FILINVEST LAND, INC.

Filinvest Building, 79 EDSA, Brgy. Highway Hills
1550 Mandaluyong City
Philippines

Offer Supplement

Fixed Rate Bonds in the aggregate principal amount of up to ₱12.0 Billion

Base:
Offer of ₱9.0 Billion
with an
Oversubscription Option of up to ₱3.0 Billion

Consisting of
6.2916% p.a. Series B Bonds due 2030
6.6550% p.a. Series C Bonds due 2032
6.8312% p.a. Series D Bonds due 2035

Purchase Price: 100% of Face Value

To be listed and traded through the Philippine Dealing & Exchange Corp.

Joint Lead Underwriters and Bookrunners[1]

BDO Capital | BPI Capital Corporation | Chinabank Capital | eastwest
First Metro Investment Corporation (Metrobank Group) | LANDBANK | RCBC Capital Corporation | Security Bank Capital (A Subsidiary of Security Bank)

Trustee: Metropolitan Bank & Trust Company – Trust Banking Group

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND WAS RENDERED EFFECTIVE ON NOVEMBER 15, 2023, AND COVERED BY THE SEC SHELF REGISTERED FIXED RATE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF PHP35.0 BILLION. OF SUCH AMOUNT, PHP11.4 BILLION WAS ISSUED ON DECEMBER 1, 2023. THESE SECURITIES ARE COVERED BY UPDATES TO SUCH REGISTRATION STATEMENT UNDER THE SHELF REGISTRATION RULES OF THE SEC AND THE PROSPECTUS DATED NOVEMBER 14, 2023, ACCESSIBLE AT https://filinvestland.com/sites/default/files/pdf_files/FINAL%20Prospectus_FILINVEST%20LAND%2C%20INC._Bonds%202023.pdf

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS OFFER SUPPLEMENT IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

The date of this Offer Supplement is February 14, 2025.

[1] East West Banking Corporation is an affiliate of FLI.
First Metro Investment Corporation is a subsidiary of Metropolitan Bank & Trust Company.

FILINVEST LAND, INC.
Filinvest Building, 79 EDSA, Brgy. Highway Hills
1550 Mandaluyong City, Philippines
Telephone Number: (+632) 7918-8188
Website: www.filinvestland.com

The bonds covered by this Offer Supplement and described below are being offered by Filinvest Land, Inc. ("**FLI**", the "**Company**", the "**Issuer**", or, when referred to collectively with its consolidated subsidiaries, the "**Group**") as the second tranche of its shelf program for bonds in the aggregate principal amount of ₱35,000,000,000.00 to be issued in one or more tranches (the "**Bond Program**") with a remaining balance of ₱23,569,200,000.00, which was approved and registered by the Securities and Exchange Commission ("**SEC**") on November 15, 2023 (the "**Debt Securities Program**" or the "**Bonds**").

The second tranche of the Bond Program with an aggregate principal amount of ₱9,000,000,000.00 (the "**Base Offer**") and an oversubscription option of up to ₱3,000,000,000.00 (the "**Oversubscription Option**", collectively the "**Offer Bonds**" or the "**Offer**"), will be issued on March 12, 2025 (the "**Issue Date**"), or on such other date as may be agreed upon by the Issuer and the Joint Lead Underwriters and Bookrunners. The succeeding tranche/s of the Bond Program are to be issued under a shelf registration within three (3) years from November 15, 2023 (the "**Shelf Period**"). Assuming the Oversubscription Option is fully exercised, up to ₱12,000,000,000.00 of the Debt Securities Program will be issued by the Company pursuant to the Offer.

During the Shelf Period, the Company may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of the Bonds covered by such Registration Statement, in one or more subsequent tranches under Rule 8.1.2 of the Implementing Rules and Regulations of the Securities Regulation Code. Such shelf registration provides the Company with the ability to take advantage of opportunities in a volatile debt capital market, as these occur.

The Offer Bonds will be comprised of 5-year Bonds due 2030 (the "**Series B Bonds**"), 7-year Bonds due 2032 (the "**Series C Bonds**"), and 10-year Bonds due 2035 (the "**Series D Bonds**"). FLI reserves the right to allocate the Offer Bonds to any or all of the Series B Bonds, Series C Bonds, and Series D Bonds based on the book building process and may opt to allocate the entire Offer to only one (1) or two (2) series.

Interest on the Series B Bonds, Series C Bonds, and Series D Bonds shall be payable quarterly in arrears starting on June 12, 2025 for the first Interest Payment Date, and on March 12, June 12, September 12, and December 12 of each year for each subsequent Interest Payment Date at which the Offer Bonds are outstanding, or the subsequent Business Day without adjustment for accrued interest, if the relevant Payment Date is not a Business Day. If the Issue Date is set at a date other than March 12, 2025, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every three (3) months following the actual Issue Date. The Maturity Dates of the Series B Bonds, Series C Bonds, and Series D Bonds shall be on March 12, 2030, March 12, 2032, and March 12, 2035, respectively, which will also be the last Interest Payment Dates for each series. If the Issue Date is set on a date other than March 12, 2025, the Maturity Date shall be on the 5th anniversary of the Issue Date for the Series B Bonds, on the 7th anniversary of the Issue Date for the Series C Bonds, and on the 10th anniversary of the Series D Bonds. The Offer Bonds, unless earlier redeemed or purchased and cancelled prior to the Maturity Date, shall be redeemed at par (or 100% of face value) on the Maturity Date or as otherwise set out in the "*Description of the Offer Bonds*" section of this Offer Supplement.

In the event that the Oversubscription Option is not fully exercised at all during the Offer Period, the unexercised portion shall be placed under shelf registration to be issued within the Shelf Period and, consequently, the balance of the Bonds under shelf registration will be automatically increased by such principal amount of the Oversubscription Option that will not be taken up or exercised.

The Offer Bonds shall constitute the direct, absolute, unconditional, unsubordinated, and unsecured obligations of the Company and shall rank pari passu and ratably without any preference or priority amongst themselves and shall rank at all times at least pari passu in priority of payment and in all respects with all its other unsubordinated and unsecured Indebtedness, other than the obligations preferred by law other than the preference or priority established by Article 2244, paragraph 14 of the Civil Code of the Philippines, as the same may be amended from time to time.

Each tranche of the Bond Program will be rated by Philippine Rating Services Corporation ("**PhilRatings**"). Such ratings are not recommendations to buy, sell or hold the securities and may be subject to revision, suspension or withdrawal at any time by PhilRatings. The Offer Bonds have been rated PRS Aaa, with a Stable Outlook, by PhilRatings. A rating of PRS Aaa is assigned to long-term debt securities of the highest quality with minimal credit risk. A rating of PRS Aaa is the highest credit rating on PhilRatings' long-term credit rating scale.

The Offer Bonds shall be offered to the public at face value through the Joint Lead Underwriters and Bookrunners named in this Offer Supplement, with the Philippine Depository & Trust Corp. ("**PDTC**") as the Registrar of the Offer Bonds. It is intended that upon issuance, the Offer Bonds shall be issued in scripless form, with the PDTC maintaining the Registry of Bondholders, and listed on the Philippine Dealing & Exchange Corp. ("**PDEx**"). The Offer Bonds shall be issued in minimum denominations of ₱50,000.00 each, and in integral multiples of ₱10,000.00 thereafter. The Offer Bonds shall be traded in denominationsof ₱10,000.00 in the secondary market.

BDO Capital & Investment Corporation ("**BDO Capital**"), BPI Capital Corporation ("**BPI Capital**"), China Bank Capital Corporation ("**Chinabank Capital**"), East West Banking Corporation ("**EastWest**"), First Metro Investment Corporation ("**First Metro**"), Land Bank of the Philippines ("**LANDBANK**"), RCBC Capital Corporation ("**RCBC Capital**") and Security Bank Capital Investment Corporation ("**Security Bank Capital**") have been appointed as the Joint Lead Underwriters and Bookrunners (collectively, the "**Joint Lead Underwriters and Bookrunners**" or the "**Underwriters**") for the Offer.

FLI expects to raise gross proceeds of up to ₱35,000,000,000.00 from its Bond Program. For the second tranche, without exercising the Oversubscription Option, the net proceeds are estimated to be ₱8.89 billion, after deducting fees, commissions, and expenses relating to the issuance of the Offer Bonds. If the Oversubscription Option is fully exercised, the net proceeds are estimated to be approximately ₱11.85 billion, after deducting fees, commissions, and expenses relating to the issuance of the Offer Bonds. Proceeds of the Offer shall be used by the Company to (i) partially refinance the full redemption of FLI's fixed rate bonds maturing on June 23, 2025, with coupon rate of 5.3455% p.a. and face amount of ₱8,925,000,000.00, and (ii) partially fund the capital expenditure for land development and construction costs of the Company's real estate projects.

The underwriting fees to be paid by the Company to the Underwriters in relation to the Offer shall be equivalent to 0.40% of the final aggregate principal amount of the Offer Bonds issued. The fees shall be inclusive of commissions to be paid to the selling agents, if any.

However, there can be no assurance in respect of: (i) whether FLI would issue such Bonds at all; (ii) the size or timing of any individual issuance or the total issuance of such Bonds; or (iii) the specific terms and conditions of any such issuance. Any decision by the Company to offer the Bonds will depend on a number of factors at the relevant time, many of which are not within FLI's control, including but not limited to: prevailing interest rates, the financing requirements of FLI's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional, and global economies in general.

The Offer is being conducted exclusively in the Philippines and pursuant to requirements under Philippine laws, rules and regulations that may be different from those of other countries and jurisdictions. No action has been or will be taken by the Company or any person on behalf of the Company to permit an offer of the Bonds in any jurisdiction other than the Philippines, where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, nor may any offering material related to the Bonds be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

This Offer Supplement contains the final terms of the Second Tranche Bonds and must be read in conjunction with the Prospectus, dated November 14, 2023 issued relating to the first tranche of the Debt Securities Program (the "**Prospectus**"). Unless defined in this Offer Supplement, terms used herein shall be deemed to be defined as set forth in the Prospectus. Full information on the Company and this Offer is only available on the basis of the combination of this Offer Supplement, the Prospectus, and all other Bond Agreements. The information contained in the Prospectus is deemed incorporated by reference in this Offer Supplement, insofar as such information does not conflict with or has not been otherwise superseded by this Offer Supplement. In case of conflict between the provisions of this Offer

Supplement and the Trust Agreement, the provisions of the Trust Agreement shall prevail. Investors should review all information contained in the Prospectus and this Offer Supplement.

Unless otherwise stated, the information contained in the Prospectus and this Offer Supplement has been supplied by FLI. The Company (which has taken all reasonable care to ensure that such is the case) confirms that the information contained in the Prospectus and this Offer Supplement is true and correct, and that there is no material misstatement or omission of fact which would make any statement in the Prospectus and this Offer Supplement misleading in any material respect. The Underwriters have exercised reasonable due diligence required by applicable laws, rules, and regulations in ascertaining that all material representations contained in the Prospectus and this Offer Supplement are true and correct in all material respects and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading in any material respect.

No person or group of persons has been authorized by FLI and the Underwriters to give any information or to make any representation concerning the Offer Bonds other than as contained in the Prospectus and this Offer Supplement. If given or made, any such information or representation must not be relied upon as having been authorized by the Company or any of the Underwriters.

The price of securities, such as the Bonds, can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. An investment in the Bonds described in the Prospectus and this Offer Supplement involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider several risk factors relating to the Company's business and operations, risks relating to the Philippines and risks relating to the Bonds, as set out in the section "*Risk Factors*" of the Prospectus and this Offer Supplement, in addition to the other information contained in the Prospectus and this Offer Supplement, in deciding whether to invest in the Bonds. The risk disclosure discussion does not purport to disclose all the risks and other significant aspects of investing in the Bonds. A person contemplating an investment in the Bonds should seek professional advice if he or she is uncertain of, or has not understood any aspect of, the securities to invest in or the nature of risks involved in trading of such securities.

All information in the Prospectus and this Offer Supplement is as of the date hereof, unless otherwise indicated. Neither the delivery of the Prospectus and this Offer Supplement nor any sale made pursuant to the Offer shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof, or that there has been no changein the affairs of the Company and its subsidiaries since such date.

Figures in the Prospectus and this Offer Supplement have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary, and figures which are totals may not be an arithmetic aggregate of their components.

Market data and certain industry forecasts used throughout the Prospectus and this Offer Supplement were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither the Company nor any of theUnderwriters make any representation as to the accuracy or completeness of such information.

Certain agreements are referred to in the Prospectus and this Offer Supplement in summary form. Any such summary does not purport to be a complete or accurate description of the agreement and prospective investors are expected to independently review such agreements in full.

FLI is organized under the laws of the Philippines. Its principal office is at the Filinvest Building, 79 EDSA Brgy. Highway Hills 1550 Mandaluyong City, Philippines with telephone number (+632) 7918-8188 and corporate website, www.filinvestland.com.

A REGISTRATION STATEMENT RELATING TO THE SHELF REGISTRATION OF THESE SECURITIES IN THE AGGREGATE PRINCIPAL AMOUNT OF ₱35,000,000,000 WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND

WAS RENDERED EFFECTIVE ON NOVEMBER 15, 2023. OF SUCH AMOUNT, ₱11,430,800,000 OF SECURITIES WERE ISSUED ON DECEMBER 1, 2023. THESE SECURITIES ARE COVERED BY UPDATES TO SUCH REGISTRATION STATEMENT UNDER THE SHELF REGISTRATION RULES OF THE SEC AND THE PROSPECTUS DATED NOVEMBER 14, 2023, ACCESSIBLE AT https://filinvestland.com/sites/default/files/pdf_files/FINAL%20Prospectus_FILINVEST%20LAND%2C%20INC._Bonds%202023.pdf. UPDATES TO THE PROSPECTUS SUBMITTED WITH SUCH REGISTRATION STATEMENT ARE COVERED BY THIS OFFER SUPPLEMENT.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS OFFER SUPPLEMENT IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CURRENT.

FILINVEST LAND, INC.

By:

TRISTANEIL D. LAS MARIAS
President and Chief Executive Officer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S

SUBSCRIBED AND SWORN to before me this FEB 14 2025 in Makati City, Metro Manila, Philippines, affiant exhibiting to me as competent evidence of his identity, Driver's License No. N01-91-124620, bearing his photograph and signature, issued by the Land Transportation Office and valid until 27 March 2028

Doc. No. 11 ;
Page No. 4 ;
Book No. IV ;
Series of 2025.

ENRICO MIGUEL D. DIZON
Appointment No. M-459
Notary Public for Makati City
Until December 31, 2025
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 85474
PTR No. 10468809/Makati City/01-03-2025
IBP No. 510901/Makati City/12-17-2024
Admitted to the bar in 2023

FORWARD-LOOKING STATEMENTS

This Offer Supplement contains statements of future expectations, projections and forward-looking statements. Statements that are not historical facts, including statements about the Company's beliefs or expectations, are forward-looking statements and can generally be identified by the use of the words "anticipate," "believe," "estimate," "expect," "intend," "seek," "plan," "may," "will," "would," "could" and words of similar import. These forward-looking statements include, without limitation, statements relating to:

- the Company's overall future business, financial condition and results of operations, including, without limitation, its financial position or cash flow;
- the Company's business and investment strategy, including acquisitions and divestments, investments and potential investments in new business segments and expansion plans for its existing assets and operations or other capital expenditure plans;
- the Company's goals for or estimates of its future operational performance or results;
- the Company's dividend policy;
- the future demand for the Company's real estate services; and
- changes in the Company's regulatory environment, including policies, decisions and determinations of governmental or regulatory authorities.

Forward-looking statements involve inherent risks and uncertainties and should not be unduly relied upon. The forward-looking statements contained in this Offer Supplement reflect the Company's current views with respect to future events and are in most cases beyond the Company's control. Actual results or outcomes may differ materially from those expressed in any forward-looking statements as a result of a number of factors, including, among others:

- the Company's ability to successfully implement its strategies;
- the Company's ability to anticipate and respond to consumer trends;
- the Company's ability to successfully manage growth;
- the Company's ability to successfully enter into, and compete in, new lines of business;
- the condition and changes in the Philippine economy;
- general political, social and economic conditions in the Philippines;
- changes to the laws, regulations and policies applicable to or affecting the Company, including changes to laws, regulations and policies relating to the real estate;
- changes in the Company's relationship with the Philippine Bureau of Internal Revenue ("**BIR**") or other Philippine regulatory authorities or licensors;
- legal or regulatory proceedings in which the Company is or may become involved;
- changes in interest rates, inflation rates and the value of the peso against the U.S. dollar and other currencies;
- competition in the real estate industry; and

- uncontrollable events, such as war, civil unrest or acts of international or domestic terrorism, the outbreak of contagious diseases, accidents and natural disasters.

Additional factors that could cause the Company's actual results, performance or achievements to differ materially include, but are not limited to, those disclosed under "*Risk Factors*." These forward-looking statements speak only as of the date of this Offer Supplement. The Company and the Underwriters expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflectany change in the Company's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based. In light of these risks, uncertainties and assumptions associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Offer Supplement might not occur in the way the Company expects, or at all. The Company's actual results could differ substantially from those anticipated in the Company's forward-looking statements. Investors should not place undue reliance on any forward-looking information.

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Glossary of Terms

In this Offer Supplement, unless the context otherwise requires, the following terms shall have the meanings set out below. A specific time of day refers to Philippine Standard Time.

Affiliate	means with respect to any person, any other person directly or indirectly controlling, controlled by or under common control with, such person, including, for the avoidance of doubt, subsidiaries
ALGI	A.L. Gotianun, Inc. (formerly ALG Holdings Corporation)
Anti-Money Laundering Act	the Anti-Money Laundering Act 2001 of the Philippines, as amended
Applicable Law………………………	shall mean any statute, law, regulation, ordinance, rule, judgment, order, decree, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any governmental authority.
Applicant	shall mean the person who shall duly accomplish the Application to Purchase as defined herein and who shall deliver the same to the Underwriters in accordance with the Underwriting Agreement
Application to Purchase......................	the application form accomplished and submitted by an Applicant for the purchase of a specified amount of the Offer Bonds, together with all the other requirements set forth in such application form
Base Offer ……………………………	shall mean the issuance of the second tranche of the Bond Program by FLI with an aggregate principal amount of ₱9,000,000,000.00
BCDA ………………………………..	Bases Conversion Development Authority
BDO Capital….....................................	BDO Capital & Investment Corporation
BIR	Philippine Bureau of Internal Revenue
Board	the Board of Directors of FLI
BOI...	Philippine Board of Investments
Bond Agreements	shall mean the Trust Agreement between the Company and the Trustee, the Registry and Paying Agency Agreement between the Company and the Registrar and Paying Agent, and the Underwriting Agreement between the Company and the Underwriters
Bond Program ………………………..	shall mean the Company's up to ₱35,000,000,000.00 program of Bonds which was rendered effective by the SEC on November 15, 2023 under MSRD Order No. 64, Series of 2023
Bondholder	shall mean a person whose name appears, at any time, as a holder of the Offer Bonds in the Registry of Bondholders
Bonds ………………………………...	shall mean the Philippine Peso-denominated Fixed Rate Bonds to be issued by FLI in one or more tranches under the Bond Program

BP 220…..	Batas Pambansa Bilang 220
BPI Capital	BPI Capital Corporation
BPO	business process outsourcing
BSP...	Bangko Sentral ng Pilipinas, the Philippine Central Bank
BTO ………………………………….	build-transfer-operate
Building Code	RA 6541, as amended, or the National Building Code of the Philippines
Business Day	any day, other than Saturday, Sunday, and a public non-working holiday, on which the BSP's Philippine Payment and Settlement System (PhilPaSS) and the Philippine Clearing House Corporation (PCHC) (or, in the event of discontinuance of their respective functions, their respective replacements) are open and available for clearing and settlement, and commercial banks are generally open for the transaction of business in Metro Manila; provided, that all other days unless otherwise specified herein shall mean calendar days which shall be construed as successive periods of twenty-four (24) hours each
CDC...	Clark Development Corporation
Chinabank Capital	China Bank Capital Corporation
CIAC ………………………………...	Construction Industry Arbitration Commission
Colliers	Colliers International Philippines, Inc.
Company...	shall mean FLI and its subsidiaries
CPI	Cyberzone Properties Inc., renamed as Filinvest REIT Corp.
DA …………………………………...	Department of Agriculture
DAR …………………………………	Department of Agrarian Reform
Debt Securities Program……………	The Shelf Registration of Filinvest Land, Inc. in the principal amount of up to Thirty-Five Billion Pesos (₱35,000,000,000.00) under a shelf-registered debt program, to be issued in multiple tranches at such times and on such terms as may be determined by management.
DENR ………………………………..	Department of Environment and Natural Resources
DHSUD	Department of Human Settlements and Urban Development
DPI …………………………………..	Dreambuilders Pro, Inc.
EBITDA	net income after adding interest and other finance charges (including interest expense on financial liability on lease contract), provision for income tax, depreciation and amortization
ECC	Environmental Compliance Certificate

Ecozones	special economic zones designated by the PEZA
EGF	Environmental Guarantee Fund
EIS...	Environmental Impact Statement
EMB...	Environmental Management Bureau of DENR
EMF...	Environmental Monitoring Fund
EastWest	East West Banking Corporation
FAC ………………………………….	Filinvest Asia Corporation
FDC	Filinvest Development Corporation
FDCUI ……………………………….	FDC Utilities, Inc.
Filinvest Company	FDC and its consolidated subsidiaries and their joint ventures
Filinvest Consortium	shall mean FLI, Filinvest REIT Corp. and Filinvest Alabang Inc. and a third party, collectively
Filinvest REIT Corp.	Filinvest REIT Corp. (formerly Cyberzone Properties, Inc.)
First Metro...	First Metro Investment Corporation
FLI, the Company, the Issuer or the Parent Company	Filinvest Land, Inc.
FMI …………………………………..	Filinvest Mimosa, Inc.
FREITFM ……………………………	FREIT Fund Managers, Inc.
FSI …………………………………...	Festival Supermall, Inc.
GDP...	gross domestic product
GLA...	Gross leasable area
Gotianun Family..................................	means any of the following: a. Mrs. Mercedes T. Gotianun, Mr. Jonathan T. Gotianun, Mrs. Josephine Gotianun-Yap, Mr. Michael T. Gotianun and Mr. Francis C. Gotianun; b. the spouses and the direct descendants up to the first degree of consanguinity of any person described or named in clause (a) above; c. the estates or legal representatives of any person described or named in clause (a) or (b) above;

d. trusts or other analogous arrangements established for the benefit of any person described or named in clause (a), (b) or (c) above or of which any such person is a trustee or holder of an analogous office; or

e. ALGI

Government...	the Government of the Republic of the Philippines
Gross receipts	shall mean gross selling price less acquisition cost of the Bonds sold
H&L	house and lot
Hectare	land measurement equivalent to 10,000 square meters
HLURB	Housing and Land Use Regulatory Board
HRB …………………………………	high-rise building
HSAC	Human Settlement Adjudication Commission
ID …………………………………….	identification document
IEE	Initial Environmental Examination
Interest Payment Date	shall mean June 12, 2025, for the first Interest Payment Date, and on March 12, June 12, September 12, and December 12 of each year for each subsequent Interest Payment Date while the Offer Bonds are outstanding, or the subsequent Business Day without adjustment for accrued interest, if the relevant Interest Payment Date is not a Business Day. If the Issue Date is set at a date other than March 12, 2025, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every three (3) months following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date.
IPO	Philippine Intellectual Property Office
Issue Date	shall mean March 12, 2025, or the subsequent Business Day if such Issue Date is not a Business Day, or such other date as may be mutually agreed between the Issuer and the Underwriters with advice to the SEC, PDTC and PDEx
IT	information technology
ITH …………………………………..	income tax holiday
Joint Lead Underwriters and Bookrunners	shall refer to BDO Capital, BPI Capital, Chinabank Capital, EastWest, First Metro, LANDBANK, RCBC Capital, and Security Bank Capital, as the entities appointed as the joint lead underwriters and bookrunners for the Offer, who have agreed to distribute and sell the Offer Bonds at the Purchase Price, pursuant to the Underwriting Agreement
KW …………………………………..	KW Realty, Inc.

