-looking information

The Parent Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Parent Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Parent Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Parent Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Parent Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Parent Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Parent Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Operating lease commitments – Parent Company as lessor

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

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

Recognizing deferred tax assets

The Parent Company reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Parent Company will generate sufficient future taxable profit to allow all or part of deferred tax assets to be utilized. The Parent Company looks at its projected performance in assessing the sufficiency of future taxable income.

Principal versus agent considerations

The contract for the commercial spaces leased out by the Parent Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Parent Company determined that it is acting as an agent because the promise of the Parent Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the real estate developer, are primary responsible for the provisioning of the utilities while the Parent Company, administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities. The Parent Company does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.



For the provision of CUSA and air conditioning, the Parent Company acts as a principal because it retains the right to direct the service provider of air conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Parent Company has the discretion on how to price the CUSA and air conditioning charges.

For the years ended December 31, 2023 and 2022, the Parent Company reported the gross amounts of CUSA and air-conditioning amounting to ₱74.83 million and ₱66.80 million, respectively, as “Rental income” in the statements of comprehensive income. The CUSA related cost is recognized in the cost of rental in the statements of comprehensive income.

Management’s Use of Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition and measure of progress for real estate sales

The Parent Company’s revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Parent Company concluded that revenue from real estate sales is to be recognized over time using the output method. The Parent Company’s revenue from real estate sales recognized is based on physical proportion of work done on the real estate project which requires technical determination by the Parent Company’s project development engineers and project managers. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by project development engineers.

Following the pattern of real estate revenue recognition, the cost to obtain a contract (e.g. commission), is determined using the POC.

Real estate sales amounted to ₱8,453.84 million, ₱7,789.77 million for the years ended December 31, 2023 and 2022, respectively (see Note 4).

Evaluation of impairment of receivables and contract assets

The Parent Company uses a provision matrix to calculate ECLs for trade receivables other than installment contracts receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Parent Company’s historical observed default rates. The Parent Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Parent Company uses vintage analysis approach to calculate ECLs for installment contracts receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (e.g., foreign exchange growth rate and bank lending rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic



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

The Parent Company has considered impairment indicators 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, if any, during the year did not materially affect the Parent Company's allowance for ECLs.

The information about the ECLs on the Parent Company's installment contracts receivables and contract assets is disclosed in Note 6.

The carrying values of installment contracts receivables and contract assets amounted to ₱4,534.25 million and ₱6,029.52 million, respectively, as of December 31, 2023 and ₱3,048.70 million and ₱5,110.29 million, respectively, as of December 31, 2022 (see Notes 4 and 6).

The Parent Company recognized provision for expected credit losses on trade receivables amounting to ₱35.50 million and ₱8.14 million in 2023 and 2021, respectively, presented under selling and administrative expenses and recognized gain from recovery of allowance for credit losses on trade receivables amounting to ₱16.01 million in 2022.

Evaluation of net realizable value of inventories

Inventories are valued at the lower of cost and NRV. This requires the Parent Company to make an estimate of the inventories' selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. The Parent Company adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether those inventories are slow or non-moving or if their selling prices have declined in comparison to the cost. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In 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 2023 and 2022.

Evaluation of impairment of other nonfinancial assets (except inventories)

The Parent Company reviews other assets, investment properties and property and equipment for impairment in value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, plans in the real estate projects, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's fair value less costs to sell, except for assets where value in use computation is applied.

The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs (see Notes 8, 11 and 12).



The carrying values of the Parent Company's nonfinancial assets as of December 31, 2023 and 2022 are disclosed below.

	2023	2022
Investment properties (Note 11)	₱6,558,838,086	₱6,330,337,713
Property and equipment (Note 12)	62,052,029	55,982,955
Other current assets* (Note 8)	2,144,539,561	3,356,677,532
Other noncurrent assets**(Note 8)	420,395,916	656,729,454
	₱9,185,825,592	₱10,399,727,654

*Excluding short-term investment

**Excluding deposits in escrow and refundable security deposits.

Estimating pension liabilities and other retirement benefits

The determination of the Parent Company's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 21 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Parent Company Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Parent Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect pension obligations. Refer to Note 21 for the related balances.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded or disclosed in the statements of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation. See Note 27 for the related balances.

4. Revenue from Contracts with Customers

Disaggregated Revenue Information

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

	2023	2022
Real estate sales by product		
Lots only	₱7,283,283,062	₱6,900,197,828
Condominium units	1,170,561,250	889,573,057
Total revenue from contracts with customers	₱8,453,844,312	₱7,789,770,885

(Forward)



	2023	2022
Geographical Location		
Luzon	P6,334,296,022	P6,140,386,626
Visayas	1,171,223,734	1,317,117,272
Mindanao	948,324,556	332,266,987
Total	P8,453,844,312	P7,789,770,885

The Parent Company's real estate sales are revenue from contracts with customers which are recognized over time.

Contract balances are as follows:

December 31, 2023

	Current	Noncurrent	Total
Installment contracts receivables (Note 6)	P2,934,066,484	P1,600,185,077	P4,534,251,561
Contract assets (Note 6)	2,670,019,884	3,359,496,329	6,029,516,213
Contract liabilities (Note 6 and 14)	1,517,596,096	257,078,455	1,774,674,551

December 31, 2022

	Current	Noncurrent	Total
Installment contracts receivables (Note 6)	P1,876,391,156	P1,172,309,066	P3,048,700,222
Contract assets (Note 6)	2,063,564,122	3,046,723,304	5,110,287,426
Contract liabilities (Note 6 and 14)	1,966,135,481	818,162,954	2,784,298,435

Following the PIC issued guidance in 2019 to the real estate industry on the implementation of PFRS 15, the Parent Company 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.

Installment contracts receivables from real estate sales are collectible in equal monthly principal installments with various terms up to ten (10) years. Interest rates range from 14% to 16% per annum. Titles to the residential units sold transferred to customers upon full payment of the contract price.

Contract assets pertain to unbilled revenue from sale of real estate. It represents the right to consideration for assets already delivered by the Parent Company in excess of the amount recognized as installment contracts receivables. Contract assets is reclassified to installment contracts receivables when monthly amortization of the customer is already due for collection.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the services transferred by the Parent Company based on percentage of completion. The movement in contract liabilities arise mainly from revenue recognition of completed performance obligations.

Set-out below is the amount of revenue recognized from:

	2023	2022
Amounts included in contract liabilities at the beginning of the year	P2,090,235,272	P2,003,570,867
Performance obligation satisfied in previous years	1,098,857,189	1,167,210,044



Performance obligations

Information about the Parent Company's performance obligations are summarized below:

Real estate sales

The Parent Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of a real estate unit may cover either (a) a lot; or (b) condominium unit. There is one performance obligation in each of these contracts. The Parent Company recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the reservation application and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include down payment of 10% to 20% of the contract price spread over a certain period (e.g., one to three months) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from one (1) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2023 and 2022 are as follows:

	2023	2022
Within one year	₱2,326,946,670	₱3,848,998,429
More than one year	1,768,429,025	3,326,141,007
	₱4,095,375,695	₱7,175,139,436

The remaining performance obligations expected to be recognized within one year and in more than one year relate to continuous development of the Parent Company's real estate projects. The Parent Company's subdivision lots are expected to be completed within 3 to 5 years, while the condominium units are expected to be completed within 2 to 3 years.

Rental agreements

The Parent Company entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space (b) provisioning of water and electricity, (c) provision of air conditioning and CUSA services and (d) administration fee.

Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within 7 to 20 days upon receipt of the bill. In case of delay in payments, a penalty of 3% to 36% per annum is charged for the amount due for the duration of delay. The lease arrangement would typically require a tenant to pay a security deposit equivalent to six (6) months rental to cover any defaults in payments, with the excess returned to the tenant.



Cost to Obtain Contract

As at December 31, 2023 and 2022, the rollforward of the cost to obtain contract included in the other current assets as follows (see Note 8):

	2023	2022
Balance at beginning of year	₱362,382,634	₱195,475,224
Additions	940,361,257	1,084,540,978
Amortization	(971,766,501)	(917,633,568)
Balance at end of year	₱330,977,390	₱362,382,634

It is the Parent Company's accounting policy, as set out in Note 2, that if a contract or specific performance obligation has exhibited marginal profitability or other indicators of impairment, judgement is applied to ascertain whether the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

5. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	₱1,809,250	₱1,275,000
Cash in banks	2,857,679,672	3,250,226,201
Cash equivalents	54,000,000	74,000,000
	₱2,913,488,922	₱3,325,501,201

Cash in banks earns interest at the prevailing bank deposit rates.

Cash equivalents include short-term placement made during the year for period of three months based on the immediate cash requirements of the Parent Company and earn annual interest of ranging from 4.20% to 5.00% and 4.30% to 4.70% in 2023 and 2022, respectively.

Interest income earned from cash in banks and cash equivalents amounted to ₱44.99 million and ₱8.86 million in 2023 and 2022, respectively (see Note 17).

The Parent Company has restricted cash in bank amounting ₱379.47 million and ₱326.07 million as of December 31, 2023 and 2022, respectively. This pertains to the cash deposited in an escrow trust account for socialized housing compliance and recorded under "Other noncurrent assets" in the parent company statements of the financial position (see Note 8).



6. Receivables and Contract Assets

This account consists of:

	2023	2022
Installment contracts receivable:		
Subdivision land	₱3,219,962,376	₱1,983,909,690
Condominium units	1,314,289,185	1,064,790,532
<i>(Forward)</i>		
Receivable from related parties (Note 20):		
Trade	794,339,213	856,301,865
Non-trade	-	44,465,499
Accrued interest receivable	712,015,171	614,663,712
Advances to joint development operations (Note 22)	396,161,337	301,064,370
Receivable from tenants	254,893,303	241,410,645
Advances to officers, employees and agents (Note 20)	176,103,875	164,925,304
Dividend receivable (Note 9)	40,185,334	37,930,257
Others	24,659,017	24,975,371
	6,932,608,81	5,334,437,245
Less unamortized discount	152,280,263	126,504,196
	6,780,328,54	5,207,933,049
Less allowance for expected credit losses	45,888,272	10,392,365
	6,734,440,276	5,197,540,684
Less noncurrent installment contracts receivables	1,600,185,077	1,172,309,066
	₱5,134,255,199	₱4,025,231,618

Contract balances as of December 31 are as follows:

2023

	Current	Noncurrent	Total
Installment contracts receivables	₱2,934,066,484	₱1,600,185,077	₱4,534,251,561
Contract assets	2,670,019,884	3,359,496,329	6,029,516,213
Contract liabilities	1,517,596,096	257,078,455	1,774,674,551

2022

	Current	Noncurrent	Total
Installment contracts receivables	₱1,876,391,156	₱1,172,309,066	₱3,048,700,222
Contract assets	2,063,564,122	3,046,723,304	5,110,287,426
Contract liabilities	1,966,135,481	818,162,954	2,784,298,435

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 10 years. These are carried at amortized cost. The corresponding titles to the subdivision land or condominium units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Annual interest rates on installment contracts receivables ranged from 14% to 16%. The total interest income recognized on these interest-bearing installment contracts receivables and contract



assets amounted to ₱596.26 million and ₱385.57 million in 2023 and 2022, respectively (see Note 17).

As of December 31, 2023 and 2022, receivables from sales of subdivision land and condominium units with an aggregated nominal amount of ₱2,135.73 million and ₱3,841.48 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 7.36% to 8.77% and 4.53% to 8.65% in 2023 and 2022, respectively.