LANDBANK………………………..	Land Bank of the Philippines
LGU..	local government unit
Maceda Law	RA 6552, a Philippine statute entitled "An Act to Provide Protection to Buyers of Real Estate on Installment Payments"
Majority Bondholders..........................	shall mean, at any time, the Bondholders who hold, represent or account for more than 50% of the aggregate outstanding principal amount of the Offer Bonds
Management Areas…...........................	NWRB designated areas as water quality management areas
Master Certificate of Indebtedness......	shall mean the certificates to be issued by FLI to the Trustee evidencing and covering such amount corresponding to the Offer Bonds
Maturity Date	means the date at which the Bonds shall be redeemed by the Issuer by paying the principal amount thereof. Unless otherwise earlier redeemed or purchased in accordance with the terms and conditions of the Bonds, the Offer Bonds shall mature on: • Series B Bonds: Five (5) years from the Issue Date • Series C Bonds: Seven (7) years from the Issue Date • Series D Bonds: Ten (10) years from the Issue Date If the relevant Maturity Date falls on a day that is not a Business Day, such Maturity Date shall be automatically extended to the immediately succeeding Business Day.
Metro Manila......................................	the metropolitan area comprising the cities of Manila, Quezon City, Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, San Juan, Taguig, and Valenzuela, as well as the municipality of Pateros, which together comprise the "National Capital Region" and arecommonly referred to as "Metro Manila"
Monetary Board..................................	Monetary Board of the BSP
MRB..	medium-rise building
Offer or Offer Bonds	shall mean the issuance of the second tranche of the Bond Program by FLI, with an aggregate principal amount of ₱9,000,000,000.00 with an Oversubscription Option of up to ₱3,000,000,000.00, under the conditions as herein contained
Offer Period...	shall refer to the period, commencing on February 19, 2025 and ending at 5:00 p.m. on March 4, 2025, or such earlier or later date as may be mutually agreed between the Issuer and the Underwriters with advice to the SEC, PDTC, and PDEx
Offer Supplement	shall mean this document dated February 14, 2025, containing the specific terms and conditions of the Offer Bonds. As the context may require, the term shall refer to the Prospectus, as supplemented by this Offer Supplement
OFW...	an overseas Filipino worker

Oversubscription Option …………….	shall mean the option exercisable by the Underwriters, in the event of an oversubscription and in consultation with the Issuer, to increase the Base Offer by up to ₱3,000,000,000.00, which if exercised, will form part of the second tranche of the Bond Program
PAS	Philippine Accounting Standards
Paying Agent	shall refer to the Philippine Depository & Trust Corp., the party which shall receive the funds from FLI for payment of principal, interest and other amounts due on the Offer Bonds and remit the same to the Bondholders based on the records shown in the Registry of Bondholders
PCD	Philippine Central Depository
PCD Nominee	PCD Nominee Corporation, a corporation wholly owned by the PDTC
PDEx	the Philippine Dealing & Exchange Corp.
PDEx Rules	The applicable rules, conventions, and guidelines of PDEx
PDTC...	Philippine Depository & Trust Corp.
PDTC Rules ………………………….	shall mean the rules and regulations of the Registrar and Paying Agent and the Terms and Conditions for the Use of the e-Securities Issue Portal
Permit to Sell.......................................	shall mean the permit to sell securities issued by the SEC in connection with the Offer
Person………………………………...	shall mean an individual, corporation, partnership, joint venture, unincorporated association, trust, or other juridical entity, or any governmental authority
Pesos, Php or ₱	the lawful currency of the Philippines
PEZA...	Philippine Economic Zone Authority
PFRS	Philippine Financial Reporting Standards
Philguarantee.......................................	Philippine Guarantee Corporation
Philippine Clean Air Act of 1999........	RA 8749
Philippine Corporation Code..............	Revised Corporation Code of the Philippines, RA 11232
Philippine National.............................	as defined under Republic Act No. 7042 or the Foreign Investments Act, as amended, means a citizen of the Philippines, a domestic partnership or association wholly owned by citizens of the Philippines or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine National

Philippines...	Republic of the Philippines
PhilRatings	Philippine Rating Services Corporation
PIC	PIC Asia Pacific SDN
PIC Q&A..	Philippine Interpretations Committee Questions and Answers
POGOs	Philippine Offshore Gaming Operators, entities that provide and participate in offshore gaming services or service providers that deliver components of offshore gaming operations
Prospectus	The Prospectus dated November 14, 2023, and any amendments, supplements and addenda thereto for the offer and sale to the public of the Bonds
PSA	Philippine Standards on Auditing
PSE..	The Philippine Stock Exchange, Inc.
PWSI ………………………………...	ProOffice Works Services, Inc.
Purchase Price	In respect of each Bond, an amount equal to the face amount of such Bond, which is payable upon submission of the duly executed Application to Purchase
RA	Republic Act
RA 4726	RA 4726, The Condominium Act, which regulates the development and sale of real property as part of a condominium project or subdivision
RA 7279	RA 7279, the Urban Development and Housing Act of 1992, which requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same city or municipality whenever feasible and in accordance with the standards set by the DHSUD
RCBC Capital......................................	RCBC Capital Corporation
Registrar	shall refer to Philippine Depository & Trust Corp., being the registrar appointed by FLI to maintain the Registry of Bondholders pursuant to the Registry and Paying Agency Agreement
Registration Statement ……………….	shall mean the registration statement with the SEC in connection with the offer and sale to the public of the Bonds (inclusive of the Offer Bonds)
Registry of Bondholders......................	shall mean the electronic record of the issuances, sales and transfers of the Offer Bonds to be maintained by the Registrar pursuant to and under the terms of the Registry and Paying Agency Agreement
Registry and Paying Agency Agreement	shall mean the agreement dated on or about February 14, 2025 by and between the Issuer and PDTC

REIT	real estate investment trust
RPT …………………………………..	related party transaction
Second Tranche Bonds	shall consist of Series B Bonds, Series C Bonds and/or Series D Bonds
Security Bank Capital	Security Bank Capital Investment Corporation
SEC	the Securities and Exchange Commission
Security	shall mean any lien, pledge, mortgage, charge, hypothecation, encumbrance or other security or preferential arrangement on or with respect to any asset or revenue of the Company
Series B Bonds	shall mean the Fixed Rate Bonds Series B due 2030
Series C Bonds	shall mean the Fixed Rate Bonds Series C due 2032
Series D Bonds	shall mean the Fixed Rate Bonds Series D due 2035
SGV & Co	SyCip Gorres Velayo & Co., a member practice of Ernst & Young Global Limited
Shelf Period ………………………….	shall refer to the period of three (3) years following the effective date of the Registration Statement covering the Bond Program
sq.m.	square meter(s)
SRC	Securities Regulation Code of the Philippines (RA 8799) and its implementing rules, as amended
SRP...	South Road Properties
Taxes	shall mean any present or future taxes, levies, imposts, duties, filing, registration and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof, including but not limited to, gross receipts tax, value-added tax, final withholding tax and documentary stamp tax, should they be imposed on banks and other financial institutions, but excluding: (a) taxes on the overall income of any Bondholder, whether or not subject to withholding tax; (b) income taxes on any amount payable to any Bondholder; and (c) any withholding tax on any amount due on the Bonds and payable to any Person who is a non-resident alien or a non-resident foreign corporation as defined under Section 22 of the National Internal Revenue Code
Tax Code	National Internal Revenue Code of the Philippines, as amended
TPCCI ………………………………..	The Palms Country Club, Inc.
Tranche...	shall mean a tranche of the Fixed Rate Bonds issued under the Bond Program
Trust Agreement.................................	shall mean the agreement dated on or about February 14, 2025 by and between the Issuer and the Trustee
Trustee..	Metropolitan Bank & Trust Company – Trust Banking Group

Ultimate Parent....................................	shall mean A.L. Gotianun, Inc.
Underwriters..	shall mean the Joint Lead Underwriters and Bookrunners
Underwriting Agreement.....................	shall mean the agreement dated on or about February 14, 2025 by and between the Issuer and the Underwriters
VAT...	value-added tax

Executive Summary

The following section discusses updates to the executive summary after the date of the Offer Supplement and must be read in conjunction with the Prospectus. This summary highlights information contained elsewhere in this Offer Supplement. This summary is qualified in its entiretyby more detailed information and financial statements, including notes thereto, appearing elsewhere in this Offer Supplement. For a discussion of certain risks that should be considered in evaluating an investment in the Bonds, please refer to the section entitled "Risk Factors". Investors are advised to read this entire Offer Supplement and the Prospectus carefully, including the Company's consolidated financial statements and related notes contained herein.

OVERVIEW

Filinvest Land, Inc. ("**FLI**" or "**the Parent Company**") is one of the leading real estate developers in the country, providing a wide range of real estate products to residential and commercial customers. FLI (including its predecessor's operations) has over 50 years of real estate expertise and has developed ~3,000 hectares of land, having provided homes and home sites for over 200,000 families.

FLI is one of the largest residential developers nationwide, having established its presence in 55 cities and towns in 22 provinces in the Philippines. It is one of the largest medium-rise building ("**MRB**") developers in the country today and is a market leader in the affordable and middle-income residential segments. As of September 30, 2024, FLI owns a land bank of 1,667.6 hectares, has joint venture arrangements for another 196.5 hectares, and under joint development or long-term leasing agreement of 489.6 hectares totaling 2,353.70 hectares under its control and management for sustainable future growth.

The Parent Company and its subsidiaries (collectively referred to as "**the Company**") offer a range of real estate products, from socialized and affordable housing to middle-income and high-end housing, various types of subdivision lots, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, condotels, and condominium buildings. The Company also leases out commercial and office spaces in Muntinlupa City, Makati City, Pasay City, Cebu City, Tagaytay City, Cavite, and Clark Mimosa, which comprise the Company's major locations for leasing.

As of September 30, 2024, FLI operates thirty-eight (38) office buildings under its Offices by Filinvest brand, totaling 694,077 sq.m. and retail spaces with 257,648 sq.m. GLA, across its five major malls under the Filinvest Malls brand as well as its other retail locations in mixed-use developments.

With a more diversified portfolio, FLI expects to generate stable recurring revenue from its retail and office investment properties. These recurring revenues can, in turn, be used to provide internally generated funding for other projects. FLI is not and has never been a subject of any bankruptcy, receivership, or similar proceedings.

For the years ended December 31, 2021, 2022 and 2023, and in the first nine months of 2024, the Company recorded consolidated revenues and other income of ₱17,738.92 million, ₱19,944.35 million, ₱22,554.33 million, and ₱18,437.88 million, respectively; EBITDA of ₱7,420.45 million, ₱8,172.50 million, ₱8,969.16 million, and ₱8,243.24 million, respectively; and net income of ₱4,305.23 million, ₱3,521.14 million, ₱4,296.04 million, and ₱3,468.24 million, respectively. FLI's common shares were listed on the PSE on October 25, 1993 and, as of September 30, 2024, FLI had a market capitalization of ₱19,642.31 million.

RECENT DEVELOPMENTS

On April 5, 2022, FLI inked a memorandum of understanding with the Filinvest-ENGIE Renewable Energy Enterprise, Inc. (FREE), to explore opportunities in installing renewable energy generation facilities in its newest industrial development Filinvest Innovation Parks at New Clark City and Ciudad de Calamba. FREE is a joint venture company between FDC Utilities, Inc. ("**FDCUI**"), the power utility arm of Filinvest Development Corp. ("**FDC**"), and ENGIE Services Philippines, established in 2018 to deploy sustainable solar solutions in the Philippines.

In April 2023, FLI announced the concurrent appointment of its President Tristan Las Marias as Chief Executive

Officer during the company's organizational meeting held on April 24, 2023.

In May 2023, FLI signed a joint venture agreement with KMC Community, Inc. for the development, management, operation, and maintenance of flexible workspaces offering private serviced office seats and co-working seats in commercial buildings. This new business is expected to further enhance the company's revenue potential.

In July 2023, the Company welcomed St. Battalion, an Australian manufacturer of electric vehicle batteries as the Filinvest Innovation Park New Clark City's first locator.

In the same period, FLI purchased two wholly owned real estate business subsidiaries of Rizal Commercial Banking Corporation (RCBC), Niyog Property Holdings, Inc. and Cajel Realty Corporation. FLI now takes over the two latter companies' joint land development activities in Bacoor City, Cavite. As a result, the acquisition increased FLI's stake in Princeton Heights, a premier residential joint venture in Bacoor City, Cavite, between FLI and the aforementioned RCBC companies. Featuring American New England-inspired architecture that makes for exclusive village living, Princeton Heights (under FLI's Aspire by Filinvest brand) is the first subdivision along Bacoor Boulevard (accessible via Daang Hari and Coastal Road) that allows buyers to invest in commercial lots. Princeton Heights complements FLI's other properties in Cavite, including residential development Sydney Oasis and Main Square, a shopping mall home to Bacoor City's largest mall-based satellite office – the 773-square meter *Strike sa Serbisyo* Satellite Office, which provides convenient access to local government services.

In August 2023, FLI broke ground on Filinvest Innovation Park-Ciudad de Calamba (FIP-CDC) in Calamba City's Barangay Bubuyan. Present were officials from the Calamba City government, Barangays Punta and Bubuyan, and the Philippine Economic Zone Authority (PEZA). FIP-CDC is an expansion of FLI's 50-hectare Filinvest Technology Park, a PEZA ecozone established in 2002 in Ciudad de Calamba, a 350-hectare Modern Filipino Hispanic Filinvest townscape. FIP CDC joins FIP New Clark City in Capas, Tarlac as FLI's concrete commitment to catalyzing the country's economic growth through its strategically located innovation parks. Upon its completion, FIP-CDC will lease out ready-built factory ("**RBF**") and built-to-suit units catering to prospective locators' varying requirements.

In October 2023, FLI, through Filinvest-BCDA Clark, Inc., its joint venture with the Bases Conversion and Development Authority (BCDA) accelerated its industrial presence and fortified its foothold in the booming Central Luzon region with the official launch of its new Filinvest Innovation Park-New Clark City (FIP-NCC) in Capas, Tarlac, at the heart of Central Luzon. FIP-NCC's Phase 1 was officially launched at a ceremony on October 20, 2023, which included the blessing of the park's two-storey administration building and groundbreaking of the park's ready-built factory (RBF) zone.

In December 2023, FLI successfully tapped the bond market and raised Php11.431 billion in fresh capital to fund capital expenditures and refinance debt. The 3.5-year peso fixed-rate retail bonds—which are rated PRS Aaa-rated by the Philippine Rating Services Corporation (PhilRatings) for their outstanding quality and minimum risk—were listed on the Philippine Dealing and Exchange Corp. (PDEx) in Makati City on December 1, 2023.

In 2023 and January through October 2024, FLI was able to launch the following residential developments:

Name	***Type***	***Location***
2023		
Sanremo Oasis	Mid-rise Building	City di Mare, Cebu
The Arborage	House & Lot - Subdivision	Calamba, Laguna
Kembali Coast	House & Lot - Subdivision	Samal Island, Davao
Futura Bay	Mid-rise Building	General Santos City
Anila Park	Housing	Anitpolo, Rizal
Futura One Dagupan	Mid-rise Building	Dagupan, Pangasi
Futura Vinta Zamboanga	Mid-rise Building	Zamboanga
The Veranda Resort Condos	Mid-rise Building (non core)	Samal Island, Davao

Maldives Oasis Davao	Mid-rise Building	Davao City
The Veranda Resort Condos	Mid-rise Building (non core)	Samal Island, Davao
The Grove	House & Lot - Subdivision	Angono, Rizal
January through October 2024		
The Levels - Catalina	High-rise condominium	Filinvest City, Alabang
Celestia	House & Lot – Subdivision	Timberland, San Mateo, Rizal
New Leaf 2	House & Lot - Housing	Trece Martires, Cavite
Sydney Oasis Bldg A	Mid-rise condominium	Bacoor, Cavite
Futura East Bldg C	Mid-rise condominium	Cainta, Rizal
8 Spatial Bldg 7	Mid-rise condominium	Davao City
Futura Shores Bldg A	Mid-rise condominium	Dumaguete, Negros Oriental
Futura Monte Bldg B	Mid-rise condominium	Naga City, Camarines Sur
Futura Rise Bldg A & B	Walk-up condominium	Iloilo Centrale, Leganes, Iloilo
Montebello Ph 3	Lot Only – Subdivision	Calamba, Laguna
Amarilyo Crest Ph 1A	Lot Only - Subdivision	Taytay, Rizal

In April 2024, Filinvest Cyberparks, Inc. (FCI), FLI's office business arm, signed a lease agreement with the Department of Trade and Industry (DTI). FCI is leasing its entire Filinvest Buendia building to DTI. This move is part of DTI's plan to consolidate its various operating units, aiming to improve efficiency and convenience for both the Department and its stakeholders. The handover of the building is scheduled for next month. With the lease encompassing 10,668.40 square meters, and located within Makati's bustling CBD, Filinvest Buendia offers 14 floors of premium office space tailored for modern needs. Strategically positioned along Senator Gil Puyat Avenue, this Grade A building features practical amenities such as a unitized curtain wall glass system and sensor-type toilet fixtures for sustainability.

Later in April, FLI and KMC Community Inc. (KMC), a global co-working space provider, announced the launch of their joint venture company, Our Space Solutions Inc. (OSSI). This strategic partnership signifies a major step in catering to the growing demand for co-working spaces in the Philippines. The first OSSI locations are situated in Axis Tower One, a prime office building within Filinvest City's Northgate Cyberzone. The joint venture between FLI and KMC entails the establishment, operation, development, management, and maintenance of flexible workspaces. This includes offering private serviced office seats and co-working arrangements within commercial buildings.

In June 2024, Filinvest Cyberparks, Inc. (FCI), the office business arm of FLI, announced that it had won the bid for the lease of office space for the Main Office of the National Bureau of Investigation (NBI) on March 19, 2024. In a move to enhance its workspaces and operations, NBI will be leasing FCI's prime office spaces at Filinvest Cyberzone Bay City (FCBC) in Pasay City. The NBI will occupy a total of nine floors with a total gross leasable area of 23,595 square meters, within two buildings of the office complex. After a rigorous bidding process, FCI's proposal merged as the most compelling, having the lowest calculated quotation among 11 submissions from 10 participants. After inspection and evaluation, the offered leased spaces were then post-qualified and resolved to be compliant with NBI's requirements contained in the bidding documents. On June 24, 2024, NBI formally issued the Notice to Proceed and conducted another site inspection headed by NBI's newly appointed Director, Ret. Judge Jaime Santiago. The NBI will occupy new offices from the 3rd to the 9th floor of Building C and the 8th and 9th floors of Building D. FCBC is also providing 464 parking slots to ensure seamless accessibility for NBI personnel and visitors alike.

In September 2024, FLI announced that its Board approved a capped voluntary tender offer to purchase or reacquire up to 1,866,000,000 common shares, equivalent to approximately 7.69% ownership of FLI's outstanding and listed stock, in exchange for **Filinvest REIT Corp.** (PSE: FILRT) shares owned by FLI, at an exchange ratio of 0.32 FILRT share for every 1 FLI share tendered (the "**Tender Offer**"). The Tender Offer period began on October 7, 2024 at 9:00 a.m. and ended on November 27, 2024 at 12:00 noon. The capped voluntary Tender Offer provided FLI shareholders with the opportunity for their shares to be bought back in exchange for those of FILRT. On the other hand, FLI stockholders stood to gain from the Tender Offer by benefiting from price appreciation and a stable dividend yield from FILRT shares. In addition, the Tender Offer also gave FLI shareholders a compelling opportunity to participate in REITs, gaining exposure to a portfolio of income-generating properties.

Also in September, FLI opened its fifth major mall, Filinvest Malls Dumaguete, in Negros Oriental. The opening of the mall, at the base of the Marina Town mixed-use complex, adds 3,759 sq.m. of gross leasable area (GLA) to the property developer's shopping and dining portfolio in Luzon and the Visayas. The mall, located at Flores Avenue corner E.J. Blanco Street, Dumaguete City, is the second Filinvest Mall in the Visayas, and is situated along the scenic Dumaguete Bay, which offers stunning coastal views. Filinvest Malls Dumaguete is part of the Marina Town development, which spans 1.9 hectares and includes the Marina Spatial residential condominium complex.

Finally, at the end of September, Filinvest Innovation Park New Clark City's pioneer RBF locator, StB Giga Factory, inaugurated its manufacturing facility and commenced commercial operations. StB Giga Factory is the Philippines' first manufacturer of Lithium-Iron-Phosphate (LFP) batteries designed to power electric vehicles and many other use applications. StB Giga is the local entity of Australia-based StB Capital Partners, a firm which invests in innovative and sustainable energy solutions. The facility is housed in two modern, Grade-A RBF units with a total floor area of 5,000 sq. m. that StB is leasing from FLI.

In December, FLI announced that its capped voluntary Tender Offer via share-swap enjoyed 2.3x participation in excess of the cap, highlighting the Philippine equity market's strong reception to FLI's recent strategic initiative. The Tender Offer Agent received applications totaling 4,237,498,885 FLI common shares, equivalent to 17.47% of FLI's issued and outstanding stock. As a result, the entire 1,866,000,000-FLI common share cap of the Tender Offer was fulfilled, in exchange for 597,120,000 FILRT common shares, or 12.20% of FILRT's issued and outstanding stock. The capped voluntary Tender Offer received significant support from major institutional FLI shareholders, as well as numerous minority shareholders from across the Philippines. After the tendered shares were accepted and crossed last December 9, 2024, FILRT's public float reached 46.68%, well above the Securities and Exchange Commission (SEC)'s and The Philippine Stock Exchange (PSE)'s requirement of one-third of outstanding capital stock for REITs. Prior to the Tender Offer, FILRT's public float was at 34.48%. With the expansion in public ownership, FLI also creates room to infuse assets into FILRT while remaining compliant to be a publicly listed company, retaining 26.44% public ownership in FLI after the Tender Offer, which is well above the ten percent (10%) minimum requirement of the PSE for publicly listed companies.

COMPETITIVE STRENGTHS

The Company believes that its principal strengths are the following:

- One of the market leaders in the affordable and middle-income residential real estate segment with an established reputation and brand name
- Diversified and innovative real estate development portfolio
- Extensive and diversified land bank
- Strong development and investment revenue streams
- Strong credit record and financial position
- Benefits of Large-Scale Operations
- Experienced Management Team

Please refer to the section entitled "*Business - Competitive Strengths*" of this Prospectus for a more detailed discussion.

BUSINESS STRATEGY

FLI intends to further accelerate growth and improve its return on equity by aggressively developing its land bank while retaining its current focus on the high-growth affordable and middle market segments where the Company believes it has a competitive advantage based on its current strong position. The Company's business segments are not dependent upon a single or a few customers, the loss of any or more of which would not have a material adverse effect on the registrant and its subsidiaries taken as a whole. It is also not dependent on any related party. The Company also has a pipeline of projects to further build up the leasing segment. FLI has the following strategies:

- Continue product, market and geographic diversification to strengthen leadership position in the affordable and middle market segments.
- Optimize and create strong revenue streams from existing assets through growth in residential revenues, especially in core best-value homes and mid-rise buildings, expansion of tenant base in office and retail leasing, and progress in signing more new locators.
- Continue to build up recurring income streams and capitalize on REIT opportunities.
- Accelerate monetization of land bank.
- Targeted vertical operations integration and digitization to improve cost efficiency.
- Continue to attract a diversified mix of tenants in the office and retail spaces to counteract the effects of the adoption of work-from-home and hybrid work and regulatory challenges

Please refer to the section entitled *"Business – Business Strategy"* for a more detailed discussion.

RISKS OF INVESTING

Please refer to pages 19 to 22 of the Prospectus

COMPANY INFORMATION

The Company is a Philippine corporation with its business address at Filinvest Building, 79 EDSA Brgy. Highway Hills 1550 Mandaluyong City, Philippines. The Company's telephone number is +(632) 7918-8188 and its fax number is +(632) 7918-8189. Its corporate website is www.filinvestland.com. The investor relations team can be reached at IR@filinvestland.com. The information on the Company's website is not incorporated by reference into, and does not constitute part of, this Offer Supplement.

Overview of the Bond Program

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the Prospectus and the remainder of this Offer Supplement and, in relation to the terms and conditions of any particular tranche of the Bond Program, the applicable terms and conditions.

Filinvest Land, Inc. is offering a Bond Program in the aggregate principal amount of Thirty Five Billion Pesos (₱35,000,000,000.00) to be issued in one or more tranches (each a "**Tranche**") within a period of three (3) years from the effective date of the Registration Statement, with a remaining balance of Twenty-Three Billion Five Hundred Sixty-Nine Million and Two Hundred Thousand Pesos (₱23,569,200,000.00). The following sections outline the description of the Bond Program.

Issuer	Filinvest Land, Inc.
Issue..	SEC-Registered Philippine Peso-Denominated Fixed-Rate Bonds
Use of Proceeds..................................	The intended use of proceeds for each Tranche shall be set in the relevant prospectus and/or offer supplement under the "*Use of Proceeds*" section
Facility Amount..................................	₱35,000,000,000.00 with a remaining balance of Twenty-Three Billion Five Hundred Sixty-Nine Million and Two Hundred Thousand Pesos (₱23,569,200,000.00)
Availability...	The Bond Program shall be continuously available until the expiration of the Shelf Period and the Permit to Sell to be issued by the SEC
Form and Denomination.....................	The Bonds shall be issued in scripless form in minimum denominations of ₱50,000.00 each, and in integral multiples of ₱10,000.00 thereafter, and traded in denominations of ₱10,000.00 in the secondary market.
Purchase Price	The Bonds shall be issued at 100% of face value.
Status of the Bonds.............................	The Bonds shall constitute the direct, absolute, unconditional, unsubordinated, and unsecured obligations of FLI and shall rank *pari passu* and ratably without any preference or priority amongst themselves and shall rank at all times at least pari passu in priority of payment and in all respects with all its other unsubordinated and unsecured Indebtedness, other than obligations preferred by law other than the preference or priority established by Article 2244, paragraph 14(a) of the Civil Code of the Philippines, as the same may be amended from time to time.
Negative Pledge..................................	The Bonds will have the benefit of a negative pledge on all properties and assets of the Issuer, subject to certain permitted liens.
Covenants	Issuance of the Bonds shall be subject to standard covenants such as but not limited to cross-default provisions and adherence to certain financial ratios.
Listing	The Bonds will be listed on the **PDEx** on the Issue Date.

Purchase and Cancellation..................	The Issuer may purchase the Bonds at any time in the open market or by tender or by contract at market price, in accordance with PDEx Rules, as may be amended from time to time, without any obligation to make pro rata purchases from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.
Transfer of the Bonds	Trading of the Bonds shall be coursed through a PDEx Trading Participant subject to the applicable PDEx rules and conventions. Transfer, and/or settlement of the Bonds shall be performed in accordance with the PDTC rules and procedures to be set by the Issuer and the Registrar. Upon any assignment of the Bonds, title thereto will pass by recording of the transfer from the transferor to the transferee in the electronic register of Bondholders to be maintained by the Registrar.
Governing Law....................................	Philippine Law

Summary of the Offer

This Offer Supplement relates to the second tranche of the Bond Program. The following summary of the Offer does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offer Supplement.

Second Tranche of the Bond Program

Issuer	Filinvest Land, Inc.
Base Offer	₱9,000,000,000.00
Oversubscription Option	In the event of an oversubscription, the Underwriters, in consultation with the Issuer, shall have the option to increase the Base Offer by up to ₱3,000,000,000.00 (together with the Base Offer, the "**Offer Size**"). In the event that the Oversubscription Option is not fully exercised, the unexercised portion shall be placed under shelf registration to be issued within the period prescribed by relevant regulations.
The Offer	The offer for subscription of the second tranche of the Bond Program which will be issued with a Base Offer and an Oversubscription Option
Manner of Distribution	Public offering in the Philippines to eligible investors
Use of Proceeds..................................	Proceeds of the Offer shall be used by the Company to: • To partially refinance the full redemption of the Company's ₱8.925 billion fixed rate bonds issued on July 23, 2022 with coupon rate of 5.3455% p.a. and settlement date of June 23, 2025. • Partially fund the capital expenditure for land development and construction costs of the Company's real estate projects. For a detailed discussion on the Use of Proceeds please refer to the section on "*Use of Proceeds*".
Offer Period...	The Offer shall commence at 9:00 a.m. on February 19, 2025 and end at 5:00 p.m. on March 4, 2025, or such earlier or later date as may be mutually agreed between the Issuer and the Underwriters.
Withdrawal of the Offer……………	The Company reserves the right to withdraw the offer and sale of the Offer Bonds at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and the PDEx. The Company may also withdraw the offer and sale of the Offer Bonds at any time on or after the commencement of the Offer Period and prior to the Issue Date, if any of the following events occurs, in which case the Underwriting Agreement shall be deemed terminated, namely: a. (i) An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or (ii) occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or (iii) occurrence of any change in

local, national or international financial, political, economic or stock market conditions, any of which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Bonds in the manner contemplated by the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell Securities (the "**Approvals**") and by this Offer Supplement, or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets of the Philippines, or on the distribution, offer and sale of the Offer Bonds in the Philippines, rendering it, in the reasonable determination of the Joint Lead Underwriters and Bookrunners, after consultation with the Issuer, impracticable to proceed with the Offer in the manner contemplated by the Approvals and this Offer Supplement, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or Joint Lead Underwriters and Bookrunners' inability to sell or market the Offer Bonds or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any Offer Bonds remaining after the Offer Period;

b. An order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution, listing or issuance of the Offer Bonds by any court or governmental authority having jurisdiction on the matter, including the SEC and the PDEx;

c. Suspension, cancellation, revocation, or termination of the Approvals;

d. Trading in the PDEx is closed or suspended for at least three (3) consecutive trading days other than due to weekends or declared holidays, or in such manner or for such period as will render impracticable the listing and trading of the Offer Bonds on the Issue Date or such other date as may be approved by the PDEx;

e. There is a change or impending change in any Philippine law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order issued, made, or adopted by any governmental authority which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; (b) the capacity and due authorization of the Issuer to offer and issue the Offer Bonds and enter into the transaction documents in connection with the Offer; (c) any of the features of the Offer Bonds, including the taxes on fees or costs in connection with the Offer, or (ii) renders illegal the performance by any of the Joint Lead Underwriters and Bookrunners of their respective obligations hereunder;

f. Any significant, adverse, and unforeseeable change or development in the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Bonds unsuitable for offering to the public;

g. The Issuer is compelled through an official order, decree, or ruling issued by any competent court or governmental authority to stop its operations, which is not remedied within five (5) Business Days from receipt by the Issuer of a formal notice of such decision by such competent court or governmental authority (as the case may be);

h. The Issuer shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or the Issuer shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; and such receiver, trustee or similar officer shall be appointed; or the Issuer shall initiate or institute (by petition, application or otherwise), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation, corporate rehabilitation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted against the Issuer; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part of the Issuer's assets; or any event occurs which under the laws of the Philippines or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;

i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;

j. The commencement or the threatened commencement in writing by any entity, person or regulatory body of any public action, court proceeding, litigation, arbitration or other similar proceeding against the Joint Lead Underwriters and Bookrunners in connection with or with respect to the issuance or sale by the Issuer of the Offer Bonds or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;

k. Any court, arbitral tribunal, or governmental authority which has jurisdiction on the matter issues an order restraining or prohibiting the Joint Lead Underwriters and Bookrunners, or directing them to cease, from performing their underwriting obligations which makes it impossible for the Joint Lead Underwriters and Bookrunners to perform their underwriting obligations due to conditions beyond their control;

l. Unavailability of PDTC's facilities used for the Offer and/or listing prior to or on the target Issue Date and such unavailability effectively prevents the ability of the Issuer and the Joint Lead Underwriters and Bookrunners to fully comply with the listing requirements of the PDEx, if the impact of such unavailability on the listing of the Offer Bonds remains unresolved after discussions between the Issuer and the Joint Lead Underwriters and Bookrunners in good faith; and

m. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or the Joint Lead Underwriters and Bookrunners' inability to sell or market the Offer Bonds or refusal or failure to comply with any

	undertaking or commitment by the Issuer, the Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any Offer Bonds remaining after the Offer Period. Notwithstanding the acceptance of any Application, the Offer Bonds will be issued only upon listing of such Offer Bonds on the PDEx, and provided that the Underwriting Agreement shall not have been terminated or cancelled, on or before the Issue Date, in accordance with the provision of the said agreement. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Bonds prior to the Issue Date pursuant to this section, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Bonds on Issue Date.
Issue Date	March 12, 2025, or the subsequent Business Day if such Issue Date is not a Business Day, or such other date as may be mutually agreed between the Issuer and the Underwriters with advice to the SEC, PDTC and PDEx.
Maturity Date	Unless otherwise earlier redeemed or purchased in accordance with the terms and conditions of the Bonds, the Offer Bonds shall mature on: • Series B Bonds: Five (5) years from the Issue Date • Series C Bonds: Seven (7) years from the Issue Date • Series D Bonds: Ten (10) years from the Issue Date If the relevant Maturity Date falls on a day that is not a Business Day, such Maturity Date shall be automatically extended to the immediately succeeding Business Day.
Interest Rate...	Series B Bonds: 6.2916% per annum Series C Bonds: 6.6550% per annum Series D Bonds: 6.8312% per annum
Interest Payment Dates and Interest Payment Computation	Interest on the Offer Bonds shall be calculated on the basis of a 30/360-day basis, and shall be paid quarterly in arrears commencing on June 12, 2025, for the first Interest Payment Date, and on March 12, June 12, September 12, and December 12 of each year for each subsequent Interest Payment Date while the Offer Bonds are outstanding, or the subsequent Business Day without any adjustment for accrued interest, if the relevant Interest Payment Date is not a Business Day. If the Issue Date is set at a date other than March 12, 2025, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every three (3) months following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date.
Final Redemption.................................	Unless otherwise earlier redeemed or purchased and cancelled, the Offer Bonds shall be redeemed at par or 100% of face value on the Maturity Date. However, if the Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Paying Agent, without adjustment in computation as to the amount of interest payable and principal amount, on the succeeding Business Day.

Early Redemption Option……………. The Issuer shall have the right, but not the obligation, to redeem in whole (but not in part), any series of the outstanding Offer Bonds on the dates set out below (the "**Early Redemption Option Date**"); provided, that if the Early Redemption Option Date falls on a day that is not a Business Day, then the payment of the Early Redemption Price shall be made by the Issuer on the next Business Day, without adjustment to the amount of interest and the Early Redemption Price to be paid.

Series B Bonds	
Early Redemption Option Date	**Early Redemption Price**
On the 3rd anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 4th anniversary of the Issue Date.	101.00%
On the 4th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the Maturity Date of the Series B Bonds.	100.50%

Series C Bonds	
Early Redemption Option Date	**Early Redemption Price**
On the 3rd anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 4th anniversary of the Issue Date.	102.50%
On the 4th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 5th anniversary of the Issue Date.	101.50%
On the 5th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 6th anniversary of the Issue Date.	101.00%
On the 6th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the Maturity Date of the Series C Bonds.	100.50%

Series D Bonds	
Early Redemption Option Date	**Early Redemption Price**
On the 5th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 6th anniversary of the Issue Date.	102.50%
On the 6th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 7th anniversary of the Issue Date.	102.00%
On the 7th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 8th anniversary of the Issue Date.	101.50%
On the 8th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 9th anniversary of the Issue Date.	101.00%
On the 9th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the Maturity Date of the Series D Bonds.	100.50%

provided that if the Early Redemption Option Date falls on a day that is not a Business Day, then the payment of the Early Redemption Price shall be made by the Issuer on the next Business Day, without adjustment to the amount of interest and the Early Redemption Price to be paid. For the avoidance of doubt, the Bondholders shall not have any right to cause the Issuer to redeem the Offer Bonds pursuant to this Early Redemption Option.

The amount payable to the Bondholders upon the exercise of the Early Redemption Option by the Issuer shall be calculated, based on the principal amount of the Offer Bonds being redeemed, as the sum of: (i) accrued interest computed from the last Interest Payment Date up to the Early Redemption Option Date; and (ii) the product of the principal amount of the Offer Bonds being redeemed and the Early Redemption Price in accordance with the above table.

The Issuer shall give no less than thirty (30) nor more than sixty (60) days' prior written notice to the Trustee, the Registrar and Paying Agent of its intention to redeem the Offer Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Offer Bonds on the Early Redemption Option Date stated in such notice.

For a detailed discussion on the Early Redemption Option please refer to the section on "Description of the Offer Bonds – Early Redemption Option" of this Offer Supplement.

Redemption for Taxation Reasons	If payments under the Offer Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer shall have the option, but not the obligation, to redeem the Offer Bonds in whole, but not in part, on any Interest Payment Date (having given not more than sixty (60) days' nor less than thirty (30) days' prior written notice to the Trustee and the Registrar and Paying Agent) at 100% of the face value of the Offer Bonds plus accrued interest thereon computed up to the date when the Offer Bonds shall be redeemed earlier than the Maturity Date, subject to the requirements of Applicable Law. For a detailed discussion on Redemption for Taxation Reasonsplease refer to the section on "*Description of the Offer Bonds – Redemption for Taxation Reasons*".

Redemption due to Change in Law or Circumstance	If any provision of the Trust Agreement or any of the related documents is or shall become for any reason invalid, illegal or unenforceable to the extent that it shall become, for any reason, unlawful for the Issuer to give effect to its rights or obligations thereunder, or to enforce any provisions of the Trust Agreement orany of the related documents in whole or in part, or any law shall beintroduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Agreement or any other related documents, the Issuer shall provide the Trustee an opinion of legal counsel confirming the foregoing, such legal counsel being from an internationally recognized Philippine law firm reasonably acceptable to the Trustee. Thereupon the Trustee, upon notice to the Issuer, shall declare the principal of the Offer Bonds, including all accrued interest and other charges thereon, if any, to be immediately due and payable, and upon such declaration, the same shall be immediately due and payable without any pre-payment penalty, notwithstanding anything in the Trust Agreement or in the Offer Bonds to the contrary. For a detailed discussion on Redemption due to Change in Law or Circumstance please refer to the section on "*Description of the Offer Bonds – Redemption due to Change in Law or Circumstance*".
Bond Rating	The Offer Bonds have been rated PRS Aaa with a Stable Outlook by the PhilRatings on December 18, 2024. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as the Offer Bonds are outstanding.
Joint Lead Underwriters and Bookrunners	BDO Capital; BPI Capital; Chinabank Capital; EastWest; First Metro; LANDBANK; RCBC Capital; and Security Bank Capital.
Registrar and Paying Agent..	Philippine Depository & Trust Corp.
Trustee..	Metropolitan Bank & Trust Company – Trust Banking Group
Counsel to the Issuer	FLI's Legal Services Division
Counsel to the Underwriters….............	Picazo Buyco Tan Fider & Santos

Company Disclosures........................... All disclosures, reports and filings of the Company made after the date of the Offer Supplement (the "**Company Disclosures**") and submitted to the SEC and/or the PSE pursuant to the Philippine Corporation Code, the Securities Regulation Code and the Revised Disclosure Rules of the PSE contain material and meaningful information relating to the Company and investors should review all information contained in the Offer Supplement and the Company Disclosures. Copies of the Company Disclosures may be viewed at the website of the Company at: www.filinvestland.com/disclosures.

Risk Factors... Prospective Bondholders should carefully consider the risks connected with an investment in the Bonds, certain of which are discussed in the section titled "*Risk Factors*" of this Offer Supplement.

Indicative Timetable………………….

Filing of the Registration Statement with the SEC	December 18, 2024
Target receipt of Permit to Sell	February 19, 2025
Offer Period	February 19 to March 4, 2025
Issue Date	March 12, 2025

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Summary of Financial Information

*The following tables present summary consolidated financial information for the Group and should be read in conjunction with the auditor's reports and the Group's consolidated financial statements and notes thereto contained in this Offer Supplement and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The summary financial information presented below as of and for the years ended December 31, 2021, 2022, and 2023 was derived from the consolidated financial statements of FLI prepared in accordance with PFRS as modified by the application of the financial reliefs issued and approved by the SEC in response to the COVID-19 pandemic and audited by SyCip Gorres Velayo & Co. ("***SGV & Co.***") in accordance with the PSA. The summary financial information presented below as of September 30, 2024 and for the nine (9) months ended September 30, 2024 and 2023 was derived from the unaudited interim condensed consolidated financial statements of FLI prepared in accordance with PAS 34.*

The Group adopted the remaining provisions of PIC Q&A 2018-12, specifically on the: (i) significant financing component, (ii) exclusion of land in the determination of percentage-of-completion (POC), and (iii) implementing the IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost), using modified retrospective approach with the initial date of application of January 1, 2024. Amounts presented in the consolidated balance sheets, consolidated statements of income and consolidated statements of comprehensive income as at and for the years ended December 31, 2023, 2022 and 2021 and interim consolidated statement of income and interim consolidated comprehensive income for the nine months ended September 30, 2023 are based on PAS 34, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The comparable financial information for accounts affected by the adoption may not be comparable to the information presented as of and for the nine months ended September 30, 2024. Please refer to Note 2 of the Group's unaudited interim condensed consolidated financial statements, which are included elsewhere in the Prospectus, for the effect of the adoption of the remaining provisions of PIC Q&A 2018-12, specifically on the: (i) significant financing component, (ii) exclusion of land in the determination of percentage-of-completion (POC), and (iii) implementing the IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost).

CONSOLIDATED STATEMENTS OF INCOME

	For the years ended December 31,			For the nine months ended September 30,	
	2021 (Audited)	**2022 (Audited)**	**2023 (Audited)**	**2023 (Unaudited)**	**2024 (Unaudited)**
	(in millions except per share figures)				
REVENUE					
Real estate sales	₱11,274.51	₱12,836.06	₱14,486.51	₱9,827.65	₱11,892.13
Rental and related services	5,591.80	6,350.41	7,200.95	5,356.37	5,711.29
Total revenue	16,866.31	19,186.47	21,687.46	15,184.01	17,603.42
EQUITY IN NET EARNINGS OF ASSOCIATES	112.02	78.96	242.01	141.41	250.50
OTHER INCOME					
Interest income	409.61	367.05	283.98	192.17	303.86
Others - net	350.98	311.87	340.89	202.54	280.11
	17,738.92	19,944.35	22,554.34	15,720.14	18,437.89
COSTS					
Real estate sales	6,443.69	7,354.69	8,101.49	5,498.62	5,847.37
Rental and related services	2,430.62	2,583.49	3,122.34	2,432.87	2,744.88
OPERATING EXPENSES					
General and administrative expenses	1,979.12	2,313.06	2,584.60	1,623.25	1,880.09
Selling and marketing expenses	911.82	1,150.64	1,370.14	906.33	1,138.38
INTEREST AND OTHER FINANCE CHARGES	2,426.79	2,294.25	2,434.39	1,982.35	2,640.72
	14,192.04	15,696.13	17,612.96	12,443.42	14,251.44
INCOME BEFORE INCOME TAX	3,546.88	4,248.22	4,941.38	3,276.72	4,186.45

	For the years ended December 31,			For the nine months ended September 30,	
	2021 (Audited)	2022 (Audited)	2023 (Audited)	2023 (Unaudited)	2024 (Unaudited)
PROVISION FOR (BENEFIT FROM) INCOME TAX	(758.35)	727.08	645.34	470.05	718.21
NET INCOME	₱4,305.23	₱3,521.14	₱4,296.04	₱2,806.67	₱3,468.24
Net income attributable to:					
Equity holders of the parent	₱3,803.38	₱2,889.92	₱3,765.39	₱2,441.77	₱3,115.08
Noncontrolling interest	501.85	631.22	530.65	364.90	353.16
	₱4,305.23	₱3,521.14	₱4,296.04	₱2,806.67	₱3,468.24
Basic/Diluted Earnings Per Share	₱0.16	₱0.12	₱0.16	₱0.10	₱0.13

Notes:

(1) *Basic earnings per share amounts are calculated by dividing net income for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.*

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	For the years ended December 31,			As of September 30,
	2021 (Audited)	2022 (Audited)	2023 (Audited)	2024 (Unaudited)
		(in millions)		
ASSETS				
Cash and cash equivalents	₱9,658.26	₱6,619.13	₱5,732.01	₱5,479.54
Contracts receivables	5,337.93	2,128.88	1,837.83	2,320.88
Contract assets	4,177.82	5,399.79	4,745.83	5,513.14
Other receivables	2,710.46	2,902.01	3,465.06	3,676.09
Real estate inventories	68,726.92	71,326.49	72,634.83	69,023.40
Other current assets	4,933.31	6,380.77	7,192.43	7,945.47
Contract assets – net of current portion	4,152.76	5,083.16	5,037.94	2,849.58
Investments in associates	5,045.09	5,135.02	5,219.90	5,364.40
Investment properties	72,077.99	77,021.40	79,659.34	83,835.22
Property and equipment	4,794.02	5,485.28	5,673.01	5,994.26
Deferred income tax assets	95.55	91.38	48.48	66.70
Goodwill	4,567.24	4,567.24	4,567.24	4,567.24
Build-transfer-operate (BTO) Rights	4,418.18	5,599.85	6,387.60	6,396.04
Other noncurrent assets	2,528.00	2,374.78	2,274.58	2,820.64
Total Assets	₱193,223.53	₱200,115.18	₱204,476.08	₱205,852.60
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accrued expenses	₱11,738.49	₱11,948.85	₱12,551.17	₱10,841.27
Contract liabilities	1,171.38	1,012.29	792.40	648.23
Current portion of lease liabilities	248.59	246.05	175.46	196.12
Due to related parties	204.32	754.26	488.49	247.65
Income tax payable	8.52	19.55	21.56	68.35
Current portion of loans payable	4,912.20	8,446.98	16,480.44	15,209.00
Current portion of bonds payable	6,991.75	15,017.44	1,697.34	11,544.19
Loans payable – net of current portion	27,270.55	24,402.51	20,507.49	24,318.12
Bonds payable – net of current portion	29,297.17	26,115.35	35,771.17	25,988.47
Contract liabilities – net of current portion	774.21	283.07	149.95	56.90

	For the years ended December 31, 2021 (Audited)	2022 (Audited)	2023 (Audited)	As of September 30, 2024 (Unaudited)
Lease liabilities – net of current portion	6,099.43	6,262.44	6,544.40	6,691.90
Net retirement liabilities	459.63	431.31	437.19	454.34
Deferred income tax liabilities - net	5,317.27	5,625.21	5,649.15	4,596.88
Accounts payable and accrued expenses – net of current portion	8,939.80	8,047.13	8,938.00	12,651.74
Total Liabilities	₱103,433.31	₱108,612.44	₱110,204.21	₱113,513.16
EQUITY				
Common stock	₱24,470.71	₱24,470.71	₱24,470.71	₱24,470.71
Preferred stock	80.00	80.00	80.00	80.00
Additional paid-in capital	5,612.32	5,612.32	5,612.32	5,612.32
Treasury stock	(221.04)	(221.04)	(221.04)	(221.04)
Retained earnings	57,425.03	59,172.01	62,061.52	60,239.19
Revaluation reserve on financial assets at fair value through other comprehensive income	(2.62)	(2.62)	(2.62)	(2.62)
Remeasurement gains (losses) on retirement plan – net of tax	(16.17)	68.18	47.52	47.52
Share in other components of equity of associates	372.45	372.45	372.45	372.45
Equity attributable to equity holders of the parent	87,720.68	89,552.01	92,420.86	90,598.53
Noncontrolling interest	2,069.54	1,950.73	1,851.01	1,740.91
Total Equity	89,790.22	91,502.74	94,271.87	92,339.44
TOTAL LIABILITIES AND EQUITY	₱193,223.53	₱200,115.18	₱204,476.08	₱205,852.60

CONSOLIDATED STATEMENTS OF CASH FLOW

	For the years ended December 31,			For the nine months ended September 30,	
	2021 (Audited)	2022 (Audited)	2023 (Audited)	2023 (Unaudited)	2024 (Unaudited)
			(in millions)		
Net cash provided by operating activities	₱3,560.09	₱6,134.39	₱9,192.74	₱7,041.54	₱6,741.88
Net cash used in investing activities	(6,418.27)	(9,175.86)	(4,343.66)	(3,706.68)	(3,526.81)
Net cash provided by (used in) financing activities	5,822.89	2,340.00	(5,736.21)	(3,904.21)	(3,467.55)

FINANCIAL RATIOS FOR THE COMPANY

	For the years ended December 31, 2021	2022	2023	As of September 30, 2024
Current Ratio [a]	3.78	2.53	2.97	2.42
Interest-bearing Debt-to-Equity Ratio [b]	0.76	0.81	0.79	0.83
Debt Ratio[c]	0.54	0.54	0.54	0.55
EBITDA to Total Interest Paid [d]	2.08	2.12	2.18	2.05
Price Earnings Ratio[e]	6.88	7.50	3.69	4.73
Quick Asset Ratio[f]	1.06	0.63	0.71	0.64
Solvency Ratio [g]	0.06	0.05	0.05	0.04
Interest Coverage Ratio [h]	2.46	2.85	3.03	2.59
Net Profit Margin (Restated) [i]	0.24	0.18	0.19	0.19
Return on Equity[j]	0.05	0.04	0.05	0.04
Asset-to-Equity Ratio [k]	2.15	2.19	2.17	2.23

Notes:

(a) Current Ratio is computed as total current assets divided by total current liabilities.