Movements in the unamortized discount arising from noninterest-bearing installment contracts receivables follows:

	2023	2022
Balance at beginning of year	₱126,504,196	₱66,450,600
Additions	162,259,413	247,800,795
Accretion from unamortized discount (Note 17)	(136,483,346)	(187,747,199)
Balance at end of year	₱152,280,263	₱126,504,196

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

	2023	2022
Balance at beginning of year	₱10,392,365	₱26,397,709
Provisions	35,495,908	-
Recovery	-	(16,005,344)
Balance at end of year	₱45,888,273	₱10,392,365

In the evaluation of the ECL under installment contracts receivables, the Parent Company 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 20). 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 Parent Company's mall operations and are collectible within 30 days from billing date.

Advances to officers, employees and agents pertain to loans granted to the Parent Company's employees which are collectible through salary deduction, are noninterest-bearing and have various maturity dates. This also includes advances for liquidation pertaining to cash advances to custodians for site costs and administrative expenses and advances to sales agents for marketing activities which are replenished upon liquidation.



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

Commission receivable represents the uncollected and unbilled commission revenue for real estate sales services rendered to outside parties. This is equivalent to a certain percentage of the total contract price of properties sold.

Other receivables primarily represent the Parent Company's uncollected development income from the Summerhill Executive Phase 4 project located in Antipolo, Rizal.

7. Real Estate Inventories

A summary of the movement in inventory is set out below:

	<u>2023</u>	<u>2022</u>
Balance as at January 1	31,650,084,686	28,380,935,653
Construction and development costs incurred	4,878,992,538	3,954,241,677
Land acquired during the year	143,561,154	581,994,984
Reposessed real estate inventories	599,012,557	679,340,073
Costs of real estate sales	(2,405,791,073)	(1,946,427,701)
Balance at December 31	<u>₱34,865,859,862</u>	<u>₱31,650,084,686</u>

The real estate inventories are carried at lower of cost and net realizable value (NRV). There are no inventories recorded at lower than cost.

The Parent Company acquired various lands for development amounting ₱143.56 million and ₱581.99 million in 2023 and 2022, 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 ₱386.38 million and ₱261.05 million in 2023 and 2022, respectively (see Note 17).

Real estate inventories include units which are being used temporarily in condotel operation which are managed by third parties. The Company has recognized profit share in this operation amounting to ₱30.70 million and ₱15.96 million in 2023 and 2022, respectively (see Note 17).

Real estate inventories recognized as cost of sales amounted to ₱2,405.79 million in 2023 and ₱1,946.48 million in 2022 and are included as "Cost of real estate sales" in the parent company statements of comprehensive income. Cost of real estate sales includes acquisition cost of land, amount paid to contractors, development costs and other costs attributable to bringing the real estate inventories to its intended condition.

There was no provision for nor reversal of impairment on real estate inventories in 2023 and 2022.

No inventories were pledged as collateral to borrowings of the Parent Company as of December 31, 2023 and 2022.



The Parent Company has committed to various construction and development projects awarded to contractors. These commitments represent contractual obligations to make future payments for construction related to ongoing projects. As of December 31, 2023 and 2022, the amount of capital commitment awarded to contractors amounted to ₱1,281.72 million and ₱1,361.72 million, respectively.

8. Other Assets

This account consists of:

	2023	2022
Advances to contractors	₱1,933,844,720	₱2,449,200,797
Deposit in escrow (Note 5)	379,467,671	326,068,303
Input VAT – net	304,290,814	480,230,194
Short term investment	300,000,000	300,000,000
Prepaid commission (Note 4)	278,099,989	795,339,502
Security deposits	74,280,471	74,092,072
Advances to lot owners	15,778,401	213,732,350
Prepaid taxes	13,006,405	17,471,833
Others	19,915,148	57,432,310
	3,318,683,619	4,713,567,361
Less noncurrent portion of:		
Advances to contractors	370,895,327	491,529,089
Deposits in escrow (Note 5)	379,467,671	326,068,303
Prepaid commission	49,500,589	165,200,365
Security deposits	74,280,471	74,092,072
	874,144,058	1,056,889,829
	₱2,444,539,561	₱3,656,677,532

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.

Short-term investment pertains to the premium yield advantage placement with more than 90 days of investment tenor that yields 5.00% interest per annum. Interest income earned from short term investments amounting to ₱10.27 million in 2023 (see Note 17).

Prepaid taxes pertain to creditable withholding taxes to be applied against future income tax payable and prepayments for registration of acquired lots.

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.

Security deposits pertain to refundable deposits for the electrical services or upgrade of electrical structures as necessary for every new project of the Parent Company.



Advances to lot owners consist of advance payments to land owners which will be applied against the selling price of the real properties that will be acquired. The application is expected to occur within 12 months after the reporting date.

Others consist mainly of deposits in escrow, prepayments related to mall operations and security deposits for utilities and short-term leases, among others.

9. Financial Assets at FVOCI

Financial assets at FVOCI consists of investments in:

	2023	2022
Investment at cost	₱456,755,748	₱456,755,748
Net unrealized gain	270,510,165	200,540,223
At end of year	₱727,265,913	₱657,295,971

Movement in unrealized gain reflected in the other comprehensive income follows:

	2023	2022
Balance at beginning of year	₱200,540,223	₱225,860,515
Fair value change during the year	69,969,942	(25,320,292)
Balance at end of year	₱270,510,165	₱200,540,223

The following table provides the fair value hierarchy of the Parent Company's financial assets at FVOCI which are measured at fair value as of December 31, 2023 and 2022:

December 31, 2023

	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Quoted					
Gaming	December 31, 2023	₱509,277,060	₱509,277,060	₱-	₱-
Unquoted					
Real estate	December 31, 2023	217,988,853	-	-	217,988,854
		₱727,265,913	₱509,277,060	₱-	₱217,988,854

December 31, 2022

	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Quoted					
Gaming	December 31, 2022	₱436,667,800	₱436,667,800	₱-	₱-
Unquoted					
	December 31, 2022	220,628,172	-	-	220,628,172
		₱657,295,972	₱436,667,800	₱-	₱220,628,172



The valuation of unquoted shares of stock is categorized as Level 3 in the fair value hierarchy since valuation is based on unobservable inputs. The significant unobservable inputs used in the valuation pertains to latest available financial information. The fair value used by the Parent Company is based on the adjusted net asset value amounting to ₱1,448.60 million and ₱1,466.14 million as of December 31, 2023 and 2022, 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 ₱5.66 million and ₱7.16 million in 2023 and 2022, respectively.

10. Investments in Subsidiaries

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

Entity	Direct Percentage of Ownership		Amounts	
	2023	2022	2023	2022
Sta. Lucia Homes, Inc. (SLHI)	100.00%	100.00%	₱6,250,000	₱6,250,000
Santa Lucia Ventures, Inc. (SVI)	100.00	100.00	62,500	62,500
			₱6,312,500	₱6,312,500

Sta. Lucia Homes, Inc. (SLHI)

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

Santa Lucia Ventures, Inc. (SVI)

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



11. Investment Properties

The rollforward analyses of this account follow:

	2023					Total
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	
Cost						
Balances at January 1	₱1,802,529,188	₱44,259,000	₱5,106,699,302	₱412,409,000	₱816,530,631	₱8,182,427,121
Additions	-	-	6,367,932	-	358,012,717	364,380,649
Balances at December 31	1,802,529,188	44,259,000	5,113,067,234	412,409,000	1,174,543,348	8,546,807,770
Accumulated Depreciation						
Balances at January 1	-	16,597,127	1,423,083,281	412,409,000	-	1,852,089,408
Depreciation (Note 18)	-	1,106,475	134,773,801	-	-	135,880,276
Balances at December 31	-	17,703,602	1,557,857,082	412,409,000	-	1,987,969,684
Net Book Value	₱1,802,529,188	₱26,555,398	₱3,555,210,152	₱-	₱1,174,543,348	₱6,558,838,086

	2022					Total
	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Construction in Progress	
Cost						
Balances at January 1	₱1,802,529,188	₱44,259,000	₱5,011,818,502	₱412,409,000	₱312,509,189	₱7,583,524,879
Additions	-	-	94,880,800	-	504,021,442	598,902,242
Transfer	1,802,529,188	44,259,000	5,106,699,302	412,409,000	816,530,631	8,182,427,121
Balances at December 31	3,605,058,376	88,518,000	10,213,398,604	824,818,000	1,633,061,262	16,364,854,242
Accumulated Depreciation						
Balances at January 1	-	15,490,652	1,287,415,856	412,409,000	-	1,715,315,508
Depreciation (Note 18)	-	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
Net Book Value	₱1,802,529,188	₱71,920,873	₱8,790,315,323	₱412,409,000	₱816,530,631	₱14,506,764,834

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 ₱146.65 million and ₱193.62 million as of December 31, 2023 and 2022, respectively.



Rental income from investment properties amounted to ₱762.50 million and ₱771.28 in 2023 and 2022, respectively (see Note 23). Cost of rental income from investment properties amounted to ₱599.04 million and ₱600.52 in 2023 and 2022, respectively (see Note 18).

Depreciation expense recognized as costs of rental income amounted to ₱135.88 million and ₱136.77 million in 2023 and 2022, respectively (see Note 18).

The aggregate fair value of the Parent Company's investment properties amounted to ₱10,299.52 million and ₱9,441.51 million as of December 31, 2023 and 2022, respectively.

The last 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, a new valuation is planned in 2024. In 2023 and 2022, the Parent Company 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 flow from the use of the asset were projected and discounted using the appropriate discount rate reflective of the market expectations. The significant unobservable inputs used in the valuation pertains to lease income growth and discount rate.

Significant increases (decreases) in estimated rental value and rent growth per annum would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum, and an opposite change in the long-term vacancy rate and discount rate.

Borrowing costs capitalized to investment properties in 2023 and 2022 amounted to ₱13.90 million and ₱11.90 million, respectively (see Note 19). Capitalization rate used to determine the borrowing cost eligible for capitalization is 6.76% and 5.39% in 2022 and 2021, respectively.

The Parent Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

There are no investment properties as of December 31, 2023 and 2022 that are pledged as security for liabilities of the Parent Company.



12. Property and Equipment

The rollforward analyses of this account follow:

	2023				Total
	Office Tools and Equipment	Transportation Equipment	Furniture and Fixtures	Software	
Cost					
Balances at January 1	₱60,899,598	₱126,315,376	₱7,824,297	₱38,333,814	₱233,373,085
Additions	5,993,216	16,939,067	2,934,090	–	25,866,373
Balances at December 31	66,892,814	143,254,443	10,758,387	38,333,814	259,239,458
Accumulated Depreciation and Amortization					
Balances at January 1	37,976,105	93,568,459	7,511,752	38,333,814	177,390,130
Depreciation and amortization	7,686,376	11,358,074	752,849	–	19,797,299
Balances at December 31	45,662,481	104,926,533	8,264,601	38,333,814	197,187,429
Net Book Value	₱21,230,333	₱38,327,910	₱2,493,786	₱–	₱62,052,029

	2022				Total
	Office Tools and Equipment	Transportation Equipment	Furniture and Fixtures	Software	
Cost					
Balances at January 1	₱52,472,593	₱98,644,494	₱7,339,170	₱38,333,814	₱196,790,071
Additions	8,427,005	27,670,882	485,127	–	36,583,014
Balances at December 31	60,899,598	126,315,376	7,824,297	38,333,814	233,373,085
Accumulated Depreciation and Amortization					
Balances at January 1	31,474,272	83,454,805	7,242,403	38,333,814	160,505,294
Depreciation and amortization	6,501,833	10,113,654	269,349	–	16,884,836
Balances at December 31	37,976,105	93,568,459	7,511,752	38,333,814	177,390,130
Net Book Value	₱22,923,493	₱32,746,917	₱312,545	₱–	₱55,982,955

Depreciation expense pertaining to mall operations recognized as costs of rental income amounted to ₱0.17 million and ₱0.61 million in 2023 and 2022, respectively (see Note 18).