(b) Interest-bearing Debt-to-Equity Ratio is computed as the sum of consolidated loans payable and consolidated bonds payable divided by total equity.

(c) Debt Ratio is computed as total liabilities divided by total assets.

(d) EBITDA to Total Interest Paid is computed as EBITDA (net income plus interest and other finance charges (including interest expense on financial liability on lease contract), provision for income tax, depreciation, and amortization divided by total interest paid.

(e) Price Earnings Ratio is computed as closing price of the Parent Company's shares of stock divided by actual earnings per share for the years ended December 31, 2023, 2022 and 2021, and annualized earnings per share for the nine (9) months ended September 30, 2024.

(f) Quick Asset Ratio is computed as current assets less Real Estate Inventories divided by current liabilities.

(g) Solvency Ratio is computed as net income before depreciation and amortization (net income plus depreciation and amortization) divided by total liabilities.

(h) Interest Coverage Ratio is computed as earnings before interest and other finance charges and income tax (EBIT) divided by interest and other finance charges.

(i) Net Profit Margin is computed as net income divided by total revenue and other income.

(j) Return on Equity is computed as net income divided by total equity.

(k) Asset to Equity Ratio is computed as total asset divided by total equity.

EBITDA represents net income after adding back provision for income tax plus interest and other finance charges (including interest expense on financial liability on lease contract) equals **EBIT** plus depreciation and amortization.

The following table shows the reconciliation of EBITDA to the Group's net income for the periods stated:

	For the years ended December 31,			**For the nine months ended September 30,**	
	2021	**2022**	**2023**	**2023**	**2024**
			(in millions)		
Net Income	₱4,305.23	₱3,521.14	₱4,296.04	₱2,806.67	₱3,468.24
Plus:					
Interest and other finance charges	2,426.79	2,294.24	2,434.39	1,982.35	2,640.72
Provision for income tax	(758.35)	727.08	645.34	470.05	718.21
EBIT	**₱5,973.67**	**₱6,542.46**	**₱7,375.77**	**₱5,259.07**	**₱6,827.17**
Depreciation and amortization	1,446.78	1,630.04	1,593.38	1,246.97	1,416.07
EBITDA	**₱7,420.45**	**₱8,172.50**	**₱8,969.15**	**₱6,506.04**	**₱8,243.24**

Risk Factors

This section includes additional risks or updated discussions of certain risks to those stated in the Offer Supplement and must be read in conjunction with the Prospectus. The following section is qualified in its entirety by, and should be read in conjunction with, the more detailed information found in the Prospectus. The risk factors discussed in this section are of equal importance and are organized in no particular order.

An investment in the Bonds involves a number of risks. The price of securities can and does fluctuate, and any individual security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of these securities. Investors deal with a range of investments, each of which may carry a different level of risk. Investors should carefully consider all the information contained in the Prospectus and this Offer Supplement, including the risk factors described below, before deciding to invest in the Bonds. The occurrence of any of the following events, or other events not currently anticipated, could have a material adverse effect on the Company's business, financial condition and results of operations and cause the market price of the Bonds to decline. All or part of an investment inthe Bonds could be lost.

The means by which the Company plans to address the risks discussed herein are principally presented in the sections of the Prospectus and this Offer Supplement entitled "Business — Competitive Strengths", "Business — Business Strategy"and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Offer Supplement. This section entitled "Risk Factors" does not purport to disclose all of the risks and other significant aspects of investing in these securities. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Investors should take note that the risks disclosed in this section are not necessarily arranged based on the order of importance or significance. Investors should seek professional advice regarding any aspect of the securities such as the nature of risks involved in the trading of securities, and specifically those of high-risk securities. Investors may request publicly available information on the Offer and FLI from the SEC and PDEx.

RISKS RELATING TO THE COMPANY'S BUSINESS

The Company's business, financial condition, and results of operations face risks from public health epidemics or outbreaks of disease that could have an adverse effect on economic activity in the Philippines
Public health epidemics, such as the outbreak of the Ebola virus, MERS-CoV, Zika virus, bird flu, polio, and more recently, COVID-19, have previously impacted the Philippines. If any of such public health epidemics emerge, re-emerge, becomes widespread in the Philippines or increases in severity, it could have an adverse effect on economic activity in the Philippines, and could have a material adverse effect on the Company

Nonetheless, the Company continues to monitor and evaluate developments relating to COVID-19 or any public health epidemic or pandemic to develop, to the extent practicable, contingency measures to mitigate the risk impact to its business.

The Company operates in a competitive industry, which could limit the Company's ability to maintain or increase its market share and maintain profitability.

The Company's business operations are subject to competition. Some competitors may have substantially greater financial and other resources, which may allow them to undertake more aggressive marketing and to react more quickly and effectively to changes in the markets. The entry of new competitors into the Company's business could reduce the Company's sales and profit margins. To address this, the Company continues to build housing products that appeal to its core market at the most competitive prices. It also focuses on after sales service to maintain its reputation in the industry.

FLI is subject to significant competition in connection with the acquisition of land for residential real estate projects, investment properties and the leasing business. The Company's future growth and development are dependent, in part, on their ability to acquire or enter into agreements to develop additional tracts of land suitable for the types of residential real estate projects they have developed over the years. As the Company and its competitors attempt to locate sites for development, FLI may experience difficulty locating parcels of land of suitable size in locations and at prices acceptable to them, particularly parcels of land located in areas surrounding Metro Manila and in other urban areas throughout the Philippines. The Company may also have difficulty in attracting landowners to enter into joint venture agreements with them that will provide the Company with reasonable returns. In the event the Company is unable to acquire suitable land at acceptable prices, or at all, or to enter into agreements with joint venture partners to develop suitable land with reasonable returns, or at all, the Company's growth prospects could be limited and its business, financial condition and results of operations could be adversely affected. The Company continuously searches for suitable land for its projects especially in areas that it perceives will have significant demand.

The Company competes with a number of commercial developers, some of which have greater financial and other resources and may be perceived to have more attractive projects. Moreover, FLI's emphasis on MRBs potentially exposes the Company to greater competition for real estate projects due to there being fewer barriers to entry in this segment as compared to larger developments. Competition from other developers, and in the cases of Festival Supermall, Fora Mall or Main Square Mall, Il Corso from neighboring shopping malls, may adversely affect the Company's ability to successfully operate their investment properties or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for office and retail space. The Company also faces competition with respect to its commercial office space properties, principally from Megaworld Corporation, Eton Properties Philippines, Robinsons Land Corporation, SM Prime Holdings, Inc. and Ayala Land, Inc., each of which has a large portfolio of commercial office space available for lease in Metro Manila's principal business districts. These competitors may have greater experience in commercial leasing operations and there can be no assurance that the Company will be able to successfully compete with larger and more experienced competitors. Consequently, the competition that FLI faces could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's increased leverage could create operating risks for its business

The increase in debt of FLI may bring about certain undesirable results such as:

- constraints in the Company's ability to service its debt obligations
- limits in the Company's ability to attain new financing for working capital, capital expenditures, debt refinancing, and other purposes
- obligations from the Company to divert a portion of its cash flow to debt service
- a lessening of the Company's financial flexibility to take advantage of opportunities in the Philippine economy or property industry

As of September 30, 2024, FLI's consolidated interest-bearing debt (defined as the sum of consolidated loans payable and consolidated bonds payable) amounted to ₱77.06 billion of which current and non-current portions amounted to ₱26.75 billion and ₱50.31 billion, respectively. If the Company is unable to refinance or repay its debt, FLI would have to consider financing options such as the sale of its assets that may cause it to modify, delay, or abandon its future development plans. To mitigate this risk, the Company adopts stringent monitoring mechanism designed to manage its debt levels and ensure that they are within sustainable limits. The Company's interest-bearing debt-to-equity ratio remains healthy at 0.83x as of September 30, 2024. The Company continues to manage its leverage by increasing its revenues and cost efficiencies to generate more cash from operations, thereby limiting the need to take on debt.

The Company's business is highly regulated and Government policies and regulations could adversely affect the Company's operations and profitability.

The Company's business operations are subject to a broad range of government laws and regulations, fiscal policies and zoning ordinances. The Company has incurred, and expects to continue to incur, operating costs to comply with such laws and regulations, fiscal policies and zoning ordinances. Further changes to the applicable governmental laws and regulations, fiscal policies and zoning ordinances will result in additional costs of compliance for the Company.

The Company is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. Use of lands may be limited by zoning, comprehensive land use plans ("**CLUP**") and reclassification ordinances enacted and implemented by local government units (“**LGU**”), such as provinces, cities or municipalities. In addition, projects that are to be located on agricultural land must get a conversion or exemption clearance from the Philippine Department of Agrarian Reform (“**DAR**”) so that the land can be converted to non-agricultural use or certified as exempt from the coverage of the Comprehensive Agrarian Reform Program pursuant to Republic Act No. 6657 or the “Comprehensive Agrarian Reform Law of 1988,” as amended (“**RA 6657**”). In certain cases, tenants occupying agricultural land may have to be relocated at the Company’s expense.

Presidential Decree No. 957, as amended, (“**PD 957**”) and Republic Act No. 4726, also known as The Condominium Act (“**RA 4726**”), and Republic Act No. 6552, also known as the “Realty Installment Buyer Protection Act,” more commonly known as the “Maceda Law” (“**RA 6552**”) are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957 and RA 4726 cover subdivision projectsfor residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The Department of Human Settlements and Urban Development (“**DHSUD**”) is the administrative agency of the Government of the Philippines which, together with LGUs, enforces these statutes and has jurisdiction to regulate the real estate trade and business. RA 6552, on the other hand, confers certain rights to buyers and covers all transactions or contracts involving the sale or financing of real estate on installment payments, including residential condominiums, except industrial lots, commercial buildings and sales to tenants under Republic Act No. 3844, as amended, or the “Agricultural Land Reform Code” (“**RA 3844**”).

Other regulations applicable to the Company include land registration laws and regulations, real property taxation, as well as standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, sewage systems, garbage disposal systems, electricity supply, lot sizes, easements, the length of the housing blocks, and house construction. All subdivision development plans are required to be filed with and approved by the DHSUD and LGU with jurisdiction over the area where the project is located. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer’s financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. There can be no assurance that the Company and its subsidiaries or associates or partners, will be able to obtain governmental approvals for their projects, or that these approvals can be secured without delay, or that when given, such approvals will not be revoked. In addition, owners of our dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing units. Project permits and any license to sell may be suspended, cancelled or revoked by the DHSUD based on its own findings or upon complaint from an interested party and there can be no assurance that the Company and its subsidiaries, associates or partners will in all circumstances, receive the requisite approvals, permits or licenses or that such permits, approvals or licenses will not be cancelled or suspended. Moreover, under Republic Act No. 7279 or the “Urban Development and Housing Act of 1992” (“**RA 7279**”), the Company may, in certain instances, be required to devote at least twenty percent (20%) of the total project area or cost for socialized housing. The price per unit that the Company is permitted to charge for socialized housing is subject to a pre-specified maximum, fixed by proper Government agencies and which could be reduced or increased at any time. Any of the foregoing circumstances or events could affect the Company’s ability to complete projects on time, within budget, at a profit or any at all, and could have a material adverse effect on the Company’s financial condition and results of operations. The Company monitors government regulations to ensure compliance at all times and to anticipate its effects on operations.

The Company’s business is subject to environmental regulations that could have a material adverse effect on its business, financial condition and results of operations.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the Department of Environment and Natural Resources (“**DENR**”). For environmentally-sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment may be required and the developer will be required to obtain an Environmental Compliance Certificate (“**ECC”)** to signify the full responsibility of the proponent in implementing specified measures which are necessary to comply with existing environmental regulations or to operate within best environmental practices that are not currently covered by existing laws. There can be no assurance that current or future environmental laws and regulations applicable to the Company will not increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a violation of an ECC condition occurs or if environmental hazards on land where the Company’s projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine and incur costs in order to cure the violation and to compensate its buyers and any affected third parties. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Company's real estate development could have a material adverse effect on the Company's business, financial condition and results of operations. The Company strives to ensure compliance with environmental regulations by strictly monitoring all its properties.

The Company relies heavily on automated systems to operate its business and the failure to maintain, upgrade and secure these systems could harm the Company's business.

The Company depends on a variety of automated systems to operate its business. Although the Company has implemented various IT-related improvements programs and installed new systems over the years, due to the continuously evolving nature of information technology systems, certain of the Company's automated systems are or may be relatively outdated and less integrated than those of some companies of similar scale in the Philippines and abroad. As a result, there can be no assurance that the Company's information systems will achieve their intended benefits within the anticipated time frame efficiently, or at all. Moreover, there can be no assurance that any new systems of the Company will not be rendered outdated in the near future due to rapid technological advancements.

Furthermore, the Company relies on systems developed and maintained by third parties. If these third parties experience difficulty meeting the Company's requirements or standards, it could damage the Company's reputation or make it difficult for the Company to operate some aspects of its businesses. In certain cases, the Company has developed, and intends to develop, automated systems to replace third-party systems that the Company has used, and uses, in its operations. There can be no assurance that the Company's in-house teams will be able to design, implement and maintain functional systems that adequately replace such third-party systems. In such cases, the Company generally does not have recourse to any third-party provider if the systems do not operate as intended. Any of the foregoing could have an adverse effect on the Company's business, financial condition and results of operations.

Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments could result in compromises or breaches of the applicable security systems and personal data stored in these systems. Anyone who circumvents the security measures on these systems could misappropriate the Company's confidential information or cause interruptions in its services or operations. The internet is a public network and data is sent over this network from many sources. In the past, computer viruses or software programs that disable or impair computers have been distributed and have rapidly spread over the internet. Computer viruses could be introduced into the Company's systems, or those of the third-party systems, which could disrupt the Company's operations or make its systems inaccessible to the third parties. The Company may be required to expend significant capital and other resources to protect against the threat of security breaches or to alleviate problems caused by breaches. The Company's security measures may be inadequate to prevent security breaches, and its business operations would be negatively impacted if security breaches are not prevented. The Company implements information technology and security protocols to ensure that its systems are protected and functioning at all times.

The Company may not be able to successfully manage its growth.

The Company has acquired various new and diversified commercial assets in recent years, and the Company intends to continue to pursue an aggressive growth strategy for its business. There can be no assurance that, while implementing its growth and diversification strategy, FLI will not experience capital constraints, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate expanded businesses. Any inability or failure to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that may not be recovered as quickly as anticipated, if at all. These problems could have a material adverse effect on the Company's reputation and on its business, financial condition, and results of operations.

In the real estate business, the Company holds 53.9 hectares in the SRP, which is a reclaimed land project located in Cebu City. FLI has developed City di Mare, the Il Corso Mall on a 10.6-hectare portion it owns in SRP. In addition, FLI constructed MRBs known as San Remo and Amalfi under a 40-hectare joint venture and profit-sharing arrangement with the Cebu City Government. In 2019, the Filinvest group has fully paid an additional acquisition of 9.6 hectares of land in SRP where FLI owns 3.3 hectares as of December 2021. In September 2015, FLI won the bid for the right to own 55.0% of a joint venture company with the Bases Conversion Development Authority ("**BCDA**") tasked with the development, marketing, management and leasing of the first phase of Clark Green City that covers 288 hectares of land adjoining Clark Freeport Zone and the CIA in Northern Luzon. Further, in 2016, together with FLI and the Clark Development Corporation, FLI formed Filinvest Mimosa, Inc. ("**FMI**") which entered into a 50-year lease (renewable for another 25 years) with the Clark Development Corporation for the development of 200-hectare Mimosa Leisure Estate. On July 14, 2023, FLI signed a share purchase agreement with Rizal Commercial Banking Corporation ("**RCBC**") for the acquisition of 100% of the outstanding capital stock of Cajel Realty Corporation ("**Cajel**") and Niyog Property Holdings, Inc. ("**Niyog**"). With direct ownership of Cajel and Niyog, which owns several properties in Bacoor, Cavite, this transaction will increase FLI's real estate developments in the said area. These are just some of the land acquisitions of the company within the last few years. All these projects require significant manpower resources, including the contracting of suitable and reputable third-party contractors. If FLI cannot manage its growth, find suitable contractors or otherwise incur any delay or default on any of its development or construction obligations, business, results of operations and financial condition may be materially and adversely affected. The Company continuously reviews its expansion plans and implements measures to ensure the execution of these plans.

The Company may be unable to continue to exploit opportunities to acquire or invest in new businesses and diversify its operations.

As part of the Company's business strategy, it intends to selectively explore acquisitions of, and investment opportunities that may enhance its revenue growth, operations and profitability. From time to time, the Company may publicly announce potential investments and acquisitions under consideration. If general economic and regulatory conditions or market and competitive conditions change, or if operations do not generate sufficient funds or other unexpected events occur, the Company may need to delay, modify or forego some aspects of its growth strategies, and its future growth prospects could be adversely affected.

The Company's ability to grow successfully and profitably through acquisitions will depend on numerous factors, including the availability of suitable acquisition or investment targets, competition for those acquisitions, particularly from those companies with larger and more geographically diverse operations and greater financial resources than the Company, the ability of the companies the Company acquires to perform operationally or financially in the manner expected, the Company's ability to successfully integrate and operate its acquisitions, the availability of expertise and financial resources to successfully manage such acquisitions on a regional scale, the availability of financing from internal or external sources for the Company to complete those acquisitions and the legal, regulatory, social, political and economic factors which prevail in the markets where those opportunities may exist.

To the extent the Company acquires or invests in areas that are outside of the Company's existing business, the Company will face challenges, including with respect to the Company's ability to develop the expertise required to successfully engage in the businesses it acquires or invests in and to make such businesses successful, the Company's ability to develop a reputation in industries into which it might expand, the Company's ability to attract and retain customers, suppliers and managers for new businesses; and competition from companies engaged in similar businesses in the markets that the Company has targeted for entry which is dependent, in part, upon the number, size, operating history, expertise, reputation and financial resources of those competitors. Furthermore, to the extent such investments are undertaken as joint ventures, there can be no assurance that the Company's public and private partners will meet their joint venture obligations in a timely manner or at all.

In addition, the Company may spend considerable management time and cost in evaluating potential acquisition targets or investments which may divert management attention from the Company's current business. As a result of any of these factors, the Company may be unable to grow its existing business in the manner it expects, which could have a material adverse effect on the Company's existing business, financial condition and results of operations. The Company's future acquisitions and investments, if any, may require it to use significant amounts of cash and incur substantial amounts of indebtedness, each of which could adversely affect the Company's business, financial condition and results of operations. To minimize this risk, the company regularly assesses market conditions and formulates plans as well as alternatives if market conditions change. This allows the company to be flexible and agile.

The businesses in which the Company currently operates and may in the future operate are capital-intensive. Failure to obtain financing or the inability to obtain financing on reasonable terms could affect the execution of the Company's operations and growth plans.

The businesses in which the Company currently operates and may in the future operate are capital-intensive. The real estate business requires significant capital expenditures to develop and implement new projects and complete existing projects. In the year ended December 31, 2021, the Company spent ₱15.3 billion on capital expenditures. For the year ended December 31, 2022, the Company spent ₱16.5 billion on capital expenditure for land acquisition, land development, housing and condominium construction and investment properties. As for the year ended December 31, 2023, the Company spent ₱13.0 billion on capital expenditure for land acquisition, land development, housing and condominium construction and investment properties. In the first nine months of 2024, the company spent ₱10.8 billion in capital expenditures, still for land acquisition, land development, housing and condominium construction and investment properties.

Historically, while the Company has funded a significant portion of its capital expenditure requirements internally from its real estate operations, it has periodically utilized external sources of financing. However, there can be no assurance that, to complete its planned projects or satisfy its other liquidity and capital resources requirements, the Company will be able to continue funding its capital expenditure requirements internally, or that it will be able to externally obtain sufficient funds for its capital expenditure budgets, at acceptable rates or at all. The Company's ability to raise additional equity financing from non-Philippine investors is subject to foreign ownership restrictions imposed by the Philippine Constitution and applicable laws. The Company's continued access to debt financing as a source of funding for new projects and acquisitions and for refinancing maturing debt is subject to many factors, many of which are outside of the Company's control. For example, political instability, an economic downturn, social unrest, changes in the Philippine regulatory environment or the bankruptcy of an unrelated company within a similar industry or industries in which the Company operates could increase the Company's cost of borrowing or restrict the Company's ability to obtain debt financing or comply with its debt financing covenants. In addition, disruptions in the capital and credit markets, which occurred in the past, may recur and such disruptions could adversely affect the Company's access to financing. The Company cannot guarantee that it will be able to arrange financing on acceptable terms, or at all. The inability of the Company to obtain financing from banks and other financial institutions or on acceptable terms would adversely affect its ability to operate or execute its growth strategies. To manage this risk, the Company has established a wide range of possible financing options. The company is also flexible enough to adjust its plans depending on the financial resources.

The interests of the Company's joint venture partners may differ from those of the Company and such partners may take actions that adversely affect the Company or its subsidiaries.

A joint venture involves special risks where the venture partner may have economic or business interests or goals that are inconsistent with or different from those of the Company. The joint venture partner may also take actions contrary to the Company's instructions or requests, or in direct opposition to the Company's policies or objectives with respect to the underlying business or dispute the distribution of its joint venture share. The joint venture partner may also fail to perform its obligations under the joint venture arrangement. Disputes between the Company and its joint venture partners could arise after significant capital investments in a project have been made, which could result in the loss of some or all of the Company's investment in that project. The Company's reliance on its joint venture arrangements could therefore have a material adverse effect on the Company's business, financial condition and results of operations.

FLI also has current joint venture arrangements or partnerships with several government units. Although these are covered by contracts and agreements that have been authorized by government legal protocols andproceedings, there might be circumstances in the future that such agreements may be subjected to review and audit which may affect the Company's ability to deliver on its obligations to its clients, and might hamper the operations ofthe company as a whole, to generate the revenues from the projects. Such joint venture arrangements are the following: (i) 40-hectare joint venture project with Cebu City Government in SRP; (ii) 4.1-hectare BTO arrangement with Cebu Provincial Government for seven (7) office tower buildings and commercial centers in Lahug and Apas, Cebu; (iii) land lease agreement with Clark Development Corporation involving the 200-hectare Mimosa Plus estate in Clark Pampanga, together with FDC; and (iv) joint development partnership with BCDA on 288-hectare New Clark City in Tarlac. The Company maintains good relationships with its joint venture partners to ensure common objectives.

FLI is controlled by the Gotianun Family and their interests may differ significantly from the interests of other shareholders.

FLI is controlled by members of the Gotianun Family, who either individually or collectively have controlled FLI and its subsidiaries since the inception of FLI. As of September 30, 2024, members of the Gotianun Family were the beneficial and record owners of approximately 60.81% of the Company's issued and outstanding Shares. Members of the Gotianun Family also serve as directors and executive officers in FLI. There is also no non-compete agreement or other formal arrangement in place to prevent other companies that are also controlled by the Gotianun Family from engaging in activities that compete directly with the Company's businesses or activities, which could have a negative impact on the Company. Neither can there be any assurance that the Gotianun Family will not take advantage of business opportunities that may otherwise be attractive to the Company. The interests of the Gotianun Family, as the Company's controlling shareholder, may therefore differ significantly from or compete with the Company's interests or the interests of other shareholders, and the Gotianun Family may vote their Shares in a manner that is contrary to the interests of the Company or the Company's other shareholders. There can be no assurance that the Gotianun Family will exercise influence over the Company in a manner that is in the best interests of the Company or its other shareholders. The Company has three (3) independent directors who are independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company. All major decisions are brought to the Board of Directors for approval.

The Company is highly dependent on certain directors and members of senior management.