The cost of fully depreciated property and equipment that are still in use amounted to ₱135.91 million and ₱134.80 million as of December 31, 2023 and 2022, respectively.

The Parent Company has no restrictions on the realizability of its property and equipment and no contractual obligations to purchase, construct or develop property and equipment or for repairs, maintenance and enhancements.

As of December 31, 2023 and 2022, there are no property and equipment pledged to secure obligations of the Parent Company.



13. Accounts and Other Payables

This account consists of:

	2023	2022
Payable to joint development operators	₱1,637,919,004	₱1,388,393,509
Contractors payable	1,503,685,137	1,916,460,794
Accounts payable	1,445,784,897	1,296,045,470
Unearned income	471,619,693	594,792,015
Retentions payable	293,527,537	221,779,644
Security deposit	120,579,733	98,281,147
Interest payable (Note 15)	119,196,683	97,550,970
Commission payable	81,622,907	346,220,912
Withholding tax payable	35,269,872	23,744,734
Taxes and licenses payable	19,930,042	62,513,083
Payable to related parties (Note 20)	7,178,064	7,075,956
Others	161,325,015	65,596,339
	₱5,897,638,584	₱6,118,454,573

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.

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

The Parent Company entered into offsetting agreements with its suppliers whereby the Parent Company sells subdivision land and condominium units in exchange for the delivery of the equivalent value of construction materials or services in accordance with specifications stated in the purchase orders and as stated in the bid proposal. The fair value of materials and services incurred to date is recorded under "Accounts payable" until the criteria for revenue recognition are met. The liabilities under offsetting arrangements amounted to ₱1,150.00 million and ₱1,081.15 million as of December 31, 2023 and 2022, respectively. Revenue recognized on offsetting arrangements amounted to ₱341.46 million and ₱307.90 million for December 31, 2023 and December 31, 2022, respectively.

Accounts payable also includes 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 Parent Company's leased properties.

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



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

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

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

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

14. Contract Liabilities

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

The amount of revenue from real estate sales includes amount previously included in contract liabilities amounting to ₱2,094.24 million and ₱2,003.57 million for the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the contract liabilities account amounted to ₱1,774.67 million and ₱2,784.30 million, respectively. Details follow:

	2023	2022
Collections below equity threshold	₱1,214,075,994	₱1,613,728,182
Excess of collections over POC	560,598,557	1,170,570,253
	₱1,774,674,551	₱2,784,298,435
Less noncurrent portion	257,078,455	818,162,954
	₱1,517,596,096	₱1,966,135,481

The Parent Company requires buyers of the residential condominium units and subdivision lots to pay a minimum percentage of the total selling price before revenue recognition. These reservation fees and down payments will be applied against the installment contracts receivables when revenue recognition is met.

15. Short-term and Long-term Debt

Short-term debt

Below are the details of the short-term debt:

	2023	2022
Loans under revolving credit facility agreements	₱6,444,771,043	₱7,072,141,043
Single payment short-term loan	1,900,000,000	2,500,000,000
	₱8,344,771,043	₱9,572,141,043



Loans under revolving credit facility agreements follow:

	2023	2022
Beginning balance	₱7,072,141,043	₱7,049,782,354
Availments	13,753,930,000	14,604,098,000
Payments	(14,381,300,000)	(14,581,739,311)
Ending balance	₱6,444,771,043	₱7,072,141,043

In 2023, the Parent Company obtained various unsecured short-term loans amounting to ₱902.10 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 7.00% and 7.38%. Out of the total ₱902.10 million, ₱202.40 million were outstanding as of December 31, 2023.

In 2023, the Parent Company also obtained unsecured short-term loans amounting to ₱7,520.70 million from RCBC Trust and Investment Group for refinancing purposes. These loans have maturity period of ranging from 2 to 4 months with annual interest rates ranging from 7.25% to 7.75%. Of the total ₱7,520.70 million, ₱1,644.80 million were outstanding as of December 31, 2023.

In 2023, the Parent Company also obtained unsecured short-term loans amounting to ₱1,976.13 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 7.00% to 7.38%. Of the total ₱1,976.13 million, ₱417.30 million were outstanding as of December 31, 2023.

In 2023, unsecured-short term loans were borrowed from Maybank Philippines Inc. – Trust Department and Unicapital Inc. amounting to ₱1,550.00 million and ₱825.00 million, respectively. These loans have maturity periods ranging from 2 to 3 months, with annual interest rates ranging from 6.50% to 7.25%. As of December 31, 2023, ₱500.00 million and ₱225.00 million were outstanding from Maybank Philippines Inc. – Trust Department and Unicapital Inc., respectively.

On February 25, 2023, the Parent Company availed a 3 months and 1-year unsecured loans from Banco De Oro (BDO) amounting to ₱200.00 million and ₱160.00 million, respectively with interest rates of 7.75% per annum. Only the 1-year unsecured loans were still outstanding as of December 31, 2023.

In February 2023 and April 2023, the Parent Company availed loans from Philippine Veterans Bank amounting to ₱60.00 million and ₱10.00 million, respectively. These loans have maturity periods of 12 months with annual interest rates of 7.25%. All loans were still outstanding as of December 31, 2023.

In September 2023, the Parent Company borrowed unsecured short-term loans from SLRDI amounting to ₱300.00 million with an annual interest rate of 6%. In May 2021, the Parent Company obtained unsecured short-term loans from SLRDI amounting to ₱300.00 million, with an annual interest rate ranging from 3.75% to 4.25%. Additionally, in March 2020, the Parent Company borrowed unsecured 3-month loans from SLRDI amounting to ₱1,200.00 million with a 5% annual interest rate. The total outstanding loans from SLRDI amounted to ₱1,800.00 million and ₱1,500.00 million as of December 31, 2023, and 2022, respectively (see Note 20).



In September 2023, the Parent Company also availed an unsecured short-term loans from Bank of Commerce amounting to ₱250.00 million. These loans have an annual interest rate of 7.00%. The amount of ₱250 million availed during the year were still outstanding as of December 31, 2023.

In 2022, the Parent Company 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%. Outstanding balance of borrowings from MIB as of December 31, 2022 amounts to ₱599.60 million of which ₱80.00 million were still outstanding as of December 31, 2023.

In 2022, the Parent Company 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%. Outstanding balance of borrowing from RCBC as of December 31, 2022 amounts to ₱2,331.90 of which all were paid in 2023.

In 2022, the Parent Company 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%. These loans were paid in full in 2023. Of the total ₱1,778.80 million, ₱506.00 million were outstanding as of December 31, 2022. The remaining loans were settled in 2023.

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. The remaining balance of the loans were settled in 2023.

In March 2022 and June 2022, the Parent Company 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 Parent Company 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. As of December 31, 2023 and 2022, the loans outstanding amounted to ₱280.00 million and ₱350.00 million, respectively.

On March 7, 2022, the Parent Company 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, and all were paid in 2023.

In 2021, the Parent Company obtained various unsecured short-term loans amounting to ₱3,503.40 million from various financial institutions and qualified institutional buyers of securities arranged by 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, 2022 amounts to ₱849.64 million of which ₱814.64 million were still outstanding as of December 31, 2023.



In 2021, the Parent Company also obtained unsecured short-term loans amounting to ₱4,781.50 million from RCBC Trust and Investment Group for refinancing purposes. These loans have maturity period of 6 months with annual interest rates ranging from 3.50% to 3.63%. Of the total ₱4,781.50 million, ₱2,350.00 million were outstanding as of December 31, 2021. These loans were settled in 2022.

In 2021, the Parent Company also obtained unsecured short-term loans amounting to ₱959.85 million from Philippine Commercial Capital, Inc.- Trust and Investment Group. These loans have a maturity period ranging from 2 to 3 months with annual interest rate of 4.00%. Of the total ₱959.85 million, ₱300.00 million were outstanding as of December 31, 2021. These loans were settled in 2022.

In March and December 2021, the Parent Company obtained unsecured short-term loans amounting to ₱65.00 million and ₱250.00 million from Bank of Commerce. These loans have maturity period of 2 months with an annual interest rate of 5.26%. Of the total ₱315.00 million availed, ₱65.00 million were settled in 2021. The remaining balance of this loan was settled in 2022.

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 Parent Company availed a 3-month unsecured loans from Banco De Oro (BDO) amounting to ₱360.00 million with interest rates ranging from 5.00% to 5.38% per annum. These loans were outstanding as of December 31, 2021. 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:

	2023	2022
Beginning balance	₱2,500,000,000	₱1,475,488,200
Availments	500,000,000	2,500,000,000
Payments	(1,100,000,000)	(1,475,488,200)
Ending balance	₱1,900,000,000	₱2,500,000,000

On December 18, 2023, the Parent Company acquired a one-year unsecured loan from Robinsons Bank for an amount of ₱500.00 million, with an annual interest rate of 6.99%.

On August 5, 2022, the Parent Company borrowed 1-year unsecured loan from China Bank Corporation amounting to ₱1,000.00 million with an annual interest rate of 5.50%. A portion of the loan was repaid in 2023, totaling ₱50.00 million, ₱950.00 million was refinanced with a new interest rate of 8.03%.

On November 25, 2022, the Parent Company borrowed 1-year unsecured loan from Rizal Commercial Banking Corporation amounting to ₱500.00 million with an annual interest rate of 7.38%. A portion of the loan was repaid in 2023, totaling ₱50.00 million, ₱450.00 million was refinanced with a new interest rate of 8.00%.



On December 27, 2022, the Parent Company borrowed 4-months unsecured loan from China Bank Corporation amounting to ₱1,000.00 million with an annual interest rate of 6.89%. This loan was settled in full in 2023.

On March 13 and August 20, 2020, the Parent Company borrowed 3-months unsecured loan from China Bank Corporation-Trust and Asset Management Group amounting to ₱500.00 million and ₱225.00 million, respectively, with an annual interest rate of 3.25%. Of the total ₱725.00 million loans availed, ₱1.00 million and ₱225.00 million were settled in 2021 and 2020, respectively. Total outstanding loan principal amounted to ₱499.00 million as of December 31, 2021. This loan was settled in full in 2022.

On March 29, 2019, the Parent Company borrowed a one-year unsecured loan from China Bank Corporation (CBC) amounting ₱978.49 million with annual interest rate of 7.63%. Of the total ₱978.49 million loan availed, ₱1.00 million was settled in 2021 and 2020, 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:

	2023	2022
Loans under term facility agreement	₱15,604,500,000	₱13,228,000,000
Less current portion of:		
Loans under term facility agreement	5,072,296,259	3,385,582,585
	10,532,203,741	9,842,417,415
Less: unamortized debt issuance cost	109,646,861	66,175,344
	₱10,422,556,880	₱9,776,242,071

The rollforward analysis of the long-term debt follows:

	2023	2022
Beginning balance	₱13,228,000,000	₱10,898,500,000
Availments	6,162,500,000	4,700,000,000
Payments	(3,786,000,000)	(2,370,500,000)
Ending balance	₱15,604,500,000	₱13,228,000,000

Unsecured Long Term Debt Facility Agreements

On May 31, 2023, the Parent Company signed a 5-year Term Loan with China Banking Corporation amounting to ₱1,500 million with an interest rate of 8.83%.

On November 29, 2023, the Parent Company signed a 5-year term loan with China Banking Corporation at an annual rate of 8.13% with an aggregate amount of ₱5,000 million. On December 18, 2023, the Parent Company made the first drawdown amounting to ₱2,000 million and expected to draw the remaining loans on March 13, 2024.