The Company's directors and members of its senior management have been an integral part of the Company's success, and the experience, knowledge, business relationships and expertise that would be lost should any such persons depart or take on reduced responsibilities could be difficult to replace and may result in a decrease in the Company's operating efficiency and financial performance. Members of the Gotianun Family also fill certain key executive positions and the Company may not be successful in attracting and retaining executive talent to replace these family members should they depart or take on reduced responsibilities. Such executives include: Jonathan T. Gotianun, Chairman; Lourdes Josephine Gotianun-Yap, Vice Chairperson; Michael Edward T. Gotianun, Vice President and Director and Francis Nathaniel C. Gotianun, Director. While the Company has an active program for succession planning, which includes continued participation of retiring executives on key committees, if any such person departsor takes on reduced responsibilities or is otherwise unavailable to the Company and the Company is unable to fill anyvacant key executive or management positions or responsibilities with qualified candidates, its business, financial condition and results of operations may be adversely affected. The Company does not carry insurance in respect of the loss of the services of any of the members of its management. The Company has put in place succession planning that will ensure stable management. The Company also has a roster of professional senior management with extensive experience in real estate.

The Company may be unable to attract and retain skilled professionals.

The Company believes there is significant demand for its skilled professionals not only from its competitors in the Philippines but also from companies outside of the Philippines, particularly companies operating in Asia and the Middle East. The Company's ability to retain and attract highly skilled personnel, particularly architects, engineers, hotel managers, hospitality professionals, and project and operation managers, will affect its ability to plan, design and execute current and future projects. In particular, any inability on the part of the Company to hire and, just as importantly, to retain qualified personnel could impair its ability to undertake project design, planning and execution activities in-house and could require FLI to incur additional costs by having to engage third parties to perform these activities. The Company has put in place succession planning in the event of difficulty in hiring professionals. The Company has also established a number of methods for recruiting professionals.

Ownership over certain land owned by the Company may only be evidenced by tax declarations or may be contested by third parties.

The Philippines has adopted the Torrens system of land registration, which is intended to conclusively confirm land ownership by providing a state guarantee of indefeasible title to those in the register, and which is binding on all persons (including the Government). However, in certain instances and for various reasons such as inadequate record keeping or delays in the processing of certificates of title, it is not uncommon for landowners to have their ownership evidenced only by tax declarations, and not the more common certificates of title. Although the Company may have conducted the requisite due diligence on its properties and is confident of its ownership over such properties, there can be no assurance that other parties will not assert their own claims of ownership and present similar or stronger documents of title over such properties.

Moreover, it is not uncommon for third parties to claim ownership of land which has already been registered and over which a title has been issued. There have been cases where third parties have produced false or forged title certificates over land and there are difficulties in obtaining title guarantees with respect to properties in the Philippines. Title to land is often fragmented and land may have multiple owners. Land may also have irregularities in title, such as non-execution or non-registration of conveyance deeds, which may be subject to encumbrances of which the Company, its subsidiaries and their respective joint venture partners may not be aware. The difficulty of obtaining title guarantees in the Philippines means that title records provide only for presumptive rather than guaranteed title. As each transfer in a chain of title may be subject to a variety of defects, the title and development rights of the Company, its subsidiaries and their respective joint ventures may be subject to various defects of which they are not aware. For these and other reasons, title insurance is not readily available in the Philippines. Title defects may result in the loss by the Company or its subsidiaries or their respective joint ventures of the title over land.

From time to time the Company has had to and may continue to defend itself against third parties who claim to be the rightful owners of land which has been the subject of tax declarations in the name of the Company, titled in the name of the persons selling the land to the Company or which has already been titled in the name of the Company. Although historically these claims have not had a material adverse effect on the Company, in the event a greater number of similar third-party claims are brought against the Company in the future or any such claims involves land that is material to the residential and land development projects of the Company or its subsidiaries, the management of the Company or relevant subsidiary may be required to devote significant time and incur significant costs in defending itself against such claims. In addition, if any such claims are successful, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material in the context of its land development or other business projects. Any of the foregoing circumstances could have a material adverse effect on the Company's business, financial condition and results of operation, as well as on its business reputation. The Company follows strict processes and documentation standard to make sure that land purchase transactions are without issues.

FLI has a number of related party transactions with affiliated companies.

The companies controlled by the Gotianun Family have a number of commercial transactions with the Company. As of September 30, 2024, the Company had an outstanding net amount due from related parties (after deducting amounts due to related parties) of ₱232.95 million. These related party transactions, apart from outstanding compensation to directors, officers, stockholders and related interests, also include non-interest-bearing cash advances and various charges to and from non-consolidating affiliates for management fees, rent, share of expenses and commission charges. The Company also applies this principle to contracts between different companies within the Company. See "*Related Party Transactions*" and the notes to the Company's consolidated financial statements appearing elsewhere in this Offer Supplement.

The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the Gotianun Family. These transactions may involve potential conflicts of interest which could be detrimental to the Company and/or its shareholders. Conflicts of interest may also arise between the Gotianun Family and the Company in a number of other areas relating to its business, including:

- major business combinations involving the Company;
- plans to develop the respective business of the Company; and
- business opportunities that may be attractive to the Gotianun Family and the Company.

The Company can provide no assurance that the Company's related party transactions will not have a material adverse effect on its business, financial condition and results of operations. All major related party transactions are subject to approval of the Board of Directors. The Company has three (3) independent directors who are independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company.

The Company is involved in litigation, which could result in financial losses or harm its business.

The Company is subject to lawsuits and legal actions in the ordinary course of its real estate development and other allied activities. Litigation could result in substantial costs to, and a diversion of effort by, the Company and/or subject the Company to significant liabilities to third parties. There can be no assurance that the results of such legal proceedings will not materially harm the Company's business, reputation or standing in the market or that the Company will be able to recover any losses incurred from third parties, regardless of whether any companyis at fault. There can be no assurance that losses relating to litigation would not have a material adverse effect on the Company's business, financial condition and results of operation, or that provisions made for litigation related losseswill be sufficient to cover the Company's ultimate loss or expenditure. See "*Business—Legal Proceedings*." The Company continues to monitor all project implementations and contract commitments to ensure compliance with agreements as to minimize the probability of litigations against the Company.

Natural or other catastrophes, including severe weather conditions and earthquakes, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. Natural catastrophes may disrupt the Company's business operations and impair the economic conditions in the affected areas, as well as the overall Philippine economy. These factors, which are not within the Company's control, could potentially have significant effects on its business operations and development projects, many of which are large, complex estates with infrastructure, such as buildings, roads and perimeter walls that are susceptible to damage. Damages resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example for physical injury or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions, may adversely affect the Company's business, financial condition and results of operations. Further, although the Company carries insurance for certain catastrophic events, of different types, in varying amounts and with deductibles and exclusions that the Company believes are in line with general industry practices in the Philippines, there are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital investedin a property, as well as the anticipated future turnover from such property, while remaining liable for any project costs or other financial obligations related to the business. Any material uninsured loss could materially and adverselyaffect the Company's business, financial condition and results of operations. The Company has planned for these events and has put in place a business continuity plan to ensure continuous operations.

In 2022, there were several tropical storms and typhoons that hit the Philippines: Tropical Storm Megi (Agaton) on April 9 to 11, Typhoon Noru (Karding) on September 24 to 26 which meandered through Luzon provinces Laguna, Rizal, Quezon, Cavite, Batangas, Metro Manila, Zambales, Bulacan, Pampanga, Pangasinan, Tarlac, Nueva Ecija, Nueva Vizcaya, Bataan and Aurora, and Severe Tropical Storm Nalgae (Paeng) which dropped intense to torrential rain across Luzon and Visayas on October 28 to 30.

On June 3 to 4, 2023, Typhoon Mawar (Betty) hit Northern Philippines. These did not materially affect the operations of the Company and there were no material damages to the Company's properties.

In 2024, the Philippines experienced several typhoons, the most impactful being super typhoon Man-yi (Pepito) in November. This Category 5-equivalent storm struck Catanduanes and Aurora provinces with maximum sustained winds of 260 km/h causing widespread damage, displacement, and power outages. It was the sixth typhoon to hit the country in a single month, following a series of others, including super typhoon Usagi (Ofel).

The Company's real estate portfolio of residential property development projects exposes the Company to sector-specific risks.

Because the Company's real estate business is concentrated in the Philippine residential property market, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally could materially adversely affect the Company's profitability. The property development business involves significant risks distinct from those involved in the ownership and operation of established properties, including the risk that the Company may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales and which may not be commercially viable. The Company's results of operations are therefore dependent, and are expected to continue to be dependent, on the continued success of their residential and land development projects.

Additionally, the Philippine residential real estate industry is highly competitive. The Company's projects are largely dependent on the acceptance of their projects when compared to similar types of projects in their geographic areas, as well as on the ability of the Company to correctly gauge the market for their projects. Important factors that could affect the Company's ability to effectively compete include a project's relative location versus that of its competitors, particularly to transportation facilities and commercial centers, as well as the quality of the residences and related facilities offered by the Company, pricing and the overall attractiveness of the project. The time and costs involved in completing the development and construction of residential projects can be affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, depreciation of the peso, natural disasters, labor disputes with contractors and subcontractors, and the occurrence of other unforeseeable circumstances. Any of these factors could result in project delays and cost overruns, which could negatively affect the Company's margins. Moreover, failure by the Company to complete construction of a project to its planned specification or schedule may result in contractual liabilities to purchasers and lower returns, all of which could have a material adverse effect on the Company's business, financial condition and results of operations. The Company follows a planning process taking into account all factors that affect the completion of projects. The Company is able to anticipate changes and accordingly adjust its plans and implementation should such adjustments become necessary.

The Company is exposed to risks associated with the operation of their investment properties and the development of their office space and retail leasing business and the integration of such investment properties with its core housing and land development business.

The operations of the Company's commercial real estate assets, which includes interests in leasable office space in PBCom Tower and the Northgate Cyberzone and other commercial properties in Filinvest City and elsewhere in the Philippines, as well as ownership of Festival Supermall and other malls, are subject to risks relating to their respective operations. The Company's ability to lease out their commercial and office properties in a timely manner and collect rent at profitable rates, or at all, is affected by each of the following factors, among others:

- the national and international economic climate;
- changes in demand caused by policies affecting call centers, POGOs and other BPO operations in the Philippines and worldwide, including the relative cost of operating BPOs and POGOs in the Philippines as compared to other markets (such as India), which depends in part on the continued favorable regulations and fiscal incentive regimes with respect to such industries and the Government's general policy with respect to investments and industries from China;
- trends in the Philippine retail industry;
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, environment, taxes and government charges;
- the inability to collect rent due to bankruptcy of tenants or otherwise;
- competition for tenants;

- changes in market rental rates;
- the need to periodically renovate, repair and re-let space and the costs thereof;
- the quality and strategy of management; and
- the Company's ability to provide adequate maintenance and insurance coverage.

The Company could also be adversely affected by the failure of tenants to comply with the terms of their leases or commitments to lease, declining sales turnover of tenants at Filinvest Lifemalls or oversupply of or reduced demand for BPO services, office space and/or retail space. In particular, with respect to retail property leases, including those at Festival Supermall and other retail properties, it is generally the case that all or a portion of the rent to which the Company is entitled comprises a percentage of the tenant's sales, which percentage generally ranges from 1.5% to 15% depending on the tenant's merchandise. Accordingly, the Company is exposed to deterioration in the businesses of their tenants. If the Company is unable to lease their properties in a timely manner or collect rent at profitable rates or at all, this could have a material adverse effect on the Company's operations and financial condition. Further, the success of the Company's investment properties will depend, in part, on their ability to realize the potential revenue and growth opportunities from these assets.

The Company is subject to risks incidental to the ownership and operation of commercial, office and related retail properties including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, increased operating costs and the need to renovate, repair and re-let space periodically and to pay the associated costs. In particular, FLI's BPO properties rely on the growth of the BPO business as a source of revenue. If the BPO business does not grow as the Company expects or if the Company is not able to continue to attract BPO-based tenants to development projects that are targeted for BPO companies, FLI may not be able to lease its BPO office space in a timely manner or at satisfactory rents or at all, which could have a material adverse effect on the Company's operations and financial condition.

The Company is subject to the risk that government pronouncements, such as the Department of Finance's Fiscal Incentives Review Board Resolution ("**FIRB**") No. 026-22, may affect the demand for office space leasing. This FIRB Resolution allows Information Technology and Business Process Management ("**IT-BPM**") companies to shift registration from the Philippine Economic Zone Authority ("**PEZA**") to the Board of Investments ("**BOI**") to adopt up to 100% work from home arrangement. The Company targets a wide range of clients from the BPO sector as well as traditional offices. It also engages in marketing activities on a continuing basis to build up its client base.

The Company is also subject to risks arising from accidents at its commercial, office and related retail properties. Although the buildings and their facilities are subject to regular testing and maintenance, there is no assurance that the facilities of the Company's properties will not malfunction and cause injuries.

The Company follows a planning process taking into account all factors that affect the profitability of projects. The Company is able to anticipate changes and accordingly adjust its plans and implementation should such adjustments become necessary.

The exit of POGOs from the Philippines may materially and adversely affect the Company's business and operations.

The Company's office tenants include POGOs. As of September 30, 2024, POGO tenants accounted for 3.74% of the total GLA of its office properties.

On November 5, 2024, Philippine President Ferdinand R. Marcos, Jr. signed Executive Order No. 74 (E.O. 74), entitled, "Immediate Ban of Philippine Offshore Gaming, Internet Gaming, and Other Offshore Gaming Operations in the Philippines, and for other purposes." E.O. 74 expressly provides that all POGOs, among others, shall completely cease operations including the winding up of their affairs on December 31, 2024 or earlier. In support of the government's measures to implement the ban, Offices by Filinvest will ensure that all spaces occupied by POGOs are closed on the said date. Further, to address any resulting vacancy due to the exit of POGOs, Filinvest has already found prospective replacement tenants in a diverse range of sectors: from traditional corporates to IT-BPO firms, as well as government agencies, and even educational and religious institutions.

To manage such risks, the Company's lease contracts with POGO tenants generally provide that such leases may be pre-terminated following a change in the laws or rules governing POGOs, which results in: (i) cancellation or suspension of the tenant's license; (ii) immediate stoppage of the operations or services the tenant is providing; (iii) contravening laws or interpretation and enforcement of law resulting in the inability of the tenant to operate its business and service in the Philippines. The Company also requires its POGO tenants to pay security deposits to cover three to six months of rent and to pay up to six-months' in advance rent (applied at the end of the lease term) payable upfront upon the handover of the leased premises and none of the Company's POGO tenants have been forced to close because of non-payment of taxes or accreditation fees. The Company believes that its office properties are well-suited to attract a diverse range of tenants, including multinational BPOs and headquarters. The Company markets to potential tenants such as BPOs and traditional tenants on an ongoing basis through constant communication. It also employs multinational brokers to help market the office spaces.

Fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company and their customers' ability to obtain financing.

Interest rates, and factors that affect interest rates, such as the Government's fiscal policy, could have a material adverse effect on the Company, residential property development, and demand for their real estate projects. For example:

- Higher interest rates make it more expensive for the Company to borrow funds to finance ongoing projects, obtain financing for new projects, or service existing debt with floating interest rates.

- Insofar as the Company's residential housing and land development business is concerned, because the Company believes that a substantial portion of their customers procure financing (either from banks or using the Company's in-house financing program) to fund their property purchases, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential projects.

- In connection with the Company's in-house financing activities, from time to time the Company sells receivables from customers who obtain in-house financing to financial institutions on a "with recourse" basis, which requires the Company to pay interest to the financial institution purchasing the receivable and obligates the Company to repurchase the principal balance of the receivable plus accrued interest in certain circumstances. The difference between the interest rate the Company charges its customers and the interest rate they pay to these financial institutions contributes to the Company's interest income. Higher interest rates charged by these financial institutions would reduce the Company's net interest income.

- The Company's access to capital and its cost of financing is also affected by restrictions, such as the single borrower limit ("**SBL**") imposed by the BSP on bank lending. If the Company were to reach the SBL with respect to any bank, the Company may have difficulty obtaining financing with reasonable rates of interest from other banks.

- If the Government significantly increases its borrowing levels in the domestic currency market, this could increase the interest rates charged by banks and other financial institutions and also effectively reduce the amount of bank financing available to both prospective property purchasers and real estate developers, including the Company.

- Increased inflation in the Philippines could result in an increase in raw materials costs, which the Company may not be able to pass onto its customers as increased prices.

- A further expansion in the budget deficit of the Government could also result in an increase in interest rates and inflation, which could in turn have a material effect on the ability of the Company to obtain financing at attractive terms, and on the ability of its customers to similarly obtain financing.

The occurrence of any of the foregoing events, or any combination of them, or of any similar events could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has a wide range of funding sources, where it can avail of new borrowings to fund new projects or to refinance existing debt. It also has the ability to revise plans to conserve cash such as decreasing any intended capex levels.

A significant portion of the demand for the Company's residential real estate projects is from OFWs and expatriate Filipinos, which exposes the Company to risks relating to the performance of the economies of the countries where these potential customers are based.

The Company relies on OFWs and expatriate Filipinos to generate a significant portion of the demand for their residential projects, particularly for their affordable and middle-income projects. For the years ended December 31, 2021, 2022 and 2023, and the first nine months of 2024, sales attributable to OFWs accounted for approximately 22%, 20%, 24%, and 24% of the Company's total real estate option sales, respectively. A number of factors could lead to, among other effects, reduced remittances from OFWs, a reduction in the number of OFWs or a reduction in the purchasing power of expatriate Filipinos. These include a downturn in the economic performance of the countries and regions where a significant number of potential customers are located, such as the Middle East, Singapore, Japan, Italy and the United Kingdom, a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines, the imposition of restrictions by the Government on the deployment of OFWs to particular countries or regions, such as the Middle East, and restrictions imposed by other countries on the entry or the continued employment of foreign workers. Any of these events could adversely affect demand for the Company's residential real estate projects from OFWs and expatriate Filipinos, which could have a material adverseeffect on the Company's business, financial condition and results of operations. The Company continues to offer affordable products and reasonable payment terms.

The Company faces certain risks related to the cancellation of sales involving their residential real estate projects and if the Company were to experience a material number of sales cancellations, the Company's historical revenues from real estate operations would be overstated.

As a developer and seller of residential real estate, the Company's business, financial condition and results of operations could be adversely affected in the event a material number of subdivision lot or residential sales are cancelled.

The Company is subject to Republic Act No. 6552 (the "**Maceda Law**"), which applies to all transactions or contracts involving thesale or financing of real estate through installment payments, including residential condominium units (but excludingindustrial and commercial lots). Under the Maceda Law, buyers who have paid at least two (2) years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. If the contractis cancelled, the buyer is entitled to receive a refund of at least 50.0% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90.0% of the total payments). Buyers who have paid for less than two (2) years of installments and who default on installment payments are given a sixty (60)-day grace period to pay all unpaid installments before the sale can be cancelled, but without the right of a refund.

While the Company has not experienced a material number of cancellations to which the Maceda Law has applied, there can be no assurance that it will not experience a material number of cancellations in the future, particularly during slowdowns or downturns in the Philippine economy, periods when interest rates are high or similar situations. In the event the Company experiences a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers or the Company may have to incur indebtedness in order to pay such cash refunds. In addition, particularly during an economic slowdown or downturn, there can be no assurance that the Company would be able to resell the same property at an acceptable price or at all. Any of the foregoing events would have a material adverse effect on the Company's business, financial condition and results of operations.

In the event the Company experiences a material number of sales cancellations, investors are cautioned that the

Company's historical revenue from its real estate operations could be overstated because such historical revenues would not have accurately reflected subsequent customer defaults or sales cancellations. Investors are also cautioned not to rely on the Company's historical statements of income as indicators of its future revenues or profits.

For sales of residential units in the Company's middle-income and high-end projects, from time to time the Company generally commences construction of a unit even before the full amount of the required down payment is made, and thus, before the sale is recorded as revenue. Therefore, the Company risks having spent cash to begin construction of a unit before being assured that the sale will eventually be booked as revenue, particularly, if the buyer is unable to complete the required down payment and the Company is unable to find another purchaser for such property.

There can be no assurance that the Company will not suffer from substantial sales cancellations and that such cancellations will not have a material adverse effect on the Company's financial condition and results of operations. The Company continues to offer reasonable and affordable payment terms to buyers so as to minimize cancellations.

The Company faces risks relating to the management of their land bank, including area concentration within the land bank, which could adversely affect their margins.

The Company must continuously acquire land to replace and expand land inventory within their current markets. The risks inherent in purchasing and developing land increase as consumer demand for the Company's core property businesses, including residential, commercial and retail, decreases, and can be further affected by the concentration of land in a particular area within the land bank. The market value of land, subdivision lots, housing and condominium inventories, retail and leasing spaces, can all fluctuate significantly as a result of changing market conditions. An adverse change in the market value of land in those areas in which the concentration of the Company's land bank is highest would amplify the negative impact on the Company's business and financial condition. The Company cannot assure investors that the measures they employ to manage land inventory risks will be successful. In the event of significant changes in economic, political, security or market conditions, the Company may have to sell subdivision lots, residential units, lease retail spaces or rent rooms in their hospitality projects at significantly lower margins or at a loss. Changes in economic or market conditions may also require the Company to defer the commencement of its various real estate projects. This would require the Company to continue to carry the cost of acquired but undeveloped land on its statement of financial position, as well as reduce the amount of property available for sale or development. Any of the foregoing events could have a material adverse effect on the Company's business, financial condition and results of operations. To minimize the risks, the Company conducts comprehensive market studies on land and sets plans on the timely rollout of projects.

The Company faces risks relating to its real estate projects, including risks relating to project cost, completion time frame and development rights.

The property development business involves significant risks distinct from those involved in the ownership and operation of established properties, including the risk that the Company may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales and which may not be commercially viable. In addition, obtaining required Government approvals and permits may take substantially more time and resources than anticipated or construction of projects may not be completed on schedule and within budget.

In addition, the time and the costs involved in completing the development and construction of real estate projects can be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, peso depreciation, natural disasters, labor disputes with contractors and subcontractors, accidents, changes in laws or in Government priorities and other unforeseen problems or circumstances. Where land to be used for a project is occupied by tenants and/or squatters, the Company may have to take steps, and incur additional costs, to remove such occupants and, if required by law, to provide relocation facilities for them. Any of these factors could result in project delays and cost overruns, which could negatively affect the Company's margins. This may also result in sales and resulting profits from a particular project not being recognized in the year in which it was originally expected to be recognized, which could adversely affect the Company's results of operations for that year. Further, the failure by the Company to complete construction of a project to its planned specifications or schedule may result in triggering contractual liabilities to purchasers or other counterparties, and lower returns. The Company cannot provide any assurance that such events will not occur in a manner that would materially and adversely affect the Company's business, results of operations or financial condition. The Company follows a planning process taking into account all factors that affect the profitability of projects. The Company is able to anticipate changes and able to adjust its plans and implementation.

The Company's reputation may be adversely affected if projects are not completed on time or if projects do not meet customers' requirements.

Over the years, the Company believes it has established in the Philippines an excellent reputation and brand name in the property development business, and in more recent years in the hospitality business. If any of the Company's real estate projects experience construction or infrastructure failures, design flaws, significant project delays,quality control issues or otherwise, this could have a negative effect on the Company's reputation and make it more difficult to attract new customers to its new and existing property development projects. Any negative effect on the Company's reputation or its brand could also affect its ability to pre-sell their residential and land development projects. This would impair the Company's ability to reduce its capital investment requirements. The Company cannot provide any assurance that such events will not occur in a manner that would adversely affect the Company's business, results of operations or financial condition. To minimize risks, the Company makes sure that projects are constructed following the highest standards of quality and strives to adhere to project schedules.

Independent contractors may not always be available, and once hired by the Company, may not be able to meet quality standards and/or may not complete projects on time and within budget.

While the Company recently set up its own construction company subsidiary, Dreambuilders Pro, Inc. ("**DPI**"), to construct certain projects such as MRBs, the Company still relies on independent contractors to provide various services for its other real estate projects, including land clearing, various construction projects and building and property fitting-out works. The Company selects independent contractors principally by conducting tenders and taking into consideration factors such as the contractors' experience, their financial and construction resources, any previous relationship with the Company, their reputation for quality and their track record. There can be no assurance that the Company will be able to find or engage an independent contractor for any particular project or find a contractor that is willing to undertake a particular project within the Company's budget, which could result in costs increases and/or project delays. In particular, the Company may face difficulty engaging or finding available suitable independent contractors in areas outside Metro Manila or other metropolitan areas. Further, although the Company's personnel actively supervise the work of such independent contractors, there can be no assurance that the services rendered by any of the independent contractors will always be satisfactory or match the Company's requirements for quality. Contractors may also experience financial or other difficulties, and shortages or increases in the price of construction materials may occur, any of which could delay the completion or increase the cost of certain housing and land development projects, and the Company may incur additional costs as a result thereof. Any of these factors could have a material adverse effect on the Company's business, financial condition and results of operations. The Company maintains a large pool of contractors to ensure availability and subjects each one through a stringent selection process to meet the professional standards required by its projects.