On March 10, 2023, the Parent Company made the second drawdown at an annual fixed rate of 8.53% from RCBC, Bank of the Philippine Islands (BPI), BDO and Robinsons Bank Corporation (RBC) amounting to ₱1,360.00 million, ₱510.00 million, ₱340.00 million and ₱340.00 million, respectively. As of December 31, 2023, outstanding principal on this second drawdown from RCBC, BPI, BDO and RBC amounted to ₱1,224.00 million, ₱459.00 million, ₱306.00 million and ₱306.00 million, respectively.

On December 12, 2022, the Parent Company signed Syndicated Term Loan Facility Agreement to raise up to ₱5,000.00 million. The Company 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 with an annual interest rate ranging from 8.53% to 8.83%.

On December 22, 2022, the Parent Company 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. As of December 31, 2023, outstanding principal on this 1st drawdown from RCBC, BPI, BDO and RBC amounted to ₱576.00 million, ₱216.00 million, ₱144.00 million and ₱144.00 million, respectively.

On March 16, 2022, the Parent Company obtained 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, 2023 and 2022, the outstanding balance amounted to ₱2,275.00 million and ₱2,975.00 million, respectively.

On March 15, 2021, the Parent Company signed a Long Term Debt Facility Agreement to raise ₱7,000.00 million. The Company 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 Parent Company 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, 2023, outstanding principal on this drawdown for Tranche A from BPI, BDO and RBC amounted to ₱170.73 million, ₱170.73 million and ₱97.56 million, respectively, and for Tranche B outstanding principal on this drawdown from BPI and RCBC amounted ₱102.44 million and ₱682.93 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, ₱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 Parent Company 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 Parent Company 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 Parent Company 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, 2023, outstanding principal on this drawdown for Tranche A from BPI, BDO, RBC and DBP amounted to ₱179.27 million, ₱179.27 million, ₱102.44 million and ₱950.00 million, respectively, and for Tranche B outstanding principal on this drawdown from BPI, RCBC and UBP amounted ₱107.56 million, ₱717.07 million and ₱700.00 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.

As of December 31, 2023 and 2022, the outstanding debt amounted to ₱4,160.00 million and ₱5,930.00 million, respectively.

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. As of December 31, 2023 and 2022, the remaining balance amounted to ₱450.00 million and ₱937.50 million, respectively.

On October 27, 2017, the remaining unsecured ₱1,000.00 million of the ten (10) year Long Term Debt Facility was drawn by the Parent Company. 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 ₱341.00 million and ₱325.50 million in 2023 and 2022, respectively. As of December 31, 2023 and 2022, the remaining balance amounted to ₱1,844.50 million and ₱2,185.50 million, respectively.

Fixed-rate Peso Bonds

On December 22, 2015, the Parent Company issued a total of ₱4,000.00 million Unsecured Fixed-Rated Peso bonds, broken down into ₱2,000.00 million Series A Bonds due in 2018 at a fixed rate equivalent to 6.73% per annum and a ₱2,000.00 million Series B Bonds due in 2021 at a fixed rate equivalent to 6.72% per annum. The bonds is repaid at par (or 100% of face value), plus any outstanding interest, on the relevant maturity date of each series or on December 22, 2018 for the Series A Bonds and on March 22, 2021 for the Series B Bonds.

Interest on the bonds is payable quarterly in arrears every March 22, June 22, September 22 and December 22 of each year, starting on March 22, 2016. The bonds were paid in full in 2021.

Covenants

The Parent Company 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 Parent Company has complied with the debt covenants as of December 31, 2023 and 2022.

Movement in unamortized debt issuance cost for long-term debt follows:

	2023	2022
Beginning balance	₱66,175,344	₱71,475,700
Additions	67,772,798	35,250,000
Amortization	(24,301,281)	(40,550,356)
Ending balance	<u>₱109,646,861</u>	<u>₱66,175,344</u>



Interest expense on short-term and long-term debts amounted to ₱1,555.06 million and ₱1,129.41 million in 2023 and 2022, respectively (see Note 19). Of the total interest expense, amortization of transaction cost on short-term and long-term loans amounted to ₱24.30 million and ₱40.55 million in 2023 and 2022, respectively, and included under “Interest expense” in the statements of comprehensive income (see Note 19).

Borrowing costs capitalized as part of investment properties in 2023 and 2022 amounted to ₱13.90 million and ₱11.90 million, respectively (see Notes 7, 11, and 19).

16. Equity

The capital stock as of December 31, 2023 and 2022 consists of:

December 31, 2023

	<u>Shares</u>	<u>Amount</u>
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, 2022

	<u>Shares</u>	<u>Amount</u>
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	–

Registration Track Record

- a) The Parent Company was incorporated as Zipporah Mining and Industrial Corporation (‘Zipporah Mining’) on December 6, 1966 as a mining firm which was amended to a real estate developer.
- b) On September 14, 1987, the Parent Company launched its Initial Public Offering where a total of 20,000.00 million common shares were offered at an offering price of ₱1.00 per share.
- c) Subject to a restructuring program, the BOD of the Parent Company approved on November 22, 1995 the offering of up to 1,000.00 million shares of stock out of the increase in the authorized capital stock from ₱50.00 million to ₱2,000.00 million at a par value of ₱1.00 to a group of investors led by the Ultimate Parent Company. This was subsequently approved and ratified by the stockholders in a Special Stockholders’ Meeting on December 18, 1995.
- d) On December 18, 1995, the stockholders of the Parent Company approved a number of changes in the corporate structure as part of its diversification scheme. These were:
 1. The change of its name to Zipporah Realty Holdings, Inc.;
 2. The increase in the number of directors from nine to eleven;
 3. The waiver of the pre-emptive rights over the future issuances of shares;
 4. The change in the primary and secondary purposes;



5. The change in the par value of its shares from ₱0.01 to ₱1.00; and
6. The increase in its authorized capital stock to ₱2,000.00 million.

The first four changes were approved by the SEC on August 14, 1996 while the last two corporate acts were approved on January 22, 1997.

- e) On June 15, 2007, the BOD approved the following resolutions and was ratified by the stockholders on July 16, 2007:
1. Change in Corporate name to Sta. Lucia Land, Inc;
 2. Increase in authorized capital stock of the Parent Company from ₱2,000.00 million divided into 2,000.00 million shares to ₱16,000.00 million divided into 16,000.00 million shares or an increase of ₱14,000.00 million with a par value of ₱1.00 per share;
 3. Subscription of the Ultimate Parent Company of up to 10,000.00 million shares out of the increase in the Parent Company's authorized capital stock; and
 4. Subscription of the Ultimate Parent Company to such shares shall be at par value, and the consideration for which shall be the assignment and transfer by the Ultimate Parent Company to the Parent Company of assets acceptable to the Parent Company at a reasonable discount on the fair market value of such assets. The fair market value was determined by independent professionally qualified appraisers. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and knowledgeable, willing seller in an arm's length transaction at the date of valuation.

The above resolutions were ratified by the Parent Company's shareholders on July 16, 2007.

- f) On December 8, 2007, the Parent Company and the Ultimate Parent Company executed various deeds of assignment wherein the Ultimate Parent Company assigned all its rights, title and interest to certain properties consisting of investment properties (Sta. Lucia East Grand Mall) amounting to ₱4,710.00 million and certain parcels of land amounting to ₱6,018.50 million and assumption of mortgage in the investment properties of ₱723.60 million. The investments of the Ultimate Parent Company through the assignment of various properties, net of mortgage assumed, were issued with shares of stock totaling ₱10,000.00 million.

The Parent Company has 263 existing certified shareholders as at December 31, 2023 and 2022, 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 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 financial statements of the Parent Company/SLLI.

On December 22, 2015, the Parent Company's 400.00 million treasury shares costing ₱0.40 per share or totaling ₱160.00 million were reissued at ₱0.75 per share.

On November 23, 2022, the Parent Company reissued 100.00 million shares held as treasury at ₱2.90 per share or a total price of ₱290.00 million.

Retained Earnings

On November 10, 2023, the Board of Directors approved the declaration of special cash dividend amounting to ₱0.04 per outstanding common share on record as of December 7, 2023 and was paid on December 22, 2023.

On November 29, 2022, the Board of Directors during its meeting 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 Regulations Code Rules 68, Annex 68-D, after reconciling items, the Parent Company's retained earnings available for dividend declaration as of December 31, 2023 amounted to ₱10,619.17. The retained earnings is restricted to dividends to the extent of shares held in treasury amounting to ₱1,600.00 million.

Capital Management

The primary objective of the Parent Company's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder



value. The Parent Company establishes the appropriate capital structure for each business line that properly reflects its credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks. The Parent Company manages its capital structure and make adjustments to it, in light of changes in economic decisions.

The Parent Company's sources of capital include all the components of the equity totaling ₱26,056.35 million and ₱22,669.49 million as of December 31, 2023 and 2022, respectively.

The Parent Company monitors capital using a gearing ratio, which is total debt divided by total equity. The Parent Company includes within debt, interest-bearing loans and external borrowings whether in the form of short-term notes or long-term notes and bonds.

The following table shows how the Parent Company computes for its net debt-to-equity ratios as of December 31, 2023 and 2022:

	2023	2022
Debt (Note 15)	₱23,839,624,182	₱22,733,965,699
Less: Cash and cash equivalents (Note 5)	2,913,488,922	3,325,501,201
Net debt	20,926,135,260	19,408,464,498
Equity	26,056,348,321	22,669,488,020
Net debt-to-equity ratio	0.80:1.00	0.86:1.00

17. Interest Income and Other Revenue

This account consists of:

	2023	2022
Interest income on installment contract receivables and contract assets:		
Installment contracts receivables and contract assets (Note 6)	₱596,261,254	₱385,565,087
Accretion from unamortized discount (Note 6)	136,483,346	187,747,199
	732,744,600	573,312,286
Interest income on cash in banks and investments:		
Cash in banks and cash equivalents (Note 5)	34,726,645	6,867,882
Short term investment (Note 8)	10,265,000	1,995,000
	44,991,645	8,862,882
	₱777,736,245	₱582,175,168

Other revenue consists of:

	2023	2022
Processing and registration fee	₱611,861,940	₱177,580,009
Gain on repossession of inventories (Note 7)	386,378,317	261,047,824
Surcharges and penalties	85,364,340	112,764,799
Profit share in hotel operations	30,697,170	15,958,403
Gain from forfeited deposits	7,332,936	9,257,611
Others	52,732,396	57,872,760
	₱1,174,367,099	₱634,481,406

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



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

18. Cost of Rental Income

Cost of rental income consists of:

	2023	2022
Utilities	P301,375,500	P337,139,110
Depreciation (Notes 11 and 12)	136,049,823	137,837,427
Carpark maintenance	84,172,850	65,954,005
Manpower	47,511,599	35,902,689
Management fee (Note 20)	29,411,765	23,429,412
Others	514,373	252,570
	P599,035,910	P600,515,213

19. Interest Expense

Interest expense consists of:

	2023	2022
Interest expense on debt (Note 15)	P1,555,060,276	P1,129,411,353
Other financing charges	56,139,192	101,261,507
	1,611,199,468	1,230,672,860
Less capitalized borrowing costs (Notes 7, 11 and 15)	13,902,894	11,899,159
	P1,597,296,574	P1,218,773,701

20. Related Party Transactions

The Parent Company in its regular conduct of business has entered into transactions with related parties. Parties are considered to be related if, among others, one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions, the parties are subject to common control or the party is an associate or a joint venture. These accounts are noninterest-bearing and are generally unsecured. Unless otherwise indicated, the outstanding 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 2023 and 2022 follow:

	2023			
	Volume	Receivables	Terms	Conditions
Trade receivables (Note 6)				
<i>Ultimate Parent Company (SLRDI) (a)</i>		P636,694,088		
Sharing of expenses	P16,694,624		Due and demandable; noninterest-bearing	Unsecured; no impairment (Note 15)
collection from buyers collected by SLRDI, unremitted share of SLRDI	29,055,136			
marketing fee	(97,050,083)			
	13,012,829			

(Forward)



2023				
	Volume	Receivables	Terms	Conditions
Affiliate (SLECC)				
Rental and advances (Note 16) (b)	₱17,924,332	₱39,579,368	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliate (Mall Tenants)				
Rental income (c)	68,068,893	118,010,004	Due and demandable; noninterest-bearing	Unsecured; no impairment
		₱794,283,460		
Non-trade receivables (Note 6)				
Subsidiary (SVI)				
Advances (d)	₱-	₱-	Due and demandable; noninterest-bearing	Due and demandable; noninterest-bearing
		₱-		
Key officers and directors (Note 6) (e)	₱20,462,934	₱126,915,864	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables (Note 13)				
Ultimate Parent Company (SLRDI)				
Advances (f)	₱-	₱3,254,988	Payable on demand; noninterest-bearing	Unsecured
Subsidiary (SVI)				
Advances (f)	55,754	55,754	Payable on demand; noninterest-bearing	Unsecured
Subsidiary (SLHI)				
Advances (f)	46,354	3,867,322	Payable on demand; noninterest-bearing	Unsecured
		₱7,178,064		
Short-term Debt (Note 14) (g)				
Ultimate Parent Company (SLRDI)				
Principal	₱300,000,000	₱1,800,000,000	Payable on demand; interest bearing	Unsecured
Interest expense	79,858,333	10,525,000		
2022				
	Volume	Receivables	Terms	Conditions
Trade receivables (Note 6)				
Ultimate Parent Company (SLRDI)				
Sharing of expenses, collection from buyers collected by SLRDI, unremitted share of SLRDI, marketing fee (a)	₱314,986,066 61,342,279 (66,173,716) 16,107,072	₱733,324,305	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliate (SLECC)				
Rental and management fee (Note 16) (b)	29,299,546	51,066,801	Due and demandable; noninterest-bearing	Unsecured; no impairment
Affiliate (Mall Tenants)				
Rental income (c)	69,539,697	71,910,759	Due and demandable; noninterest-bearing	Unsecured; no impairment
		₱856,301,865		
Non-trade receivables (Note 6)				
Subsidiary (SVI)				
Advances (d)	₱-	₱44,465,499	Due and demandable; noninterest-bearing	Due and demandable; noninterest-bearing
		₱44,465,499		
Key officers and directors (Note 6) (e)	₱25,992,751	₱107,402,765	Due and demandable; noninterest-bearing	Unsecured; no impairment
Trade payables (Note 13)				
Ultimate Parent Company (SLRDI)				
Advances (f)	₱-	₱3,254,988	Payable on demand; noninterest-bearing	Unsecured
Subsidiary (SLHI)				
Advances (f)	-	3,820,968	Payable on demand; noninterest-bearing	Unsecured
		₱7,075,956		
Short-term Debt (Note 14) (g)				
Ultimate Parent Company (SLRDI)				
Principal	₱-	₱1,500,000,000	Payable on demand; interest bearing	Unsecured
Interest expense	59,083,333	5,900,000		



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. This include noninterest-bearing cash advances for various charges for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies and other operating expenses. These advances amounted to ₱16.69 million and ₱314.99 million in 2023 and 2022, respectively.

Other advances include the rentals for project exhibits and advertising/marketing costs amounting to ₱13.01 million and ₱16.11 million in 2023 and 2022, respectively.

The amount of deductions applied or offset against the advances for the year amounted to ₱58.39 million and ₱49.08 million in 2023 and 2022, respectively.

Other advances also include the collection from buyers collected by SLRDI. This pertains to the monthly amortization payment from the buyers of the Parent Company, collected by the Ultimate Parent Company, and due to be remitted to the Parent Company. The amount collected by SLRDI amounted to ₱29.06 million and ₱61.34 million in 2023 and 2022, respectively.

In 2014, the Parent Company and SLRDI entered into several memorandums of agreements wherein the Parent Company undertakes the development and marketing of the several projects of SLRDI and has assumed the position of the development contractor and marketing arm. In consideration of the services rendered by the Parent Company, SLRDI agreed to the following:

- Colinas Verdes Bulacan Project - SLRDI has entered into a joint arrangement with Araneta Properties, Inc. (API) for a proceed sharing agreement of 60% SLRDI - 40% API share. The Parent Company shall be entitled to 75% of SLRDI's share in the joint agreement and 12% marketing fee on the gross selling price of all sales made from the project;
- Green Meadows Iloilo Project - SLRDI has entered into joint arrangement with AFP-Retirement and Separation Benefits System (ARSBS) for a lot sharing agreement of 55% SLRDI - 45% ARSBS share. The Parent Company shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project;
- Ponte Verde Davao Project - SLRDI has entered into a joint arrangement with Green Sphere Realty Corporation (GSRC) for a lot sharing agreement of 60% SLRDI - 40% GSRC share. The Parent Company shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project; and
- Valle Verde Davao Project - SLRDI has entered into a joint arrangement with GSRC for a lot sharing agreement of 60% SLRDI - 40% GSRC share. The Parent Company shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project.

Total share from proceeds of SLRDI from the joint project development operations amounted to ₱388,20 million and ₱264.69 million in 2023 and 2022, respectively. The share amounting ₱97.05 million and ₱66.17 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2023 and December 31, 2022, respectively.



- b. SLECC and the Parent Company entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management and business development services, leveraging its knowledge in the mall operations from the past years. In exchange of SLECC's services, the Parent Company shall pay SLECC a management fee equivalent to 5% of the gross rental revenue for managing mall operations including repairs and maintenance and collection of space rental from storeowners or tenants. Management fee from SLECC amounted to ₱29.41 million and ₱23.43 million in 2023 and 2022, respectively.

The Parent Company made noninterest-bearing cash advances to SLECC for various operating expenses to be offset against payable from SLECC amounting to ₱17.92 million and ₱29.30 million in 2023 and 2022, respectively.

As of date, SLECC has outstanding receivables amounting to ₱39.58 million and ₱51.07 million in 2023 and 2022, respectively.

- c. The Parent Company has receivables from affiliated mall tenants. This pertains to accrued rental income amounting to ₱118.01 million and ₱71.91 million in 2023 and 2022, respectively. Rental income from affiliated tenants amounted to ₱68.07 million and ₱69.54 million in 2023 and 2022, respectively.
- d. The Parent Company made cash advances to SVI to be used for various administrative and operating expenses.

There were no advances were made in 2023 and 2022.

- e. The Parent Company made noninterest-bearing cash advances to officers and directors which is subject to liquidation. These advances amounted to ₱19.76 million and ₱25.99 million in 2023 and 2022, respectively. The remaining unpaid receivables amounted to ₱126.22 million and ₱107.40 million as of December 31, 2023 and 2022, respectively.
- f. The Parent Company made cash advances from SLRDI, SVI and SLHI to be used for various administrative and operating expenses.

The advances made from SLRDI, SVI and SLHI amounted to nil, ₱0.06 million and ₱0.05 million, respectively, as of December 31, 2023 and nil as of December 31, 2022.

- g. In September 2023, the Parent Company availed loan from SLRDI amounting ₱300.00 million with 6% annual interest rates. In May 2021, the Parent company 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 ₱1,800.00 million and ₱1,500.00 million as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Parent Company has not made any provision for ECL relating to amounts owed by related parties. There have been no guarantees and collaterals provided or received for any related party receivables or payables. This assessment of the Parent Company is



undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Key Management Personnel

Compensation of key management personnel by benefit type follows:

	2023	2022
Short-term employee benefits	¥18,638,235	¥16,943,850
Post-employment benefits (Note 21)	704,803	640,730
	¥19,343,038	¥17,584,580

Approval requirements and limits on the amount and extent of related party transactions

Material related party transaction (MRPT) are transactions amounting to ten percent (10%) or more of the total assets of the Parent Company and shall be identified taking into account the related party registry. The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement.

All individual MRPTs shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a twelve (12)-month period that breaches the materiality threshold shall be required when the aggregate RPT transactions meets and exceeds the materiality threshold covering the same related party.

21. Pension

The Parent Company has a funded, noncontributory, defined benefit pension plan covering all employees having regular employment status starting 2017. The plan provides a retirement benefit equal to 22.5 days pay for every year of credited service in accordance with the Retirement Pay Law (Republic Act No. 7641). The Parent Company updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary.

The following tables summarize the components of pension expense and net interest expense recognized in the parent company statements of comprehensive income, remeasurements recognized in other comprehensive income and the funded status and amounts recognized in the parent company statements of financial position for the existing pension plan.

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

	2023	2022
Current service cost	¥2,718,050	¥1,897,885
Past service cost	-	10,598,138
Interest cost	693,542	262,674
	¥3,411,592	¥12,758,697



The remeasurements recognized in OCI for the year ended December 31, 2023 and 2022 follows:

	2023	2022
Actuarial losses (gains) due to:		
Experience adjustments	(P684,835)	P3,103,446
Changes in financial assumptions	2,171,600	(3,840,551)
Changes in demographic assumptions	431,286	(248,263)
Asset return in net interest cost	419,724	922,684
Effect of the asset ceiling	-	(66,303)
	P2,337,775	(P128,987)

Changes in the present value of the defined benefit obligation follow:

	2023	2022
Balances at beginning of year	P19,719,321	P7,398,269
Current service cost	2,718,050	1,897,885
Past service cost	-	10,598,138
Interest cost	1,431,623	810,397
Actuarial losses (gains) due to:		
Changes in financial assumptions	2,171,600	(3,840,551)
Changes in demographic assumptions	431,286	(248,263)
Experience adjustments	(684,835)	3,103,446
Balances at end of year	P25,787,045	P19,719,321

Changes in the fair value of the plan asset which are in the form of cash follow:

	2023	2022
Balances at beginning of year	P10,166,399	P8,538,119
Interest income	738,081	550,964
Contributions	-	2,000,000
Return on plan assets	(419,724)	(922,684)
Balances at end of year	P10,484,756	P10,166,399

The plan surplus follow:

	2023	2022
Defined benefit obligation, ending	P25,787,045	P19,719,321
Fair value of plan assets, ending	(10,484,756)	(10,166,399)
Effect of the asset ceiling	-	-
Balances at end of year	P15,302,289	P9,552,922

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension for the defined benefit plans are shown below:

	2023	2022
Discount rate	6.12%	7.26%
Salary increase rate	3.00%	3.00%



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant.

	2023		
	Increase/ decrease in rate	Impact on defined benefit obligation	
		Increase	Decrease
Salary increase rate	+/-1%	₱2,302,742	(₱1,996,503)
Discount rate	+/-1%	(2,252,901)	1,924,737
		2022	
	Increase/ decrease in rate	Impact on defined benefit obligation	
		Increase	Decrease
Salary increase rate	+/-1%	₱1,788,984	(₱1,550,709)
Discount rate	+/-1%	(1,730,111)	1,480,260

Shown below is the maturity analysis of the undiscounted benefit payments:

	2023	2022
2021	₱4,253,382	₱3,564,350
2022	1,921,131	1,552,048
2023	8,536,094	1,649,466
2024	2,417,816	7,935,906
2025	2,143,841	2,052,397
2026 – 2030	14,297,841	11,118,535

There was no plan amendment, curtailment, or settlement recognized in 2023 and 2022.