The implementation of tax reforms may have negative impact on the results of operations of the company and the loss of certain tax exemptions and incentives will increase the Company's tax liability and decrease any profits the Company might have in the future.

As of the date of this Offer Supplement, certain projects of the Company benefit from certain tax incentives and tax exemptions. In particular:

- Income from sales of subdivision lots and housing units in socialized housing projects (i.e., sales of a lot with a gross selling price of ₱180,000 or below or house and lot ("**H&L**") unit with a gross selling price of ₱580,000.00 orbelow) are currently exempt from taxation;

- Several of FLI's assets, such as the Filinvest Technology Park-Calamba, New Clark City and the Northgate Cyberzone, are registered with the PEZA as Ecozones and FLI's modified gross income generated from these assets is subject to a preferential income tax rate of 5%;

- Mimosa Plus estate in Clark Mimosa is in Clark Special Economic Zone and the modified gross income generated from the projects within this zone enjoys a preferential income tax rate of 5% as registered and granted by Clark

Development Corp ("**CDC"**).

Several developments of FLI are registered with BOI and granted an income tax holiday for certain number of years. On December 19, 2017, the President of the Philippines signed into law the Tax Reform for Acceleration and Inclusion or Republic Act No. 10963 ("**TRAIN Law**") which took effect on January 1, 2018. The TRAIN Law amends certain provisions of the Tax Code and is the first package of the Comprehensive Tax Reform Program ("**CTRP**") of the Duterte administration.

Under the TRAIN Law, sales of residential lots with a gross selling price of ₱1,919,500.00 or less and sales of residential houses and lots or condominium units with a gross selling price of ₱3,199,200.00 or less are currently not subject to the value-added tax ("**VAT**") of 12.0%, and beginning January 1, 2021, the VAT exemption shall only apply to socialized housing and to house and lots and residential dwellings with selling price of not more than ₱2.0 million. This may result in some of the Company's sales becoming subject to VAT, leading to an increase in the selling price. This could adversely affect the Company's sales. Taxes, such as VAT, are expected to have an indirect effect on the results of operations of the Company due to their effect on the levels of spending of consumers or buyers.

Package 2 under the CTRP is Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprise Act (previously the CITIRA bill or the TRABAHO bill) ("**CREATE Act**"). The CREATE Act intends to incentivize businesses by reducing corporate income tax and rationalizing incentives, among others. The CREATE Act was signed by the President on March 26, 2021 and became effective on April 11, 2021.

The CREATE Act reduced the regular corporate income tax rate from 30% to 25% effective July 1, 2020. It also provides that corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million, excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed, shall be taxed at 20%. In addition, the CREATE Act reduced the minimum corporate income tax imposed on domestic and resident foreign corporations from 2% to 1% effective July 1, 2020 until June 30, 2023.

The CREATE Act also rationalized the grant of certain tax incentives. Registered business enterprises with tax incentives granted prior to the effectivity of the CREATE Act shall be subject to the following rules:

1. Those that have been granted only the income tax holiday ("**ITH**") may continue availing of the ITH for the remaining period of the ITH as specified in the terms and conditions of their registration;
2. Those that have been the granted ITH but have not yet availed of the incentive may use the ITH for the period specified in the terms and conditions of their registration;
3. Those that have been granted ITH and are entitled to the 5% tax on gross income earned may avail of the 5% tax on gross income for 10 years; and
4. Those currently availing of the 5% tax on gross income earned may continue to avail of the said incentive for 10 years.

Therefore, BPO companies, which are PEZA-registered information technology enterprises, may lose the benefit of the 5% special tax on gross income earned (which is imposed in lieu of all national and local taxes, except real property taxes on machineries) after ten (10) years and may instead be subjected to the regular corporate income tax rate of regular corporations. As a result, BPO companies may find it less feasible to conduct their business in the Philippines, and this may adversely affect the demand for Grade A buildings.

Under package 4 of the CTRP, the Department of Finance reportedly proposes to lower the rate of transaction taxes on land, including documentary stamp tax, transfer tax and registration fees, centralize and rationalize valuation of properties, increase valuation of properties closer to market prices, review property valuations every three (3) years and adjust accordingly. While package 4 aims to lower the rate of transaction taxes on land, the increase in valuation could lead to an increase in the taxes to be paid by the Company.

Moreover, the Department of Finance issued Revenue Regulations No. 9-2021 ("**RR 9-2021**"), which imposed 12% VAT on transactions which were previously taxed at 0% VAT. This covers, among others, those considered export sales under Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1997, and other special laws under Section 106(A)(2)(a)(5) of the Tax Code, as well as the sale of services and the use or lease of properties under subparagraphs (1) and (5) of Section 108(B) of the Tax Code.

RR 9-2021 implements the imposition of 12% VAT on certain transactions that were previously taxed at 0% VAT after satisfaction of the conditions set forth in the TRAIN Law. Following the issuance of RR 9-2021, suppliers started imposing 12% VAT on their sale of goods and/or services to export-oriented enterprises such as BPO companies, including lease rentals and utilities. The PEZA issued a letter dated July 6, 2021 stating its position that RR 9-2021 is contrary to the provisions of the CREATE Act, as well as the separate customs territory principle provided under Republic Act No. 7916 or the PEZA Law and Philippine jurisprudence. The PEZA requested the Department of Finance and the BIR to defer the implementation of RR 9-2021. On July 21, 2021, the Department of Finance issued Revenue Regulations No. 15-2021, deferring the implementation of RR 9-2021 until the issuance of amendatory revenue regulations.

On December 7, 2021, the Department of Finance issued Revenue Regulations No. 21-2021 ("**RR 21-2021**") to implement Sections 294 (E) and 295 (D) of the CREATE Act. RR 21-2021 provides that the VAT exemption on importation and VAT zero-rating on local purchases shall only apply to goods and services directly and exclusively used in the registered project or activity of a registered export enterprise, for a maximum period of 17 years from the date of registration, unless otherwise extended under the Strategic Investments Priority Plan. It also provides that sales to existing registered export enterprises located inside ecozones and freeport zones shall also be qualified for VAT zero-rating until the expiration of the transitory period.

On March 9, 2022, the BIR issued Revenue Memorandum Circular No. 24-2022 ("**RMC 24-2022**") to clarify the transitory provisions under RR 21-2021 and certain issues pertaining to the effectivity and VAT treatment of transactions by registered business enterprises particularly the registered export enterprises. RMC 24-2022 clarified, among others, that enterprises registered prior to the effectivity of the CREATE Act shall continue to enjoy VAT exemption and VAT zero-rating on local purchases of goods and services subject to the rules as provided in Rule 18, Section 5 of the CREATE Act implementing rules and regulations, that is, VAT-exemption on importation, and VAT zero-rating on local purchases, shall only apply to goods and services directly attributable to and exclusively used in the registered project or activity of the export enterprises during the period of registration of the said registered project or activity of the export enterprises until the expiration of the transitory period under Section 311 of the Tax Code. RMC 24-2022 further clarified that sale of goods or services to existing registered non-export enterprises located inside the ecozones or freeport zones shall be subject to 12% VAT.

On November 8, 2022, Republic Act No. 12066 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy ("**CREATE MORE Act**") introduced significant amendments to the Tax Code, particularly in Sections 106 and 108 thereof on VAT on sale of goods or properties and services and Sections 295 on incentives granted to registered business enterprises.

Under the CREATE MORE Act, Sections 106 and 108 now provide that goods or services sold to export-oriented enterprises qualify for VAT zero-rating if: (a) the enterprises export at least seventy percent (70%) of their annual production from the previous year, and (b) the sales are "directly attributable" to the export activity, as certified by the Export Marketing Bureau.

In addition, Section 295(D) of the Tax Code on incentives was also amended to provide that VAT exemption on importation and VAT zero-rating on local purchases now apply to goods and services "directly attributable" to the registered project or activity, including incidental expenses, of a registered export enterprise or high-value domestic market enterprise (HV DME), regardless of the location of these enterprises. A definition of "directly attributable" was added to refer to goods and services that are incidental to and reasonably necessary for the export activity of the export-oriented enterprise.

These tax reforms may affect the overall competitiveness of doing business in the Philippines, thereby affecting the number of prospective tenants or companies that wish to continue their operations in the country. Implementation of tax reforms may affect overall demand for leasing spaces in the Philippines including that for the Company's properties. It may also prompt existing BPO tenants to cease their operations in the Philippines, and terminate or not renew their leases with the Company. Any of these events may have a material and adverse effect on the Company's business, results of operations and financial condition.

Under the REIT Law, REIT companies are allowed to claim the dividend distributions as deductible expense for income tax purposes, which can result to zero corporate income tax payable.

On October 2, 2024, FLI submitted a tender offer report with the SEC and the PSE in connection with its intention to reacquire FLI common shares in exchange for FILRT common shares. Prior to the Tender Offer, FLI owned 63.3% of FILRT. The tendered shares crossed on December 9, 2024 resulting in FLI's ownership in FILRT of 51.06% and FILRT's public float of 46.68%, well above the SEC and PSE's requirement of one-third of outstanding capital stock for REITs.

The Company continues to monitor all tax developments to anticipate their potential effects on operations and to be able to plan accordingly.

A domestic asset price bubble could adversely affect the Company's business.

One of the risks inherent in any real estate property market is the possibility of an asset price bubble. This occurs when there is a gross imbalance between the supply and demand in the property market, causing an unusual increase in asset prices, followed by a drastic drop in prices when the bubble bursts. In the Philippines, the growth of the real estate sector is mainly driven by low interest rates, robust remittances from Overseas Filipino Workers, and the continued growth of the Business Process Outsourcing and Knowledge Process Outsourcing sectors.

The Company believes that the Philippine property sector is adequately protected against a domestic asset price bubble burst. The country has a very young demographic profile benefitting from rising disposable income. It likewise remains to be one of the fastest growing emerging economies in the Asia Pacific region, registering Gross Domestic Product growth rates of 5.7% in 2021, 7.6% in 2022, 5.5% in 2023, and 5.8% in the first nine months of 2024. Growth in the property sector is largelysupported by infrastructure investments from both the public and private sectors and strong macroeconomic fundamentals. Due to business disruptions brought about by the COVID-19 pandemic, the Philippine GDP contracted by 9.5% in 2020, but the economy has since rebounded with the gradual reopening of the country's economy.

There can be no assurance however, that the Philippines will achieve strong economic fundamentals in the future. Changes in the conditions of the Philippine economy could materially and adversely affect the Company's business, financial condition and results of operations. The Company has a planning process that provides for alternatives when conditions change that enables it to adjust its plans.

The Company is largely dependent on third-party brokers to sell their residential housing and land development projects and to lease their commercial and office properties.

While the Company has continuously grown its in-house sales team, FLI also relies on third-party brokers to market and sell their residential housing and land development projects and to lease their commercial and office properties to potential customers inside and outside of the Philippines. These brokers may also act as brokers for other developers in the same markets in which the Company operates, and there can be no assurance that they will not favor the interests of their other clients over the interests of the Company in lease or sale opportunities, or otherwise act in the best interests of the Company. The Real Estate Service Act of the Philippines ("**RA 9646**") was signed into law on June 29, 2009. RA 9646 strictly regulates the practice of real estate brokers by requiring licensure examinations and attendance in continuing professional education programs. Thus, there is competition for the services of third-party brokers in the Philippines, and many of the Company's competitors either use the same brokers as the Company or attempt to recruit brokers away from the Company. If a large number of these third-party brokers were to terminate or breach their brokerage agreements, the Company would be required to seek other external brokers, and there can be no assurance that the Company could do so quickly or in sufficient numbers. This could disrupt the Company's business and negatively affect its financial condition, results of operations and prospects. To minimize this risk, the Company has a wide network of sellers including exclusive and non-exclusive brokers.

Infringement of the Company's intellectual property rights in relation to its real property business could have a material adverse effect on the Company's operations.

As of the date of this Offer Supplement, the Company has registered with the IPO a variety of marks including

“FILINVESTLAND, INC,” and the Filinvest logo. Generally, the registrations of these marks and/or trademarks are effective for a period of ten years from the date of the original registrations and may be renewed for periods of ten years at their expiration upon the filing of appropriate requests with the IPO. There can be no assurance that any renewal applications or applications to register other marks will be approved or that the actions the Company has taken will be adequate to prevent third parties from using the “Filinvest” name or Filinvest Company corporate brands and logosor from naming their products using the same brands the Filinvest Company uses. In addition, there can be no assurance that third parties will not assert rights in, or ownership of, the Filinvest Company name, trademarks and other intellectual property rights. Because the Company believes that the reputation and track record it has established under the “Filinvest” and “FLI” names are key to its future growth, the Company’s business, financial condition and results of operations may be materially and adversely affected by the unauthorized use of these names and of any associated trademarks by third parties or if the Company were restricted from using such marks.

Certain residential real estate customers of the Company rely on financing from Government-mandated funds, which may not always be available.

The residential housing industry in the Philippines has been and continues to be characterized by a significant shortage of mortgage financing, particularly in the low-cost housing sector. For example, a significant portion of the financing for purchases of socialized housing projects is provided by Government-sponsored housing funds such as the Pag-IBIG Fund, which is financed primarily through mandatory contributions from the gross wages of workers and the amount of funding available and the level of mortgage financing from these sources is limited and may vary from year to year. The Company depends on the availability of mortgage financing provided by these Government-mandated funds for substantially all of its socialized housing sales, which represented 1.8% of the Company’s total real estate sales for 2022 and 3.0% of the Company’s total real estate sales for 2023. In the event potential buyers of socialized housing products are unable to obtain financing from these Government-mandated funds, this could result in reduced sales for these products and, in turn, could have a material adverse effect on the Company’s business, financial condition and results of operations. The Company continues to tap banks to finance the purchases of buyers to ensure financing is always available.

RISKS RELATING TO THE PHILIPPINES

Substantially all of the Company’s business activities are conducted in the Philippines and all of its assets are located in the Philippines, which exposes the Company to risks associated with the Philippines, including the performance of the Philippine economy.

Historically, the Company’s results of operations have been influenced, and will continue to be influenced, to a significant degree by the general state of the Philippine economy and as a result, its income and results of operations depend, to a significant extent, on the performance of the Philippine economy. Although the Philippine economy has experienced strong GDP growth in recent years prior to 2020, the stronger U.S. dollar, rising global interest rates and higher commodity prices may cause domestic inflation to increase and have an adverse impact on the future growth of the Philippine economy, which has previously experienced periods of slow or negative growth, high inflation, significant depreciation of the peso and the imposition of exchange controls.

Demand for, and the prevailing prices of, developed land and house, lot and condominium units are directly related to thestrength of the Philippine economy (including overall growth levels and interest rates), the overall levels of business activity in the Philippines and the amount of remittances received from OFWs. Demand for FLI’s housing and land developments is also affected by social trends and changing spending patterns in the Philippines, which in turn are influenced by economic, political and security conditions in the Philippines. The Philippine residential housing industry is cyclical and is sensitive to changes in general economic conditions in the Philippines such as levels of employment, consumer confidence and income, availability of financing for property acquisitions, construction and mortgages, interest rate levels, inflation and demand for housing.

There is no assurance that the Philippines and other countries in Asia will not experience future economic downturns. The Philippine and Asian economies may be adversely affected by various factors, including:

- decreases in business, industrial, manufacturing or financial activity in the Philippines, in Asia or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies

in the Philippines or in the Asian or global markets;

- global shortage in oil and other commodities;
- exchange rate fluctuations;
- a prolonged period of inflation or increase in interest rates;
- changes in the taxation policies and laws; and
- other regulatory, political or economic developments in or affecting the Philippines, other Asian countries, and globally.

Any deterioration in economic and political conditions in the Philippines, elsewhere in Asia, or globally could materiallyand adversely affect the Company's business, prospects, financial condition and results of operations.

Volatility in the value of the Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect the Company's businesses.

The Philippine economy has experienced volatility in the value of the Peso as well as limitations to the availability of foreign exchange. In July 1997, the BSP announced that the Peso can be traded and valued freely on the market. As a result, the value of the Peso underwent significant fluctuations between July 1997 and December 2004 and the Peso declined from approximately ₱29.00 to U.S.$1.00 in July 1997 to ₱56.18 to U.S.$1.00 by December 2004.

The valuation of the Peso may be adversely affected by certain events and circumstances such as the strengthening of the U.S. economy, the rise of the interest rates in the U.S. and other events affecting the global markets or the Philippines, causing investors to move their investment portfolios from the riskier emerging markets such as the Philippines to "safe havens."

Consequently, an outflow of funds and capital from the Philippines may occur and may result in increasing volatility in the value of the Peso against the U.S. Dollar and other currencies. As of September 30, 2024, according to BSP data, the Peso has depreciated 0.58% to ₱55.892 per U.S. $1.00 from ₱55.567 per U.S. $1.00 for the period ended December 31, 2023, and appreciated by 0.41% from ₱56.120 per U.S. $1.00 at the end of 2022.The Company's business may be disrupted by terrorist acts, crime, natural disasters and outbreaks of infectious diseases in the Philippines or fears of such occurrences.

The Company's hospitality business will depend substantially on revenues from local travelers and foreign visitors and may be disrupted by events that reduce local or foreign visitors' willingness to travel to or in the Philippines andraise substantial concerns about visitors' personal safety.

The Philippines has been subject to a number of terrorist attacks in recent years. The Philippine army has been in conflict with the Abu Sayyaf organization; which has ties to the al-Qaeda terrorist network, and has been identified as being responsible for certain kidnapping incidents and other terrorist activities particularly in the southern partof the Philippines. There have also been isolated bombings in the Philippines, mainly in regions in the southern part of the Philippines, such as the province of Maguindanao. In May 2017, members of the "Maute Company", a local terrorist Company with alleged allegiances to the Islamic State of Iraq and Syria, attacked Marawi City in Lanao del Sur, leading to clashes with Government troops. The attacks on Marawi City prompted President Duterte to declare martial law and suspend the writ of habeas corpus over the whole island of Mindanao. Based on news reports, up to 600,000 residents of Marawi City and nearby towns have been displaced as a result of the ongoing clashes between the Maute Company and Government troops. An increase in the frequency, severity or geographic reach of these terrorist acts could destabilize the Philippines, and adversely affect the country's economy and the Company's business.

Crimes also remain a serious risk in many parts of the Philippines with illegal drug trade, human trafficking, murder, theft, robberies and violent assaults occur sporadically. Kidnapping is likewise a real threat in the country, with kidnap for ransom companies targeting both locals and foreigners especially in the country's restive areas.

The Philippines has also experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes, including a 6.3 magnitude earthquake in April 2019, as well as outbreaks of infectious diseases, such as Severe Acute Respiratory Syndrome ("**SARS**") in 2003 and the Coronavirus in 2019. In December 2019, an outbreak of the novel coronavirus ("**COVID-19**") occurred in China and spread to other countries, including the Philippines.

The business and operations of the Company have been and will continue to be adversely affected by the global outbreak of COVID-19.

In December 2019, an outbreak of the disease COVID-19, caused by a novel coronavirus (SARS-CoV-2) was first reported to have surfaced in Wuhan, the People's Republic of China, later resulting in millions of confirmed cases and hundreds of thousands of fatalities globally, with over one (1) million confirmed cases and more than a thousand fatalities in the Philippines.

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. As at the date of this Offer Supplement, the COVID-19 disease has continued to spread globally, with the number of reported cases and related deaths increasing daily, and in many countries, exponentially.

Governments and health authorities around the world have imposed sweeping measures designed to contain the pandemic, including, among others, travel restrictions, border closures, curfews, quarantines, prohibition of gatherings and events and closures of universities, schools, restaurants, stores and other business. The economic repercussions of the pandemic and the efforts around the world to contain it have been severe, and include reduced global trade, lower industrial production, broad reductions in general consumption and economic activity and major disruptions to international travel and global air traffic.

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six months from March 17, 2020 (at midnight), unless earlier lifted or extended as circumstances may warrant, and imposed an ECQ throughout the island of Luzon until April 12, 2020, unless earlier lifted or extended as circumstances may warrant. On March 25, 2020, Republic Act No. 11469, otherwise known as the "Bayanihan to Heal As One Act" (the "**Bayanihan Act**"), was signed into law, declaring a state of national emergency over the entire country, and authorizing the President of the Philippines to exercise certain powers necessary to address the COVID-19 pandemic. On April 7, 2020, the Office of the President of the Philippines released a memorandum extending the ECQ over the entire island of Luzon until April 30, 2020. On May 1, 2020, the Government further extended the ECQ over, among others, certain portions of Luzon, including Metro Manila, until May 15, 2020, while easing restrictions in other parts of the country. On May 11, 2020, the Inter-Agency Task Force of Emerging Infectious Disease ("**IATF**") placed high-risk local government units under modified ECQ ("**MECQ**") from May 16, 2020 until May 31, 2020, where certain industries were allowed to operate under strict compliance with minimum safety standards and protocols. On May 27, 2020, the IATF reclassified various provinces, highly urbanized cities and independent component cities depending on the risk-level. Meanwhile, on May 29, 2020, the Government placed Metro Manila under general community quarantine, allowing for the partial reopening of certain businesses and public transportation while continuing to limit general movements. Because of the spike in COVID-19 cases, on August 4, 2020, the Government again placed Metro Manila under MECQ until August 18, 2020. Starting August 19, 2020, MECQ was lifted and Metro Manila and nearby areas were again placed under general community quarantine. These measures have caused disruption to businesses and economic activities, and their impacts on businesses continue to evolve. On September 11, 2020, the Bayanihan to Recover as One Act (the "**Bayanihan 2 Act**") was signed into law by President Duterte. Similar to the Bayanihan Act, the Bayanihan 2 Act confers emergency powers to President Duterte which will be in effect until December 19, 2020. The Bayanihan 2 Act seeks to provide a stimulus package to struggling sectors as part of the country's COVID-19 response and recovery plan, and to scrutinize the government's implementation of programs related to the pandemic. The moratorium on the collection of residential and commercial rents of lessees not permitted to operate or which have temporarily ceased operations under the Bayanihan 2 Act during and after the effectivity of quarantine measures may affect the Company and businesses that transact with it. Until the measures are finalized, its potential effects or duration remain uncertain.

In March 2021, the Philippines, and in particular, Metro Manila experienced another surge of COVID-19 infections, prompting the Philippine Government to reimplement ECQ in Metro Manila and nearby areas from March 29, 2021 to April 11, 2021. From April 12, 2021 to May 14, 2021, the quarantine classification for these areas were downgraded to the MECQ classification. Thereafter, beginning May 15, 2021, the Philippine Government further reclassified the quarantine classification for the same regions to the GCQ classification. On July 30, 2021, due to rising cases brought about by the COVID-19 Delta variant, the Office of the President announced that Metro Manila would be reverting back to ECQ from GCQ beginning on August 6 to August 20. Metro Manila was then placed under Modified ECQ until September 7, 2021 when it was then placed under GCQ. In the same month, the government implemented a new system of quarantine categories. Due to a surge in Covid-19 cases amid the holiday season, the entire country was then placed under Alert Level 2 status from January 1 to 15, 2022 and Alert 3 status from January 16 to 31, 2022. Metro Manila reverted to Alert Level 2 status from February 1 to 28, 2022. From March 1, 2022 to date, Metro Manila has remained under Alert Level 1 status. As of August 29, 2023, the Philippine Department of Health reported 4,110,104 total cases of the novel coronavirus nationwide with 2,645 active cases. As of August 29, 2023, a total of 66,662 are confirmed deaths arising from COVID- 19.

The Philippine GDP further grew 7.6% in 2022 from a growth of 5.7% in 2021, according to the National Economic and Development Authority. However, the extent of the impact of COVID-19 on the Philippine economy and the speed and certainty of any economic recovery cannot be predicted for certain, and any new surge in infections may result in stricter quarantine or lockdown measures across provinces, cities and municipalities may lead to further contraction of the Philippine economy, closure of businesses, and rise in unemployment rates.

The outbreak of COVID-19 and other adverse public health developments, such as the outbreak of avian influenza, severe acute respiratory syndrome, or SARS, Zika virus and Ebola virus could materially and adversely affect the Company's business, financial condition and results of operations. These may include, temporary closures of the Company's Properties, or cause the hospitalization or quarantine of the Company's or its property managers' employees, delay or suspension of supplies from the Company's suppliers, disruptions or suspension of the Company's operational activities. The disruption to business may also cause tenants to miss lease payments or downsize or not renew their leases. Although the Company has taken certain measures to try and minimize the negative effect of COVID-19 on the Company's operations, there is no certainty that such measures will be sufficient or that the Company will not be required to incur additional expense to address the effect of COVID-19 on its operations.

Further, under the Bayanihan Act, lessors, such as the Company, were required to extend rent deferrals to small and medium enterprises that requested for such concessions during the imposition of ECQ and MECQ in Metro Manila. Although the Company did not provide any rental abatements or waivers to its commercial office tenants during the imposition of ECQ in Metro Manila or Cebu, the Company offered deferred rental payments without interest or penalties to its micro, small and medium enterprise ("**MSME**") tenants for the duration of the implementation of ECQ and MECQ, and may do so in the future if required by law or regulation. The Company has also granted requests of certain commercial office tenants to defer or stagger rental payments. As of September 30, 2024, the Company has collected a majority of the receivables arising out of such rent deferrals and is coordinating closely with tenants for the payment of outstanding receivables.

In addition, the continued spread of COVID-19 has led to disruption and volatility in the global capital markets. It is possible that the continued spread of COVID-19 could cause a global economic slowdown or recession. The deterioration of the regional economy and financial markets in general will have a material adverse effect on the Company's business, financial condition and results of operations.

The duration of border controls, travel and movement restrictions and the longer-term effects of the COVID-19 pandemic on the business of the Company, whether any further restrictions will be imposed by the Government in response to COVID-19, and the recovery trajectory for the Company remains uncertain. Even when restrictions are lifted, there may be a period of significantly reduced economic activity, increased unemployment and reduced consumer spending. Should this be the case, this will continue to affect the Company's business operations, financial condition, results of operations and prospects. However, the increase in the number of people being vaccinated may accelerate the lifting of restrictions imposed due to the pandemic.

On July 21, 2023, Presidential Proclamation No. 297 was issued, lifting the State of Public Health Emergency throughout the Philippines due to COVID-19 pandemic.

To manage these risks, the Company intends to maintain and focus its office leasing strategy on top multinational global firms including BPO, IT, and traditional companies and headquarters of companies and to continue offering fixed rates and lease terms ranging from three (3) to five (5) years. For its retail and mall spaces, the Company allowed repurposement of spaces such as focusing on exhibits, which are shorter term and easily scalable as to size and type of tenant. For its trading business, the Company shifted from the traditional face-to-face sales and marketing activities to digital processes, virtual interaction and use of online platforms. The Company has also implemented various measures for the safety of its customers, tenants, suppliers, service providers and employees in compliance with the World Health Organization's and the Department of Health's guidelines on COVID-19.

These measures have caused disruptions to businesses and economic activities, and their impact on businesses continue to evolve. If the outbreak of COVID-19 and the measures to combat such outbreak increase in severity, they could havean adverse effect on economic activity in the Philippines and could materially and adversely affect FLI's business, financial condition and results of operations.

On a global scale, remittances from Filipinos working and living abroad, particularly in Hong Kong, Macau and mainland China, would experience a substantial or significant decrease in activities. This could affect the Company's residential sales which, as of the period ended December 31, 2022, OFW sales accounted for 20% of total real estate option sales. Out of total OFW sales, 69% came from the Middle East, more than half of which are from United Arab Emirates and Qatar

The Company has implemented various health and sanitary protocols in all its properties and developments under its management to ensure the safety of tenants, employees, mall customers and homeowners. It has also implemented digitalization initiatives that minimizes person to person contact. Employees are also under a flexible work schedule to ensure physical and social distancing in the workplace.

These and other related factors, which are not within the Company's control, could affect travel patterns, reduce the number of business and commercial travelers and tourists or potentially deter foreign visitors from traveling to or in the Philippines. Any occurrences of such events may disrupt the Company's operations and could materially and adversely affect the Company's business, financial condition and results of operations.

Political or social instability in the Philippines could destabilize the country and may have a negative effect on the Company.

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.

On March 27, 2014, the Government and the Moro Islamic Liberation Front ("**MILF**") signed a peace agreement, the Comprehensive Agreement on Bangsamoro. On September 10, 2014, the draft of the Bangsamoro Basic Law ("**BBL**") was submitted by former President Aquino to Congress. The BBL is a draft law intended to establish the Bangsamoro political entity in the Philippines and provide for its basic structure of government, which will replace the existing Autonomous Region in Muslim Mindanao. Following the Mamasapano incident where high-profile terrorists clashed with armed members of the Bangsamoro Islamic Freedom Fighters and MILF leading to the deaths of members of the Special Action Force ("**SAF**") of the Philippine National Police, MILF, the Bangsamoro Islamic Freedom Fighters, and several civilians, the Congress stalled deliberations on the BBL. Following the release of the full report on the Mamasapano incident by the Philippine National Police Board of Inquiry in March 2015, former President Aquino, on March 27, 2015, formed Peace Council consisting of five original members to study the draft BBL. Seventeen co-conveners were later named as part of the Peace Council. The Council examined the draft law and its constitutionality and social impact. The Council Members testified before the House of Representatives and the Senate, and submitted their report, which endorses the draft BBL but with some proposed amendments. On May 13 and 14, 2015, the Senate conducted public hearings on the BBL in Zamboanga and Jolo, Sulu, with the Zamboanga City government and sultanate of Sulu opposing their inclusion in the proposed Bangsamoro entity. On May 30 and 31, 2018, the House of Representatives and the Senate approved their own versions of the bill on the BBL and onJuly 18, the bicameral committee approved the final version. On July 26, 2018, President Duterte signed into law Republic Act No. 11054 or the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao ("**Bangsamoro Organic Law**"). The Bangsamoro Organic Law established an autonomous political entity known asthe Bangsamoro Autonomous Region in Muslim Mindanao ("**Bangsamoro Autonomous Region**"), replacing the Autonomous Region in Muslim

Mindanao ("**ARMM**") created under Republic Act No. 6734. A plebiscite was heldon January 21, 2019 and February 06, 2019, with majority of the residents in ARMM and Cotabato City voting in favor of the Bangsamoro Organic Law. As such, the law was deemed ratified and the Bangsamoro Autonomous Region was formally created. It is composed of Cotabato City which voted for its inclusion in the new region and thefive provinces under ARMM: Basilan (except Isabela City), Lanao del Sur, Maguindanao, Tawi-Tawi and Sulu. TheBangsamoro Autonomous Region, unlike the unitary form of government under the ARMM, has a parliamentary- democratic government. The Bangsamoro parliament has the power to enact laws in the Bangsamoro Autonomous Region. Moreover, the Bangsamoro Autonomous Region enjoys fiscal autonomy (unlike ARMM).

President Duterte has also advocated for a shift to a federal-parliamentary form of government. In December 2016, President Duterte signed Executive Order No. 10 creating a 25-member consultative committee to study and review the provisions of the 1987 Constitution. On January 25, 2018, President Duterte appointed 19 of the 25 members of the consultative committee. On January 16, 2018, the House of Representatives adopted a resolution to convene as a constituent assembly to amend the 1987 Constitution. The proposals, among others, include a shift to a federal-parliamentary form of government and the division of executive powers between a President (as the head of state) and a Prime Minister (as the head of government). As of the date of this Offer Supplement, the Senate has yet to pass a similar resolution to form a constituent assembly. Disagreement between the two (2) houses of Congress still remains as to the voting procedure in the constituent assembly, particularly on whether the Houseand the Senate must vote jointly or separately. This issue has not been resolved and is expected to be brought to the Supreme Court.

In addition, the Company may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact the Company's business.

In March 2019 and February 2019, journalist Maria Ressa was ordered arrested on charges of violations of anti-dummy law and cyber libel, respectively. Her arrest elicited concern from the international community and has been criticized by various companies as an attempt by the government to silence critical press coverage against President Rodrigo Duterte and his administration. In December 2018, Senator Antonio Trillanes III was ordered arrested in connection with a libel case filed by presidential son Paolo Duterte. In February 2017, Senator Leila de Lima was arrested after charges were filed in court accusing her of orchestrating a drug-trafficking ring during her term as Secretary of the Department of Justice from 2010 to 2015. Senator Trillanes and Senator de Lima are outspoken critics of the Duterte administration. In May 2018, the Supreme Court of the Philippines ousted Chief Justice Maria Lourdes Sereno by ruling in a *quo warranto* proceeding that her appointment was invalid. The removal of Chief Justice Sereno became controversial because it was not coursed through the constitutionally mandated process of impeachment. On June 2018, former President Benigno Aquino III was indicted for usurpation of legislative powers concerning the Disbursement Acceleration Program during his term. Moreover, several individuals who were high-ranking officers under the administration of President Aquino have also been indicted for graft and corruption charges and drug trafficking among other offenses. In addition, since the commencement of the current administration, more than 1,000 alleged drug dealers and users have been killed in police operations, and more than 1,300 drug dealers and drug users have been killed by supposed vigilantes.

In addition, the Philippine legislature recently passed the Anti-Terrorism Act of 2020, which has drawn criticism from, and sparked protests by, various sectors because of its controversial provisions on warrantless arrests and its broad definition of terrorist acts, which may be used to target government critics. The said bill will pass into law upon approval by, or within 30 days of receipt upon inaction of, President Rodrigo Duterte.

The elections held on May 9, 2022, resulting in the presidential appointment of Ferdinand R, Marcos Jr., may result to developments that may impact the Company's operations. There can be no assurance that newly-installed administration will continue to implement the economic policies favored by the previous administration. Major deviations from the policies of the previous administration or fundamental change of direction, including with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and instability. Any potential instability could have an adverse effect on the Philippine economy, which may impact the Company's business, prospects, financial condition and results of operations.

The Company's land and real property may be subject to compulsory acquisition or expropriation proceedings undertaken by the Government.

The Government, by virtue of the sovereign power of eminent domain, has the authority to acquire any private property in the Philippines for public benefit or use or any other public interest upon due process of law and payment of just compensation. Thus, the Company may be subject to a reduction or loss of property in its land holdings in the event that the Government undertakes expropriation proceedings. The payment of just compensation may also be less than the market value of the relevant property and may thus adversely affect the Company's business.

Corporate governance and accounting and financial disclosure standards for public companies listed in the Philippines may differ from those in other countries.

There may be less publicly available information about Philippine public companies, including FLI, than is regularly made available by public companies in other countries. In addition, although the Company complies with the requirements of the SEC with respect to corporate governance standards, these standards may differ from those applicable in other jurisdictions. The SEC considers as best practice for public companies such as FLI, to have at least three (3) independent directors, or such number as to constitute one-third of the board whichever is higher. While FLI has adopted the recommended best practices of the SEC and is in compliance with Philippine laws, rules and regulations, a greater number of independent directors may be required in other jurisdictions.

Changes in foreign exchange control regulations in the Philippines may limit the Company's access to foreign currency.

Under BSP regulations, as a general rule, Philippine residents may freely dispose of their foreign exchange receipts and foreign currencies may be freely sold and purchased outside the Philippine banking system. There are restrictions on the sale and purchase of foreign currencies within the Philippine banking system. In particular, a foreign investment must be registered with the BSP if foreign exchange is needed to service the repatriation of capital and the remittance of dividends, profits and earnings which accrue thereon, and if such foreign currency is sourced from the Philippine banking system.See "*Philippine Foreign Exchange and Foreign Ownership Controls.*"

The Government has, in the past, instituted restrictions on the conversion of Pesos into foreign currency and the use of foreign exchange received by Philippine residents to pay foreign currency-denominated obligations. The Monetary Board, with the approval of the President of the Philippines, has statutory authority during a foreign exchange crisis or in times of national emergency to suspend temporarily or restrict sales of foreign exchange, to require licensing of foreign exchange transactions or to require delivery of foreign exchange to BSP or its designee. The Company is not aware of any pending proposals by the Government relating to such restrictions. The Government has from time to time made public pronouncements of a policy not to impose restrictions on foreign exchange. Any restrictions imposed in the future pursuant to such statutory authority could adversely affect the ability of the Company to source foreign currency to comply with its foreign currency-denominated obligations.

The sovereign credit ratings of the Philippines may adversely affect the Company's business.

Historically, the Philippines' sovereign debt has been rated non-investment grade by international credit rating agencies. In 2019, the Philippines' long-term foreign currency-denominated debt was upgraded by S&P Global ("**S&P**"), to BBB+ with stable outlook, while Fitch Ratings ("**Fitch**"), and Moody's Investors Service ("**Moody's**"), affirmed the Philippines' long-term foreign currency-denominated debt to the investment-grade rating of BBB and Baa2, respectively, with a stable outlook. On February 28, 2020, Fitch revised its rating of Philippines long-term foreign currency-denominated debt to BBB, with a positive outlook, following its expectation that sound macroeconomic management will continue to support high growth rates with stable inflation while ongoing tax reforms were expected to improve fiscal finances. On May 7, 2020, Fitch affirmed its rating of Philippines long-term foreign currency-denominated debt to BBB, but revised the outlook to stable, to reflect the deterioration in the Philippines' near-term macroeconomic and fiscal outlook as a result of the impact of the COVID-19 pandemic and domestic lockdown to contain the spread of the virus. In May 2020, S&P and Moody's affirmed its rating of BBB+ and Baa2, with stable outlook, respectively, for the Philippines' long-term foreign currency-denominated debt. On June 2024, Fitch once again affirmed the Philippines' credit rating as 'BBB' and its outlook as 'stable'.

The Philippine Government's credit ratings directly affect companies domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. No assurance can be given that Fitch, Moody's, S&P, or any other international credit rating agency will not downgrade the credit ratings of the Philippine Government in the future and, therefore, Philippine companies. Any such downgrade could have a material adverse impact on the liquidity in the Philippine financial markets, the ability of the Philippine Government and Philippine companies, including the Company, to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea ("**UNCLOS**"). The Philippines made several efforts during the course of 2011 and 2012 to establish a framework for resolving these disputes, calling for multilateral talks to delineate territorial rights and establish a framework for resolving disputes.

Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a company of small islands and reefs known as the Scarborough Shoal. In April and May 2012, the Philippines and China accused each other of deploying vessels to the shoal in an attempt to take control of the area, and both sides unilaterally imposed fishing bans at the shoal later that year. These actions threatened to disrupt trade and other ties between the two (2) countries, including a temporary ban by China on Philippine banana imports, as well as a temporary suspension of tours to the Philippines by Chinese travel agencies. Since July 2012, Chinese vessels have reportedly turned away Philippine fishing boats attempting to enter the shoal, and the Philippines has continued to protest China's presence there. In January 2013, the Philippines sent notice to the Chinese embassy in Manila that it intended to seek international arbitration to resolve the dispute under UNCLOS. China has rejected and returnedthe notice sent by the Philippines to initiate arbitral proceedings.

On May 9, 2013, a Philippine Coast Guard ship opened fire on a Taiwanese fisherman's vessel in a disputed exclusive economic zone between Taiwan and the Philippines, killing a 65-year old Taiwanese fisherman. Although the Philippine government maintained that the loss of life was unintended, Taiwan imposed economic sanctions on the Philippines in the aftermath of the incident. Taiwan eventually lifted the sanctions in August 2013 after a formal apology was issued by the Government of the Philippines.

In September 2013, the Permanent Court of Arbitration in The Hague, Netherlands issued rules of procedure and initial timetable for the arbitration in which it will act as a registry of the proceedings. Should these territorial disputes continue or escalate further, the Philippines and its economy may be disrupted and the operations of the Company could be adversely affected as a result. In particular, further disputes between the Philippines and China may lead both countries to impose trade restrictions on the other's imports. On July 12, 2016, the five-member Arbitral Tribunal at the Permanent Court of Arbitration in The Hague, Netherlands (the "**Tribunal**"), unanimously ruled in favor of the Philippines on the maritime dispute over the West Philippine Sea. The Tribunal's landmark decision contained several rulings, foremost of which invalidated China's "nine-dash line", or China's alleged historical boundary covering about 85% of the South China Sea, including 80% of the Philippines Exclusive Economic Zone in the West Philippine Sea. China rejected the ruling, saying that it did not participate in the proceedings for the reason that the court had no jurisdiction over the case. Any such impact from these disputes could adversely affect the Philippine economy, and materially and adversely affect the Company's business, financial conditionand results of operations.

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted and the Company's operations could be adversely affected as a result.

RISKS RELATING TO THE BONDS

Liquidity Risk

The Philippine debt securities markets, particularly the market for corporate debt securities, are substantially smaller, less liquid and more concentrated than other securities markets. The Company cannot guarantee whether an active trading market for the Bonds will develop or if the liquidity of the Bonds will be sustained throughout its life. Even if the Bonds are listed on the PDEx, trading in securities such as the Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets, adverse business developments in the Company and the overall market for debt securities among other factors. There is no assurance that the Bonds may be easily disposed at prices and volumes at instances best deemed appropriate by their holders.

Pricing Risk

The market price of the Bonds will be subject to market and interest rate fluctuations, which may result in the investment being appreciated or reduced in value. The Bonds when sold in the secondary market will be worth more if interest rates decrease since the Bonds will have a higher interest rate, relative to similar debt instruments being offered in the market, further increasing demand for Bonds. However, if interest rates increase, the Bond might be worth less when sold in the secondary market. Thus, a Bondholder could face possible losses if he decides to sell in the secondary market.

Reinvestment Risk

Prior to the Maturity Date, the Issuer shall have the right, but not the obligation, to redeem in whole (but not in part), the outstanding Offer Bonds on the Early Redemption Option Date (see "*Description of the Offer Bonds – Redemption and Purchase (a) Early Redemption Option*"). In the event that the Company exercises this early redemption option, all Offer Bonds will be redeemed and the Company would pay the amounts to which relevant Bondholders wouldbe entitled.

The Issuer may purchase the Offer Bonds at any time in the open market or by tender or by contract, in accordance with PDEx Rules, as may be amended from time to time, without any obligation to make pro rata purchases from all Bondholders. Offer Bonds so purchased shall be redeemed and cancelled and may not be re-issued (see "*Description of the Offer Bonds – Redemption and Purchase (e) Purchase and Cancellation*").

Following such forms of purchase, there can be no assurance that investors in the redeemed Offer Bondswill be able to reinvest such amounts in securities that would offer a comparative or better yield or terms, at such time.

Retention of Ratings Risk

There is no assurance that the rating of the Offer Bonds will be retained throughout the life of the Offer Bonds. The rating is nota recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

Bonds have no Preference under Article 2244(14) of the Civil Code

No other loan or other debt facility currently or to be entered into by FLI is notarized, such that no other loan or debt facility to which FLI is a party shall have preference of priority over the Bonds as accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines, and all banks and lenders under any such loans or facilities have waived the right to the benefit of any such preference or priority. However, should any bank or bondholder hereinafter have a preference or priority over the Bonds as a result of notarization, then FLI shall at FLI's option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Bonds.

Use of Proceeds

FLI estimates that the net proceeds from the Base Offer shall amount to approximately ₱8.89 billion after deducting fees, commissions and expenses. Assuming the Oversubscription Option is fully exercised, the net proceeds from the Offer shall amount to approximately ₱11.85 billion after deducting fees, commissions and expenses.

Net proceeds from the Offer are estimated to be at least as follows:

For the Base Offer:

Particulars	Total (₱)
Estimated gross proceeds ………………………………………….........	**9,000,000,000.00**
Less: Estimated fees, commissions and expenses	
Underwriting Fees………………………………………………………….	36,000,000.00
Professional Fee (Auditors)……………………………………………….	5,000,000.00
Documentary Stamp Taxes ……..…..	67,500,000.00
SEC Registration Fee, Legal Research Fee and Documentary Stamp Taxes ………………..............	3,030,030.00
Publication Fee…………………………………………………………	100,000.00
PDEx Listing Application Fee ……………………..………………….	150,000.00
Credit Rating Fee…………………………………………………………..	2,025,000.00
Trustee Fees………………………………………………………………….	50,000.00
Registry and Paying Agency Fees…………………….……………………..	200,000.00
Other Expenses…………………………...…………………………………	50,000.00
Total estimated fees, commissions and expenses …. …………………	**114,105,030.00**
Estimated net proceeds…………………………………………………	**8,885,894,870.00**

Assuming the Oversubscription Option is fully exercised:

Particulars	Total (₱)
Estimated gross proceeds ………………………………………………	**12,000,000,000.00**
Less: Estimated fees, commissions and expenses	
Underwriting Fees………………………………………………………….	48,000,000.00
Professional Fee (Auditors)……………………………………………….	5,000,000.00
Documentary Stamp Taxes ……...	90,000,000.00
SEC Registration Fee, Legal Research Fee and Documentary Stamp Taxes ………………..............	3,030,030.00
Publication Fee…………………………………………………………	100,000.00
PDEx Listing Application Fee ……………………..………………….	150,000.00
Credit Rating Fee…………………………………………………………..	2,700,000.00
Trustee Fees………………………………………………………………….	50,000.00
Registry and Paying Agency Fees………………………….………………..	200,000.00
Other Expenses…………………………....…………………………………	50,000.00
Total estimated fees, commissions and expenses ….…………………..	**149,280,030.00**
Estimated net proceeds…………………………………………………	**11,850,719,970.00**

Aside from the foregoing one-time costs, FLI expects the following annual expenses related to the Bonds:

1. The Issuer will be charged by PDEx for the first annual maintenance fee in advance upon approval of the listing and thereafter, the Issuer will pay PDEx an annual maintenance listing fee amounting to ₱150,000.00 (VAT exclusive) per annum;

2. The Issuer will pay an annual retainer fee to the Trustee amounting to ₱200,000.00 (net of possible corporate action fee, if applicable) per annum;

3. After the Issue Date, a Paying Agency fee amounting to approximately ₱100,000.00 is payable every Interest Payment Date. The Registrar will charge a monthly maintenance fee based on the face value of the Offer Bonds and number of Bondholders; and

4. The Issuer will pay an annual monitoring fee of ₱504,000.00 (VAT-inclusive) to PhilRatings.

The net proceeds from the Offer shall be used by FLI for the following in order of priority:

Purpose	Net Proceeds from the Base Offer (In ₱ Millions)	Net Proceeds from the Offer assuming the Oversubscription Option is Fully Exercised (In ₱ Millions)	Estimated Timing of Disbursement	Status of Project Development
To partially refinance the full redemption of the Company's ₱8.925 billion fixed rate bonds issued on July 23, 2022 with coupon rate of 5.3455% p.a. and settlement date of June 23, 2025. The prospectus can be accessed through the following link: https://www.pds.com.ph/wp-content/uploads/2022/06/Final-Prospectus.pdf	8,886	8,925	June 2025	n/a
To partially fund capital expenditure for land development and construction costs of the Company's real estate projects.	-	2,926	Q1-Q2 2025	Various (see below table)
Total	**8,886**	**11,851**	-	-

Breakdown of net proceeds for capital expenditure as follows:

Segment	Project	Location	Net Proceeds from the Base Offer (In ₱ Millions)	Net Proceeds from the Offer assuming the Oversubscription Option is Fully Exercised (In ₱ Millions)	Percentage-of-Completion (before usage of proceeds)	Estimated Cost-to-Complete (before usage of proceeds) (In ₱ Millions)	Estimated Completion Date
Residential	Futura Trece (Walk-up)	Cavite	-	352.36	0%	690.41	2026
Residential	The Prominence	Quezon City	-	283.32	0%	1,058.40	2025
Residential	Futura Strides (Walk-up)	Bulacan	-	246.14	0%	2,268.00	2027
Residential	Alta Spatial - Bldg. Dita	Valenzuela City	-	223.84	0%	438.60	2026
Residential	Futura Trece 1 - Phase 1 and 2	Cavite	-	212.40	0%	560.38	2025
Residential	Panglao Oasis - Bldg. 2 Elena	Taguig city	-	203.05	0%	535.75	2027
Residential	Princeton Heights - Phase IV	Cavite	-	197.57	0%	421.49	2025
Residential	Futura Strides Manna East - Phase 1	Rizal	-	186.22	0%	2,268.00	2026
Residential	Nature Grove - Phase 1	Cavite	-	177.19	0%	430.25	2027
Residential	Centro Spatial Davao - Bldg. D	Davao City	-	152.25	0%	290.27	2026
Residential	Belize Oasis - Bldg 2 Bella	Muntinlupa	-	147.62	0%	384.64	2027
Residential	Sandia Homes Ph 2	Batangas	-	142.65	0%	371.47	2025
Residential	Futura Monte - Bldg B	Naga City	-	141.44	0%	162.54	2025
Residential	Futura Homes Zamboanga - Phase 2	Zamboanga City	-	134.76	0%	240.20	2025
Residential	Amarilyo Crest - Phase 3 & 4	Rizal	-	125.19	0%	143.86	2025

Net proceeds from the Offer for project developments will be directly undertaken by the Issuer. The figures indicated in the table above are based on the prevailing construction costs. No subsidiary companies will be used as vehicles in the use of proceeds.