22. Interests in Joint Project Development Operations

The Parent Company has entered into joint project development operations with various landowners and other companies, which include related parties. The interests in these joint operations range from 32% to 80% of the value of the whole project depending on the value of the land or investment of the other party against the estimated development costs. These joint project development operations entered into by the Parent Company relate to the development and sale of subdivision land and condominium projects, with certain specified lots or units allocated to the joint operations. The Parent Company's joint project development operations typically require the parties to contribute the land free from any lien, encumbrance and tenants or informal settlers to the project, with the Parent Company bearing all costs related to land development and the construction of subdivision and condominium facilities.

For the years ended December 31, 2023 and 2022, the real estate sales and cost of real estate sales related to interest in joint project development operations amounted are as follows:

	2023	2022
Real estate sales	₱2,552,274,632	₱2,170,510,577
Cost of real estate sales	671,303,445	449,611,222



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 ₱6,780.20 million and ₱6,500 million as of December 31, 2023 and 2022, respectively.

23. Segment Information

Operating segments are components of an entity for which discrete financial information is available that is regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and in assessing performance. Generally, financial information is required to be reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources to segments.

For management purposes, the Parent Company's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Parent Company has two reportable operating segments as follows:

- *Leasing*
This segment consists of the Parent Company's investment properties which includes properties that are held to earn rentals and are not occupied by the Parent Company.
- *Residential development*
This represents the development and selling of subdivision lots and high rise condominium projects across the Philippines.

For investment properties, financial information is provided to the BOD on a property-by-property basis. The information provided is net rentals (including gross rent less property expenses). Information on the residential development property segment provided to the BOD is aggregated and is represented by revenue and profit from the sale of real estate inventories.

Segment assets for the investment property segment represent investment property held to earn rentals. Segment assets for the residential development segment represent unsold real estate inventories. Segment liabilities represent loans payable and customers' deposits as these are the only liabilities reported to the BOD on a segmental basis.

The Parent Company'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, 2023 and 2022, there are no revenue transactions with a single external customer which accounted for 10% or more of the revenue from external customers.

The following tables regarding business segments present assets and liabilities as of December 31, 2023 and 2022 and revenue and income information for each of the two years in the period ended December 31, 2023.

	2023		Total
	Leasing	Residential Development	
Rental income	₱762,501,539	₱-	₱762,501,539
Cost of rental income	(599,035,910)	-	(599,035,910)
Real estate sales	-	8,453,844,312	8,453,844,312

(Forward)



2023			
	Leasing	Residential Development	Total
Cost of real estate sales	₱-	(₱2,405,791,073)	(₱2,405,791,073)
Segment gross profit	163,465,629	6,048,053,239	6,211,518,868
Selling and administrative expense	(42,892,190)	(1,674,756,670)	(1,717,648,860)
Interest income on installment receivables, contract assets, cash and cash equivalents and investments	₱4,701,439	₱773,034,806	₱777,736,245
Interest expense	-	(1,597,296,574)	(1,597,296,574)
Commission income	-	13,012,829	13,012,829
Dividend income	-	5,662,941	5,662,941
Other revenue	-	1,174,367,099	1,174,367,099
Provision for income tax	(31,318,720)	(1,185,532,138)	(1,216,850,858)
Net income	₱93,956,158	₱3,556,545,532	₱3,650,501,690
Total segment assets	₱7,108,281,167	₱54,108,176,256	₱61,216,457,423
Segment liabilities	₱585,672,739	₱30,941,566,867	₱31,527,239,606
Income tax payable	-	99,943,768	99,943,768
Deferred tax liabilities	29,454,281	3,503,471,444	3,532,925,725
Total liabilities	₱615,127,020	₱34,544,982,079	₱35,160,109,099
Cash flows arising from:			
Operating activities	₱61,512,429	₱456,994,343	₱518,506,772
Investing activities	(356,892,924)	179,120,336	(177,772,588)
Financing activities	-	(752,746,463)	(752,746,463)
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)	(1,527,746,738)	(1,562,579,113)
Interest income on receivables, contract assets, cash in banks and investments	₱1,591,137	₱580,584,031	₱582,175,168
Interest expense	-	(1,218,773,701)	(1,218,773,701)
Commission income	-	16,107,072	16,107,072
Dividend income	-	7,157,683	7,157,683
Other revenue	-	634,481,406	634,481,406
Provision for income tax	(34,380,073)	(1,082,252,125)	(1,116,632,198)
Net income	₱103,140,221	₱3,252,900,812	₱3,356,041,033
Total segment assets	₱6,784,487,980	₱50,262,422,517	₱57,046,910,497
Segment liabilities	₱499,518,483	₱31,146,753,146	₱31,646,271,629
Income tax payable	-	94,372,446	94,372,446
Total liabilities	₱525,236,053	₱33,852,186,424	₱34,377,422,477
Cash flows arising from:			
Operating activities	(₱64,030,086)	₱332,271,777	₱268,241,691
Investing activities	(604,931,661)	(360,996,213)	(965,927,874)
Financing activities	-	2,121,039,144	2,121,039,144

Capital expenditures consist of additions to investment property which amounted to ₱364.38 million and ₱598.90 million in 2023 and 2022 respectively (see Note 11).



24. Operating Leases

Operating Leases - Parent Company as Lessor

The Parent Company entered into lease agreements with third parties covering its investment property portfolio. These leases pertain to Sta. Lucia East Grand Mall, Orchard Tower 1, and Stradella. For Sta. Lucia East Grand Mall lease agreement. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. These leases have an average life of one (1) to two (2) years with renewal option included in the contracts. There are no restrictions place upon the lessee by entering into the contract.

Future minimum rentals receivable under cancellable operating leases of the Parent Company follows:

	2023	2022
Within one year	₱407,790,048	₱305,464,914
After one year but not more than five years	132,653,400	166,540,348
	₱540,443,448	₱472,005,262

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 ₱762.50 million and ₱771.28 million in 2023 and 2022, 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 for the years 2022 and 2021, 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 and ₱149.87 million for the years ended December 31, 2022 and 2021, 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, Parent Company directly entered into lease agreements with mall tenants. SLECC and Parent Company, on the other hand, entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management business development services for a fee equivalent to 5% of the gross rental revenue (see Note 20).

25. Income Tax

Provision for income tax consists of:

	2023	2022
Current – RCIT	₱311,094,242	₱248,606,904
Deferred	896,966,117	866,466,463
Final	8,790,499	1,558,831
	₱1,216,850,858	₱1,116,632,198



The Parent Company recognized deferred tax liability from remeasurement loss on pension recognized in OCI for the years ended December 31, 2023 and December 31, 2022 amounting to ₱1.50 million and ₱0.03 million, respectively.

The Parent Company recognized deferred tax liability from remeasurement loss on pension recognized in OCI for the years ended December 31, 2023 and 2022 amounting to ₱1.50 million and ₱0.03 million, respectively.

The Parent Company recognized deferred tax asset from remeasurement gain on pension recognized in OCI for the years ended December 31, 2021 amounted to ₱0.19 million.

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

	2023	2022
Statutory income tax rate	25.00%	25.00%
Tax effect of:		
Nondeductible expenses	0.07	0.01%
Income subjected to final taxes	(0.05)	(0.01%)
Nontaxable income	(0.03)	(0.04%)
Others	-	-
Effective income tax rate	24.00%	24.96%

The components of net deferred tax liabilities as of December 31, 2023 and 2022 are as follows:

	2023	2022
Deferred tax assets on allowance for doubtful accounts	₱11,472,068	₱2,598,091
Retirement liability	2,954,577	1,282,885
Others	342,557	-
	₱14,769,202	₱3,880,976
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	2,965,739,337	2,165,536,595
Prepaid commission	272,801,155	209,640,778
Unamortized discount on receivables	108,826,500	139,898,798
Fair value gain on repossessed inventory	149,179,629	89,035,962
Capitalized borrowing cost	20,201,933	16,973,686
Unamortized transaction cost	21,694,025	10,826,146
Lease modification on rental income	9,252,348	8,743,884
Others	-	3,529
	3,547,694,927	2,640,659,378
Net deferred tax liabilities	(₱3,532,925,725)	(₱2,636,778,402)



26. Earnings per Share

The basic earnings per share for the years ended December 31, 2023 and 2022 were computed as follows:

	2023	2022
Net income	₱3,650,501,690	₱3,356,041,033
Weighted average number of shares outstanding	8,296,450,000	8,207,134,932
Earnings per share	₱0.44	₱0.41

There are no potential dilutive shares in 2023 and 2022.

27. Fair Value Determination

The methods and assumptions used by the Parent Company in estimating fair value of the financial instruments are as follows:

Cash and cash equivalents, receivables and accounts and other payables

Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Installment contracts receivables

The fair values of real estate receivable are calculated by discounting expected future cash flows at applicable rates for similar instruments using the remaining terms of maturity. The discount rate used in 2023 and 2022 ranges from 7.36% to 8.77% and 4.53% to 8.65%, respectively. The carrying value and fair value of the receivables amounted to to ₱4,534.25 million and ₱4,381.97 million, respectively, in 2023 and ₱3,048.70 million and ₱2,911.80 million, respectively, in 2022.

Financial assets at FVOCI quoted equity securities

In 2023 and 2022, the fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities

In 2023 and 2022, 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 2023 and 2022 ranges from 4.96% to 9.10%. The carrying value and fair value of the loans payable amounted to ₱15,604.44 million and ₱15,494.79 million, respectively, in 2023, and ₱13,228.00 million and ₱11,519.06 million, respectively, in 2022.



The quantitative disclosures on fair value measurement hierarchy for assets as of December 31, 2023 and 2022 follow:

	2023				
	Carrying values	Total	Fair value measurements using		
Quoted prices in active markets for identical assets (Level 1)			Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Quoted equity securities	₱509,277,060	₱509,277,060	₱509,277,060	₱-	₱-
Unquoted equity securities	217,988,853	217,988,853	-	-	217,988,853
Assets for which fair value are disclosed					
Installment contracts receivables	4,534,251,561	4,381,971,296	-	-	4,381,971,296
Investment properties	6,558,838,086	10,299,520,911	-	-	10,299,520,911
Liabilities for which fair value are disclosed					
Short-term debt	8,344,771,043	8,344,832,339	-	-	8,344,832,339
Long-term debt*	15,604,500,000	15,604,500,000	-	-	15,604,500,000

*Includes current portion of long-term debt

	2022				
	Carrying values	Total	Fair value measurements using		
Quoted prices in active markets for identical assets (Level 1)			Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
Quoted equity securities	₱436,667,800	₱436,667,800	₱436,667,800	₱-	₱-
Unquoted equity securities	220,628,172	220,628,172	-	-	220,628,172
Assets for which fair value are disclosed					
Installment contracts receivables	2,911,803,661	2,922,196,026	-	-	2,922,196,026
Investment properties	6,330,337,713	9,941,508,196	-	-	9,941,508,196
Liabilities for which fair value are disclosed					
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

As at December 31, 2023, the Parent Company's financial assets at FVOCI amounting to ₱509.98 million is carried at fair value based on Level 1 while the fair value for the investment amounting ₱ 217.99 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 2023 and 2022.

28. Financial Assets and Liabilities

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the parent company statements of financial position where the Parent Company currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the net asset settles the liability simultaneously.

The following table represents the recognized financial instruments that are offset as of December 31, 2023 and December 31, 2022, and shows in the 'Net' column what the net impact would be on the parent company statements of financial position as a result of the offsetting rights.

	December 31, 2023		
	Gross Amount	Offsetting	Net Amount
Due from related parties	₱527,064,355	₱-	₱ 527,064,355
Due to related parties	-	(3,254,988)	(3,254,988)
	₱527,064,355	(₱3,254,988)	₱523,809,367



	December 31, 2022		
	Gross Amount	Offsetting	Net Amount
Due from related parties	₱623,745,541	₱-	₱623,745,541
Due to related parties	-	(3,254,988)	(3,254,988)
	₱623,745,541	(₱3,254,988)	₱ 620,490,553

The Parent Company's payable to SLRDI arising from SLRDI's unremitted share in the development and sale of the several projects of the latter is offset against the total receivable from SLRDI.

Financial Risk Management Objectives and Policies

The Parent Company's principal financial instruments comprise of cash and cash equivalents, receivables, financial assets at FVOCI, accounts and other payables, short-term debt and long-term debt.

Management closely monitors the cash fund and financial transactions of the Parent Company. These strategies, to an extent, mitigate the Parent Company's interest rate and credit risks.

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

The main objectives of the Parent Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Parent Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Parent Company.

Liquidity risk

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

The Parent Company actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments, matches debt maturities with the assets being financed, maintains a diversity of funding sources with its unhampered access to bank financing and the capital markets. As of December 31, 2023 and 2022, the Parent Company has no undrawn facilities. As part of the liquidity risk management, the Parent Company is currently transacting with local banks for a longer term corporate notes and negotiation of higher undrawn credit lines to meet the debtors', suppliers' and contractors' obligations and business expansion.

At the Special Meeting of the Board of Directors of the Parent Company held last March 12, 2021, wherein, subject to securing all required approvals under applicable laws, rules and regulations, the Parent Company 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 Parent Company also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost, and ensures the availability of ample unused credit facilities as back-up liquidity.

Cash are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise.

The table summarizes the maturity profile of the Parent Company's financial assets and liabilities at December 31 based on contractual undiscounted payments:

	2023			Total
	< 1 year	>1 to < 5 years	> 5 years	
Financial assets				
Cash in banks and cash equivalents	₱2,913,488,922	₱-	₱-	₱2,913,488,922
Receivables:				
Installment contracts receivables:				
Subdivision land	2,036,529,219	1,137,666,018	45,767,139	3,219,962,376
Condominium units	843,283,211	452,790,669	18,215,305	1,314,289,185
Receivable from related parties	794,339,213	-	-	794,339,213
Advances to joint development operations	396,161,337	-	-	396,161,337
Advances to officers and employees	176,103,875	-	-	176,103,875
Accrued interest receivable	712,015,171	-	-	712,015,171
Receivable from tenants	254,893,303	-	-	254,893,303
Dividend receivable	40,185,334	-	-	40,185,334
Others	24,659,016	-	-	24,659,016
Short term investment	300,000,000	-	-	300,000,000
Financial instruments at FVOCI	-	-	727,265,914	727,265,914
Total Financial Assets	8,491,658,601	1,590,456,687	791,248,358	10,873,363,646
Contract Assets	2,670,019,885	3,229,573,878	129,922,450	6,029,516,213
	₱11,161,678,486	₱4,820,030,565	₱921,170,808	₱16,902,879,859
Financial liabilities				
Accounts and other payables:				
Contractors payable	₱1,503,685,137	₱-	₱-	₱1,503,685,137
Payable to joint development Operators	1,637,919,004	-	-	1,637,919,004
Accounts payable	1,445,784,897	-	-	1,445,784,897
Retention payable	293,527,537	-	-	293,527,537
Payable to related parties				
Trade	3,254,988	-	-	3,254,988
Nontrade	3,923,076	-	-	3,923,076
Interest payable	119,196,683	-	-	119,196,683
Commission payable	81,622,907	-	-	81,622,907
Others	161,325,015	-	-	161,325,015
Short term and long term debts	13,417,067,302	10,422,556,880	-	23,839,624,182
Total Financial Liabilities	₱18,667,306,546	₱10,422,556,880	₱-	₱29,089,863,426

	2022			Total
	< 1 year	>1 to < 5 years	> 5 years	
Financial assets				
Cash in banks and cash equivalents	₱3,325,501,201	₱-	₱-	₱3,325,501,201
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	900,767,364	-	-	900,767,364
Advances to joint development operations	301,064,370	-	-	301,064,370
Advances to officers and employees	164,925,304	-	-	164,925,304
Accrued interest receivable	614,663,712	-	-	614,663,712

(Forward)



	2022			Total
	< 1 year	>1 to < 5 years	> 5 years	
Receivable from tenants	₱241,410,645	₱-	₱-	₱241,410,645
Dividend receivable	37,930,257	-	-	37,930,257
Others	24,975,371	-	-	24,975,371
Short term investment	300,000,000	-	-	300,000,000
Financial instruments at FVOCI	-	-	657,295,971	657,295,971
Total Financial Assets	7,787,629,380	1,126,972,131	702,632,906	9,617,234,417
Contract Assets	2,063,564,122	2,895,259,509	151,463,795	5,110,287,426
	₱9,851,193,502	₱4,022,231,640	₱854,096,701	₱14,727,521,843
Financial liabilities				
Accounts and other payables:				
Contractors payable	₱1,916,460,794	₱-	₱-	₱1,916,460,794
Payable to joint development Operators	1,388,393,509	-	-	1,388,393,509
Accounts payable	1,296,045,470	-	-	1,296,045,470
Retention payable	221,779,644	-	-	221,779,644
Payable to related parties				
Trade	3,254,988	-	-	3,254,988
Nontrade	3,820,968	-	-	3,820,968
Interest payable	97,550,970	-	-	97,550,970
Commission payable	346,220,912	-	-	346,220,912
Others	163,877,486	-	-	163,877,486
Short term and long term debts	12,957,723,628	9,776,242,071	-	22,733,965,699
Total Financial Liabilities	₱18,395,128,369	₱9,776,242,071	₱-	₱28,171,370,440

Short term and long term debts include future interest payments.

Cash and receivables are used for the Parent Company's liquidity requirements. Refer to the terms and maturity profile of these financial assets under the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Parent Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Real estate contracts

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. The credit risk for installment contracts receivables is mitigated as the Parent Company has the right to cancel the sales contract without need for any court action and take possession of the subject lot in case of refusal by the buyer to pay on time the amortization due. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

An impairment analysis is performed at each reporting date using a simplified approach to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating and coverage by letters of credit and other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.



Set out below is the information about the credit risk exposure on the Parent Company's installment contracts receivables and contract assets using the simplified approach:

	2023		
	Total	Vertical	Horizontal
Expected credit loss rate	0.0%	0.0%	0.0%
Estimated total gross carrying amount at default	₱11,275,782,945	₱1,522,645,998	₱9,753,136,947

	2022		
	Total	Vertical	Horizontal
Expected credit loss rate	0.0%	0.0%	0.0%
Estimated total gross carrying amount at default	₱8,822,260,719	₱1,405,922,485	₱7,416,338,234

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 Parent Company security deposits and advance rentals which helps reduce the Parent Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Parent Company 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 parent company statements of financial position as of December 31, 2023 and 2022.

	2023	2022
Contract assets	₱6,029,516,213	₱5,110,287,426
Installment contracts receivables:		
Subdivision land	3,219,962,376	1,983,909,690
Condominium units	1,314,289,185	1,064,790,532
Receivable from related parties	794,339,213	901,689,196
Accrued interest receivable	712,015,171	614,663,712
Receivable from tenants	254,893,303	241,410,645
Dividend receivable	40,185,334	37,930,257
	₱12,365,200,795	₱9,954,681,458



Given the Parent Company's diverse base of counterparties, it is not exposed to large concentrations of credit risk. As of December 31, 2023 and 2022, the aging analysis of past due but not impaired receivables presented per class, is as follows:

	2023							Total	
	Neither Past Due nor Impaired		Past Due but not Impaired			Total	Impaired		Total
	1-30 days	31-60 days	61-90 days	91-120 days	>120 days				
Installment contracts receivables:									
Subdivision land	₱2,948,073,192	₱47,904,042	₱48,631,834	₱43,080,429	₱50,598,019	₱66,667,181	₱256,881,505	₱15,007,679	₱3,219,962,376
Condominium units	1,253,045,957	7,782,999	7,741,553	9,211,505	18,840,896	17,666,275	61,243,228	-	1,314,289,185
Receivable from related parties	794,339,213	-	-	-	-	-	-	-	794,339,213
Advances to joint development operations	396,161,337	-	-	-	-	-	-	-	396,161,337
Advances to officers and employees	176,103,875	-	-	-	-	-	-	-	176,103,875
Accrued interest receivable	712,015,171	-	-	-	-	-	-	-	712,015,171
Receivable from tenants	224,012,710	-	-	-	-	-	-	30,880,593	254,893,303
Dividend receivable	40,185,334	-	-	-	-	-	-	-	40,185,334
Others	24,659,016	-	-	-	-	-	-	-	24,659,016
Total	₱6,568,595,805	₱55,687,041	₱56,373,387	₱52,291,934	₱69,438,915	₱84,333,456	₱318,124,733	₱45,888,272	₱6,932,608,810
	2022								
	Neither Past Due nor Impaired		Past Due but not Impaired			Total	Impaired	Total	
	1-30 days	31-60 days	61-90 days	91-120 days	>120 days				
Installment contracts receivables:									
Subdivision land	₱1,862,096,791	₱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	4,984,989	63,255,484	-	1,064,790,533
Receivable from related parties	900,767,364	-	-	-	-	-	-	-	900,767,364
Advances to joint development operations	301,064,370	-	-	-	-	-	-	-	301,064,370
Advances to officers and employees	164,925,304	-	-	-	-	-	-	-	164,925,304
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	24,975,371	-	-	-	-	-	-	-	24,975,371
Total	₱5,149,368,863	₱55,362,027	₱50,044,996	₱33,129,132	₱22,239,916	₱13,899,947	₱174,676,018	₱10,392,365	₱5,334,437,246



The table below shows the credit quality of the Parent Company's financial assets as of December 31, 2023 and 2022.

	2023					2022				
	Neither past due nor impaired		Past due but not impaired		Total	Neither past due nor impaired		Past due but not impaired		Total
	High Grade	Medium Grade	Low Grade	P-		High Grade	Medium Grade	Low Grade	P-	
Cash in banks and cash equivalents	₱2,913,488,922	-	-	-	₱2,913,488,922	-	-	-	-	₱2,913,488,922
Receivables:										
Installment contracts receivables:										
Subdivision land	2,948,073,191	-	-	-	2,948,073,191	-	-	-	-	3,219,962,375
Condominium units	1,253,045,957	-	-	-	1,253,045,957	-	-	-	-	1,314,289,185
Receivable from related parties	794,339,213	-	-	-	794,339,213	-	-	-	-	794,339,213
Advances to officers and employees	176,103,875	-	-	-	176,103,875	-	-	-	-	176,103,875
Advances to joint development										
Operations	396,161,337	-	-	-	396,161,337	-	-	-	-	396,161,337
Accrued interest receivable	712,015,171	-	-	-	712,015,171	-	-	-	-	712,015,171
Receivables from tenants	224,012,710	-	-	-	224,012,710	-	-	-	30,880,593	254,893,303
Dividend receivable	40,185,334	-	-	-	40,185,334	-	-	-	-	40,185,334
Others	24,659,016	-	-	-	24,659,016	-	-	-	-	24,659,016
Financial assets at FVOCI	727,265,914	-	-	-	727,265,914	-	-	-	-	727,265,914
Short term investments	300,000,000	-	-	-	300,000,000	-	-	-	-	300,000,000
	₱10,509,350,640	₱-	₱-	₱-	₱10,509,350,640	₱-	₱-	₱-	₱45,888,272	₱10,873,363,645
Cash in banks and cash equivalents	₱3,324,226,201	-	-	-	₱3,324,226,201	-	-	-	-	₱3,324,226,201
Receivables:										
Installment contracts receivables:										
Subdivision land	1,862,096,791	-	-	-	1,862,096,791	-	-	-	-	1,983,909,690
Condominium units	1,001,535,049	-	-	-	1,001,535,049	-	-	-	-	1,064,790,533
Receivable from related parties	900,767,364	-	-	-	900,767,364	-	-	-	-	900,767,364
Advances to officers and employees	164,925,304	-	-	-	164,925,304	-	-	-	-	164,925,304
Advances to joint development										
Operations	301,064,370	-	-	-	301,064,370	-	-	-	-	301,064,370
Accrued interest receivable	614,663,712	-	-	-	614,663,712	-	-	-	-	614,663,712
Receivables from tenants	241,410,645	-	-	-	241,410,645	-	-	-	-	241,410,645
Dividend receivable	37,930,257	-	-	-	37,930,257	-	-	-	-	37,930,257
Others	24,975,371	-	-	-	24,975,371	-	-	-	-	24,975,371
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
	₱9,430,891,035	₱-	₱-	₱-	₱9,430,891,035	₱-	₱-	₱-	₱10,392,365	₱9,615,959,418



The credit quality of the financial assets was determined as follows:

Cash - high grade pertains to cash deposited in local banks belonging to the top ten banks in the Philippines in terms of resources and profitability.

Receivables - high grade pertains to receivables with no default in payment and pertains to related parties; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Parent Company manages the equity price risk through diversification and placing limits on equity instruments.

The effect on equity, as a result of a change in carrying amount of financial assets at FVOCI as of December 31, 2023 and 2022 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱72.80 million and ₱65.73 million, respectively, if equity indices will increase by 10%. An equal change in the opposite direction would have decreased equity by the same amount.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Parent Company's exposure to the risk of changes in market interest rates relates primarily to the Parent Company's long-term debt obligations with floating interest rates.

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

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

The following table demonstrates the sensitivity of the Parent Company's income before tax and equity to a reasonably possible change in interest rates on December 31, 2023 and 2022, with all variables held constant, (through the impact on floating rate borrowings):

	Effect on income before income tax	
	Increase (decrease)	
	2023	2022
Change in basis points:		
+100 basis points	(₱198,542,133)	(₱195,858,699)
-100 basis points	198,542,133	195,858,699

The assumed change in rate is based on the currently observable market environment. There is no other impact on the Parent Company's equity other than those already affecting the net income.



29. Notes to Statements of Cash Flows

Below are the non-cash investing and financing activities for December 31, 2023 and 2022:

- a. 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 16).
- b. The interest paid excludes capitalized borrowing costs and accretion of loan transaction cost. The capitalized borrowing costs in 2023 and 2022 amounted to ₱13.90 million and ₱11.90 million, respectively. The accretion of loan transaction cost amounted to ₱24.30 million and ₱40.55 million for the years 2023 and 2022, respectively.
- c. Purchases of lots which remain unpaid as of December 31, 2023 and 2022 amounted to ₱221.97 million and ₱554.74 million, respectively.
- d. The Parent Company's investment properties include outstanding balances amounting to ₱12.42 million and ₱23.21 million as of December 31, 2023 and 2022, respectively.

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

	December 31, 2022	Cash flows	Non-cash changes	December 31, 2023
Payable to related parties (Note 20)	₱7,075,956	₱102,108	₱-	₱7,178,064
Short-term and long-term debt (Note 15)	22,733,965,699	1,081,357,202	24,301,281	23,839,624,182
Interest payable	97,550,970	(1,589,553,756)	1,611,199,469	119,196,683
Total liabilities from financing activities	₱22,838,592,625	(₱508,094,446)	₱1,635,500,750	₱23,965,998,929

	December 31, 2021	Cash flows	Non-cash changes	December 31, 2022
Payable to related parties (Note 20)	₱7,182,878	(₱106,922)	₱-	₱7,075,956
Short-term and long-term debt (Note 15)	19,352,294,854	3,341,120,489	40,550,356	22,733,965,699
Interest payable	81,382,474	(1,178,223,345)	1,194,575,070	97,550,970
Total liabilities from financing activities	₱19,440,860,206	₱2,162,606,993	₱1,235,125,426	₱22,838,592,625

Non-cash changes pertain to accretion of bond discount from short-term and long-term debt, capitalized borrowing costs to inventories and investment properties and accrual of interest expense.

30. Contingencies

Contingencies

The Parent Company has various contingent liabilities arising in the ordinary conduct of business including cases related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Parent Company's financial position and results of operations. Accordingly, no provision for any liability has been made in the parent company financial statements.



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

31. Events After the Reporting Date

On March 13, 2024, the Parent Company has drawn ₱3,000.00 million from the second drawdown of the Term Loan Agreement signed last November 28, 2023 at an annual fixed rate of 8.27%. The loan matures on December 18, 2028.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Sta. Lucia Land, Inc. (the Parent Company) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 25, 2024. Our audits were made for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Parent Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic parent company financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic parent company financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic parent company financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the parent company financial statements.

SYCIP GORRES VELAYO & CO.



Michael C. Sabado

Partner

CPA Certificate No. 89336

Tax Identification No. 160-302-865

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-073-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10082007, January 6, 2024, Makati City

April 25, 2024



STA. LUCIA LAND, INC.
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AND SUPPLEMENTARY SCHEDULES
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PARENT COMPANY FINANCIAL STATEMENTS

Statement of Management's Responsibility for Financial Statements

Report of Independent Auditors

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Parent Company Statements of Comprehensive Income for the years ended
December 31, 2023 and 2022

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December 31, 2023 and 2022

Parent Company Statements of Cash Flows for the years ended
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SUPPLEMENTARY SCHEDULES

Report of Independent Auditor's on Supplementary Schedules

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

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F. Schedule of financial soundness indicators

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STA. LUCIA LAND, INC.

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED DECEMBER 31, 2023

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Parent Company. This information is presented for purposes of filing with the SEC and is not a required part of the basic parent company financial statements.

Schedule A. Financial Assets in Equity Securities

Below is the detailed schedule of financial assets in equity securities of the Parent Company as of December 31, 2023:

Name of Issuing entity and association of each issue	Number of Shares	Amount Shown in the Statement of Financial Position
Financial Assets at Fair Value through Other Comprehensive Income (OCI)		
Quoted:		
Philippine Racing Club, Inc.	70,786,759	₱452,327,390
Manila Jockey Club, Inc.	29,894,840	56,949,670
Unquoted:		
Uni-Asia Properties, Inc.	8,812,489	217,988,853
	109,494,088	₱727,265,913

The basis in determining the value of quoted equity securities is the market quotation on December 31, 2023 while unquoted security is valued at its cost less any allowance for impairment.

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

Below is the schedule of advances to employees of the Parent Company with balances above ₱100,000 as of December 31, 2023:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Exequiel D. Robles	₱23,974,881	₱2,260,000	₱-	₱26,234,881
Vicente R. Santos	22,345,588	1,560,000	-	23,905,588
Kristine May Robles	8,169,984	2,889,665	(1,328,056)	9,731,593
Aurora D. Robles	6,725,000	780,000	-	7,505,000
Antonio Robles	6,665,000	780,000	-	7,445,000
Orestes R. Santos	5,798,718	780,000	(86,400)	6,492,318
Mariza Santos Tan	5,326,618	780,000	(40,000)	6,066,618
Paul Michael Robles	3,569,499	883,550	-	4,453,049
Maria Rosario Santos	2,000,000	165,000	(30,000)	2,135,000
Michelle Robles	1,838,406	96,500	(172,992)	1,761,914
David M. Dela Cruz	112,166	1,347,900	(37,600)	1,422,466
Mardon Santos	1,043,851	-	-	1,043,851
Pampolina Jeremiah	429,393	5,800	(53,800)	381,393
	₱87,999,104	₱12,328,415	(₱1,748,848)	₱98,578,671

These advances consist of advances for expenses and disbursements necessary in carrying out their functions in the ordinary course of business such as for selling and marketing activities, official business trips, emergency and cash on delivery (COD) purchases of materials, equipment and supplies, repair of Parent Company's vehicles, model units and housing units, registration of titles, etc. and short term loans given to officers and employees. The advances will be liquidated when the purposes for which these advances were granted are accomplished or completed or deducted from the officers'/employees' salaries if not liquidated. No amounts were written-off during the year and all amounts are presented as current.

Schedule C. Long-term debt

The Parent Company has long term loans amounting to ₱15,604.50 million as of December 31, 2023.

Schedule D. Capital Stock

<u>Title of issue</u>	<u>Number of shares authorized</u>	<u>Number of shares issued and outstanding as shown under related balance sheet caption</u>	<u>Number of shares reserved for options, warrants, conversion and other rights</u>	<u>Number of shares held by related parties</u>	<u>Directors, Officers and Employees</u>	<u>Others</u>
Common Shares	16,000,000,000	8,296,450,000	–	6,701,005,767	1,890,997	1,593,553,236

STA. LUCIA LAND, INC.**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Total Unappropriated Retained Earnings - January 1, 2023		₱8,953,823,191
Less:		
Treasury shares		(1,600,000,000)
Income closed to retained earnings and other reconciling items		
TOTAL RETAINED EARNINGS, AVAILABLE FOR DIVIDEND DECLARATION, BEGINNING		7,353,823,191
Net income actually earned/realized during the period:		
Net income during the period closed to retained earnings	3,733,650,919	
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	(136,483,346)	
- Lease modification		—
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		3,597,167,573
Add (Less):		
Dividend declarations during the period		(331,858,000)
Appropriations of retained earnings during the period		—
Reversals of appropriations		—
Effects of prior period adjustments		—
Treasury shares - see beginning reconciliation		—
TOTAL RETAINED EARNINGS, AVAILABLE FOR DIVIDEND DECLARATION, ENDING		₱10,619,132,764

STA. LUCIA LAND, INC.**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022**

Ratio	Formula	Current Year	Prior Year
Current ratio	Current assets / Current liabilities	2:29:1	2:12:1
Debt to equity ratio	Total liabilities / Stockholders' equity	0.91:1	1.00:1
Debt to total assets ratio	Total liabilities / Total assets	0.57:1	0.60:1
Return on average assets	Net income / Average assets	6.17%	6.17%
Book value per share	Stockholders' equity / Total number of shares	₱3.14	₱2.73
Earnings per share	Net income / Total number of shares	₱0.44	₱0.41
Debt service coverage ratio	EBITDA / Debt service	4.17:1	5.34:1



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of **Sta. Lucia Land, Inc.** is responsible for all information and representations in the Annual Income Tax Return for the year ended **December 31, 2023**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax Return or Annual Information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and information contained in all other tax returns filed for the reporting period, including but not limited to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of Sta. Lucia Land, Inc., complete and correct in all material aspects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the Sta. Lucia Land, Inc. has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for in the reporting period, except those contested in good faith.



VICENTE R. SANTOS
 Chairman of the Board


EXEQUIEL D. ROBLES
 President & Chief Executive Officer



DAVID M. DELA CRUZ
 EVP Chief Financial Officer

MANDALUYONG CITY

25 APR 2024

SUBSCRIBE AND SWORN to before me this _____ day of _____ 2024, 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. 333 :
 Page 08 :
 Book No. 6011 :
 Series of 2024

JERRY B. DELA CRUZ
 Notary Public for Mandaluyong City
 Until 31 December 2024
 Appointment No. 9257-23
 Roll Number 67016
 IBP No. 22307-01.15.2024/RSM
 PTR No. 5419649-01.03.2024/Mandaluyong
 MCLE Compliance No. VII-0026012/02.06.2023