In addition to the net proceeds of this Offer, the Company intends to utilize internally generated funds considering that the projected total funding requirement is greater than the net proceeds of the Offer.

Pending the deployment of the proceeds from the Offer, the Company intends to invest such net proceeds in short-term liquid investments including, but not limited to, short-term government securities, bank deposits and money market placement which are expected to earn at prevailing market rates. In the event such investments should incur losses, any shortfall will be financed from the Company's internally generated funds.

No amount of the proceeds is to be used to reimburse any officer, director, employee, or shareholder, for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

In the event that the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, in case the Company is not able to raise the full amount of the Offer, the Company shall use internally generated funds and/or available bank lines to the extent the proceeds of the Offer are insufficient to fund its requirements.

Except for the underwriting fees and expenses related to the Offer Bonds, no amount of the proceeds will be utilized to pay any outstanding financial obligations to the Underwriters. Please see section on *"Plan of Distribution"*.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event that there is any change in the Company's development plan, including force majeure, market conditions and other circumstances, the Company will carefully evaluate the situation and may reallocate the proceeds for future investments or other uses, and/or hold such funds in investments, whichever is better for the Company's and its shareholders' interest taken as a whole. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans. In the event of substantial deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC, the stockholders, and PDEx in writing at least thirty (30) days before such deviation, adjustment or reallocation is implemented.

Market Price, Dividends and Distributions, and RelatedStockholder Matters

Market Information

The Company's common shares were listed on The Philippine Stock Exchange, Inc. ("**PSE**") under the symbol "FLI" on October 25, 1993. On September 30, 2024, the closing price of the Company's common shares was ₱0.81 with a market capitalization of ₱19,642.31 million.

The high and low prices of the common shares for each quarter of the last four (4) fiscal years are indicated in the table below.

	High	Low
2019		
January 1 to March 31, 2019	1.62	1.42
April 1 to June 30, 2019	1.89	1.50
July 1 to September 30, 2019	2.01	1.53
October 1 to December 31, 2019	1.64	1.46
2020		
January 1 to March 31, 2020	1.55	0.77
April 1 to June 30, 2020	1.08	0.90
July 1 to September 30, 2020	1.02	0.83
October 1 to December 31, 2020	1.19	0.92
2021		
January 1 to March 31, 2021	1.22	1.10
April 1 to June 30, 2021	1.14	1.06
July 1 to September 30, 2021	1.16	1.11
October 1 to December 31, 2021	1.17	1.08
2022		
January 1 to March 31, 2022	1.12	1.01
April 1 to June 30, 2022	1.10	0.84
July 1 to September 30, 2022	0.97	0.76
October 1 to December 31, 2022	0.93	0.73
2023		
January 1 to March 31, 2023	0.92	0.70
April 1 to June 30, 2023	0.81	0.66
July 1 to September 30, 2023	0.71	0.62
October 1 to December 31, 2023	0.63	0.54
2024		
January 1 to March 31, 2024	0.72	0.60
April 1 to June 30, 2024	0.74	0.65
July 1 to September 30, 2024	0.83	0.62

Shareholders

The following are the Company's top twenty (20) shareholders and their corresponding number of shares held as of September 30, 2024.

Common Shares

As of September 30, 2024, common shares outstanding were 24,249,759,506 shares held by 5,598 shareholders.

	SHAREHOLDER	NO. OF COMMON SHARES	PERCENTAGE (OF COMMON SHARES)
1	Filinvest Development Corporation	15,926,610,981	65.68%
2	PCD Nominee Corporation (Filipino)	4,855,664,485	20.02%
3	PCD Nominee Corporation (Non-Filipino)	2,262,625,542	9.33%%
4	Josefina Multi-Ventures Corporation	307,234,500	1.27%
5	Pryce Corporation	240,915,500	0.99%
6	PGI Retirement Fund, Inc.	228,395,200	0.94%
7	Don Manuel Investments Corporation	88,599,000	0.37%
8	Philippines International Life Insurance Co. Inc.	60,000,000	0.25%
9	F. Yap Securities, Inc.	32,000,000	0.13%
10	Hinundayan Holdings Corporation	23,048,000	0.10%
11	Michael Gotianun	11,235,913	0.05%
12	Lucio W. Yan &/or Clara Y. Yan	10,687,500	0.04%
13	Gillian Cindy T. Te	8,000,000	0.03%
14	Executive Optical, Inc.	5,040,647	0.02%
16	Jonathan Dee Co	5,000,000	0.02%
17	R Magdalena Bosch	4,877,928	0.02%
18	Marco Vicente P. Fernandez	4,064,940	0.02%
19	Carlo Bernardo P. Fernandez	4,064,940	0.02%
20	Luis Rodrigo P. Fernandez	4,064,940	0.02%
	TOTAL TOP 20 SHAREHOLDERS (COMMON)	**24,087,252,088**	
	TOTAL OUTSTANDING SHARES (COMMON)	**24,249,759,506**	

Preferred Shares

As of September 30, 2024, FDC beneficially owns 100% of FLI's issued and outstanding preferred shares of 8,000,000,000 preferred shares.

Shares Owned by Foreigners

The following table sets forth the Company's foreign ownership level as of September 30, 2024:

SECURITY	SHARES OWNED BY FILIPINOS	SHARES OWNED BY NON-FILIPINOS	TOTAL OUTSTANDING SHARES
Common	21,981,983,612	2,267,775,894	**24,249,759,506**
Preferred	8,000,000,000	-	**8,000,000,000**

SECURITY	SHARES OWNED BY FILIPINOS	SHARES OWNED BY NON-FILIPINOS	TOTAL OUTSTANDING SHARES
PERCENTAGE OF TOTAL OUTSTANDING SHARES	**92.97%**	**7.03%**	**-**

Dividends and Dividend Policy

The Company's Board is authorized to declare dividends. A cash dividend declaration does not require any further approval from the Company's shareholders. A stock dividend declaration requires the further approval of shareholders representing not less than two-thirds of the Company's outstanding capital stock. Dividends may be declared only from unrestricted retained earnings.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP. See section entitled "*Philippine Foreign Exchange and Foreign Ownership Controls*" of this Offer Supplement.

The Company is allowed under Philippine laws to declare property and stock dividends, subject to certain requirements. See section entitled "*Market Price, Dividends and Distributions, and Related Stockholder Matters – Dividends and Dividend Policy*" of this Offer Supplement.

Record Date

Pursuant to existing SEC rules, cash dividends declared by the Company must have a record date not less than ten (10) nor more than thirty (30) days from the date the cash dividends are declared. With respect to stock dividends, the record date is to not be less than ten (10) nor more than thirty (30) days from the date of shareholder approval, provided however,that the set record date is not to be less than ten (10) trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock,the corresponding record date is to be fixed by the SEC.

Dividend Policy

Currently, the policy of the Company is an annual cash dividend payment ratio for the Company's issued common shares of twenty percent (20%) of its consolidated net income from the preceding fiscal year. On the other hand, preferred shares are entitled to cash dividend equal to one percent (1%) of the cash dividend declared and payable to common shares. Dividend declarations are subject to the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends. Circumstances which could restrict the payment of cash dividends, include, but are not limited to, when the Company undertakes major projects and developments requiring substantial cash expenditures or when it is restricted from paying cash dividends by its loan covenants. The Company's Board may, at any time, modify such dividend pay-out ratio depending upon the results of operations and future projects and plans of the Company.

Dividend History

On April 19, 2024, the BOD approved the declaration and payment of cash dividends of ₱0.05 per share or a total of ₱1.22 billion for all common stockholders and ₱0.0005 per share of a total of ₱4.0 million for all preferred stockholders of record as of May 13, 2024 payable on June 5, 2024.

On April 24, 2023, the BOD approved the declaration and payment of cash dividends of ₱0.03600 per share or a total of ₱872.99 million for all common stockholders of record as of May 12, 2023 payable on June 6, 2023.

On April 24, 2023, the BOD approved the declaration and payment of cash dividends of ₱0.00036 per share or a total of ₱2.88 million for all preferred stockholders of record as of May 12, 2023 payable on June 6, 2023.

On April 22, 2022, the BOD approved the declaration and payment of cash dividends of ₱0.04700 per share or a total of ₱1.14 billion for all common stockholders of record as of May 11, 2022 payable on June 2, 2022. The Group has remaining unpaid cash dividend amounting to ₱21.09 million as of December 31, 2022.

On April 22, 2022, the BOD approved the declaration and payment of cash dividends of ₱0.0004 per share or a total of ₱3.2 million for all preferred stockholders of record as of May 11, 2022 payable on June 2, 2022. The Group has remaining unpaid cash dividend amounting to ₱0.32 million as of December 31, 2022.

On April 23, 2021 the BOD approved the declaration and payment of cash dividend of ₱0.0155 per share for all common shareholders of record as of May 21, 2021 and ₱0.0155 per share for all common shareholders of record as of November 15, 2021 or a total of ₱751.74 million. The Group has remaining unpaid cash dividend amounting to ₱18.7 million as of December 31, 2021.

On April 23, 2021 the BOD approved the declaration and payment of cash dividend of ₱0.000155 per share for all preferred shareholders of record as of May 21, 2021 and ₱0.000155 per share for all preferred shareholders of record as of November 15, 2021 or a total of ₱2.48 million. The Group has remaining unpaid cash dividend amounting to ₱0.32 million as of December 31, 2021.

Sale of Unregistered or Exempt Securities

FLI has not sold unregistered or exempt securities, nor has it issued securities constituting an exempt transaction within the past three (3) years.

Capitalization

The following table sets forth the consolidated capitalization and indebtedness of the Group as of September 30, 2024. The table should be read in conjunction with FLI's audited consolidated financial statements, including the notes thereto, included in this Offer Supplement. There has been no material change in FLI's capitalization since September 30, 2024.

In ₱ millions	**As of September 30, 2024**	**As Adjusted for Base Offer Size of ₱9.0 billion (Upon issuance of the Offer Bonds)** [1]	**As Adjusted for maximum Offer of ₱12.0 billion (Upon issuance of the Offer Bonds)** [2]
Liabilities			
Total current liabilities	₱38,754.81	₱38,754.80	₱38,754.80
Total noncurrent liabilities	74,758.35	83,758.35	86,758.35
Total Liabilities	**113,513.16**	**122,513.15**	**125,513.15**
Equity			
Common stock	24,470.71	24,470.71	24,470.71
Preferred stock	80.00	80.00	80.00
Additional paid-in capital	5,612.32	5,612.32	5,612.32
Treasury stock	(221.04)	(221.04)	(221.04)
Retained earnings	60,239.19	60,125.09	60,089.91
Revaluation reserve on financial assets at fair value	(2.62)	(2.62)	(2.62)
Remeasurement gains on retirement plan – net of tax	47.52	47.52	47.52
Share in other components of equity of associates	372.45	372.45	372.45
Equity attributable to equity holders of the parent	90,598.53	90,484.43	90,449.25
Non-controlling interests	1,740.91	1,740.91	1,740.91
Total equity	**92,339.44**	**92,225.34**	**92,190.16**
Total capitalization[3]	**₱205,852.60**	**₱214,738.49**	**₱217,703.31**

[1]*Reflects net proceeds from the Base Offer of approximately ₱8.89 billion. Refer to "Use of Proceeds"*
[2]*Reflects net proceeds from the Offer of approximately ₱11.85 billion assuming the Oversubscription Option is fully exercised. Refer to "Use of Proceeds"*
[3]*Total Capitalization as the sum of total liabilities and total equity.*

Determination of Offering Price

The Bonds shall be issued on a fully-paid basis and at an issue price that is at par.

The interest rate of the Series B Bonds was computed based on the sum of (a) the simple average of the five (5)-year PHP BVAL Reference Rate, as published on the relevant page of the Philippine Dealing System ("**PDS**") Group (or its successor) at approximately 5:00 pm (Philippine Standard Time) for three (3) Business Days immediately preceding and inclusive of the pricing date, and (b) the applicable final spread determined via a bookbuilding process.

The interest rate of the Series C Bonds was computed based on the sum of (a) the simple average of the seven (7)-year PHP BVAL Reference Rate, as published on the relevant page of the Philippine Dealing System Group (or its successor) at approximately 5:00 pm (Philippine Standard Time) for three (3) Business Days immediately preceding and inclusive of the pricing date, and (b) the applicable final spread determined via a bookbuilding process.

The interest rate of the Series D Bonds was computed based on the sum of (a) the simple average of the ten (10)-year PHP BVAL Reference Rate, as published on the relevant page of the Philippine Dealing System Group (or its successor) at approximately 5:00 pm (Philippine Standard Time) for three (3) Business Days immediately preceding and inclusive of the pricing date, and (b) the applicable final spread determined via a bookbuilding process.

Plan of Distribution

The Company shall issue the Offer Bonds to institutional and retail investors in the Philippines through a public offering to be conducted through the Underwriters. The Offer Bonds do not include an international offering. The Offer Bonds will be issued as the second tranche of the Bond Program with an aggregate principal amount of ₱9,000,000,000.00 and an oversubscription option of up to ₱3,000,000,000.00.

Underwriters of the Offer

BDO Capital, BPI Capital, Chinabank Capital, EastWest, First Metro, LANDBANK, RCBC Capital and Security Bank Capital, as the Joint Lead Underwriters and Bookrunners for the Offer, have agreed to distribute and sell the Offer Bonds at the Purchase Price, pursuant to the Underwriting Agreement. Subject to the fulfillment of the conditions provided in the Underwriting Agreement, each Underwriter has committed to underwrite the following amounts on a firm basis:

Underwriters	**Underwriting Commitment**
BDO Capital	₱1,125,000,000.00
BPI Capital	₱1,125,000,000.00
Chinabank Capital	₱1,125,000,000.00
EastWest	₱1,125,000,000.00
First Metro	₱1,125,000,000.00
LANDBANK	₱1,125,000,000.00
RCBC Capital	₱1,125,000,000.00
Security Bank Capital	₱1,125,000,000.00
Total	**₱9,000,000,000.00**

The mandate of the Joint Lead Underwriters and Bookrunners is only for the second tranche under the Bond Program. FLI has not appointed any underwriters for the subsequent issuances under the Bond Program.

FLI further grants the Underwriters the option, exercisable within the Offer Period, to subscribe, on a firm basis, up to an additional ₱3,000,000,000.00 Offer Bonds, on the same terms and conditions set forth in this Offer Supplement, solely to cover oversubscriptions, if any. In case the Oversubscription Option is exercised, the Offer Bonds pursuant to the said Oversubscription Option will be allocated on a daily basis to the Underwriters based on actual demand. In the event that the Oversubscription Option is not fully exercised, the unexercised portion shall be placed under shelf registration to be issued within the period prescribed by relevant regulations.

The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to FLI of the net proceeds of the Offer Bonds.

The underwriting fees to be paid by the Company in relation to the Offer shall be equivalent to 0.40% of the final aggregate principal amount of the Offer Bonds issued. This shall be inclusive of any commissions to be paid to the selling agents, if any.

Except for EastWest, the Underwriters have no direct or indirect relations with FLI in terms of ownership by either of their respective major shareholder/s and have no right to designate or nominate any member of the Board of Directors of FLI.

EastWest is a subsidiary of FDC. As of September 30, 2024, FDC beneficially owned 77.85% of the outstanding capital stock of EastWest. In turn, as of September 30, 2024, FDC beneficially owned approximately 65.93% of FLI's outstanding common shares and 100% of FLI's issued and outstanding preferred shares, such that FDC has an effective 74.38% voting ownership in FLI.

The Underwriters have no contract or other arrangement with FLI by which it may return to FLI any unsold Offer Bonds.

For the purpose of complying with their respective commitments under the Underwriting Agreement, each Underwriter may, under such terms and conditions not inconsistent with the provisions of the Underwriting Agreement, particularly the underwriting commitment of the Underwriters, appoint selling agents for the sale and distribution to the public of the Offer Bonds; provided, that the Underwriters shall remain solely responsible to the Company in respect of their obligations under the Underwriting Agreement entered into by them with the Company, and except as otherwise provided in the Underwriting Agreement, the Company shall not be bound by any of the terms and conditions of any agreements entered into by the Underwriters with the selling agents (if any).

The Underwriters are licensed by the SEC to engage in the underwriting or distribution of the Offer Bonds. The Underwriters may, from time to time, engage in transactions with and perform services in the ordinary course of its business, for FLI or any of its subsidiaries.

BDO Capital is the wholly owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999. It obtained its license to operate as an investment house in 1998 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. As of March 31, 2024, its total assets amounted to ₱4.20 Billion and its capital base amounted to ₱3.93 Billion.

BPI Capital is a Philippine corporation organized in the Philippines as a wholly owned subsidiary of the Bank of the Philippine Islands. It obtained its license to operate as an investment house in 1994 and is licensed by the SEC to engage in underwriting and distribution of securities to the public, with SEC Company Registration No. 0000065872 and SEC Investment House License No. CR 01-2008-00210 (renewed on November 28, 2023). As of September 30, 2024, its total assets amounted to ₱4.62 billion and its capital base amounted to ₱4.39 billion. It has an authorized capital stock of ₱506.44 million of which approximately ₱260.36 million represents its paid-up capital.

Chinabank Capital is the wholly owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house on November 27, 2015 as a result of the spin-off of China Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company's services include arranging, managing, and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. Chinabank Capital also provides financial advisory services, such as deal structuring, valuation, and execution of mergers, acquisitions, divestitures, joint ventures, and other corporate transactions. As of December 31, 2023, it has total assets of ₱3.62 billion and a capital base of ₱3.54 billion.

EastWest is a subsidiary of Filinvest Development Corporation. EastWest is a universal bank providing a wide range of banking services to retail, commercial, and corporate clients. It was established as a commercial bank in July 1994 and received its universal banking license from the BSP in July 2012. East West Bank is licensed by the SEC to engage in the underwriting or distribution of securities to the public. As of December 31, 2023, its total assets amounted to ₱464.20 billion and its capital base amounted to ₱67.17 billion.

First Metro is a leading investment bank in the Philippines with over sixty (60) years of service in the development of the country's capital markets. It is a subsidiary of Metropolitan Bank & Trust Company with a 99.3% ownership and is the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country. First Metro is licensed by the SEC to engage in underwriting and distribution of securities to the public. First Metro offers a wide range of services, from debt and equity underwriting to loan syndication, project finance, and financial advisory. First Metro has established itself as a leading bond house with key strengths in origination, structuring, and execution. As of December 31, 2023, its total assets stood at ₱32.2 billion with a capital base amounting to ₱16.4 billion.

LANDBANK is a government financial institution organized and existing pursuant to Republic Act No. 3844, otherwise known as the Agricultural Land Reform Code, as amended. Established in 1963, LANDBANK operates as a universal bank, providing a wide range of financial services to support the growth of the agriculture sector, rural communities, and other priority sectors of the economy such as infrastructure and utilities; power; micro, small and medium enterprises; healthcare and education; and environment and natural resources management, among others. Present in all 82 provinces in the county, LANDBANK is the largest development financial institution in the Philippines that promotes financial inclusion, digital transformation, and sustainable national development. LANDBANK is licensed by the SEC as an Investment House Engaged in Dealing Government Securities under Certificate of Registration (C.R.) No.: 01-2008-00243. As of December 31, 2023, LANDBANK's total assets amounted to ₱3.27 trillion, with a capital of ₱266.77 billion.

RCBC Capital is a licensed investment house providing a complete range of capital raising and financial advisory services. Established in 1974, RCBC Capital has over 50 years of experience in the underwriting of equity, quasi-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital is a wholly-owned subsidiary of the Rizal Commercial Banking Corporation and a part of the Yuchengco Group of Companies, one of the country's largest fully integrated financial services conglomerates. As of June 30, 2024, it has total assets of ₱3.57 Billion and a capital base of ₱3.45 Billion.

Security Bank Capital is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage inunderwriting and distribution of securities to the public. Security Bank Capital provides a wide range of investment banking services including financial advisory, underwriting of equity and debt securities, project finance, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. Security Bank Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues, both locally and internationally. As of December 31, 2023, its total assets amounted to ₱1.93 billion and its capital base amounted to ₱1.88 billion.

Withdrawal of the Offer

The Company reserves the right to withdraw the offer and sale of the Offer Bonds at any time before the commencement of the Offer Period, in which event the Company shall make the necessary disclosures to the SEC and the PDEx.

The Company may also withdraw the offer and sale of the Offer Bonds at any time on or after the commencement of the Offer Period and prior to the Issue Date, if any of the following events occurs, in which case the Underwriting Agreement shall be deemed terminated, namely:

a. (i) An outbreak or escalation of hostilities or acts of terrorism involving the Philippines or a declaration by the Philippines of a state of war; or (ii) occurrence of any event or change (whether or not forming part of a series of events occurring before, on and/or after the date hereof) of a political, military, economic or other nature; or (iii) occurrence of any change in local, national or international financial, political, economic or stock market conditions, any of which renders it impracticable or inadvisable to continue with the Offer and/or listing of the Offer Bonds in the manner contemplated by the SEC pre-effective clearance, the SEC Order of Registration, or the SEC Permit to Sell Securities (the "**Approvals**") and by this Offer Supplement, or would have a material adverse effect on the Philippine economy, on the securities or other financial or currency markets of the Philippines, or on the distribution, offer and sale of the Offer Bonds in the Philippines, rendering it, in the reasonable determination of the Joint Lead Underwriters and Bookrunners, after consultation with the Issuer, impracticable to proceed with the Offer in the manner contemplated by the Approvals and this Offer Supplement, provided that for the avoidance of doubt, the Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Issuer's or Joint Lead Underwriters and Bookrunners' inability to sell or market the Offer Bonds or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any Offer Bonds remaining after the Offer Period;

b. An order revoking, cancelling, suspending, preventing or terminating the offer, sale, distribution, listing or issuance of the Offer Bonds by any court or governmental authority having jurisdiction on the matter, including the SEC and the PDEx;

c. Suspension, cancellation, revocation, or termination of the Approvals;

d. Trading in the PDEx is closed or suspended for at least three (3) consecutive trading days other than due to weekends or declared holidays, or in such manner or for such period as will render impracticable the listing and trading of the Offer Bonds on the Issue Date or such other date as may be approved by the PDEx;

e. There is a change or impending change in any Philippine law, rule, regulation, policy or administrative practice, or a ruling, interpretation, decree or order issued, made, or adopted by any governmental authority which (i) materially and adversely affects: (a) the ability of the Issuer to engage in the business it is presently engaged in; (b) the capacity and due authorization of the Issuer to offer and issue the Offer Bonds and enter into the transaction documents in connection with the Offer; (c) any of the features of the Offer Bonds, including the taxes on fees or costs in connection with the Offer, or (ii) renders illegal the performance by any of the Joint Lead Underwriters and Bookrunners of their respective obligations hereunder;

f. Any significant, adverse, and unforeseeable change or development in the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability, which renders the Offer Bonds unsuitable for offering to the public;

g. The Issuer is compelled through an official order, decree, or ruling issued by any competent court or governmental authority to stop its operations, which is not remedied within five (5) Business Days from receipt by the Issuer of a formal notice of such decision by such competent court or governmental authority (as the case may be);

h. The Issuer shall be adjudicated bankrupt or insolvent, or shall admit in writing its inability to pay its debts as they mature, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or the Issuer shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; and such receiver, trustee or similar officer shall be appointed; or the Issuer shall initiate or institute (by petition, application or otherwise), or consent to the institution of any bankruptcy, insolvency, reorganization, rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation, corporate rehabilitation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted against the Issuer; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against any material asset, or material part of the Issuer's assets; or any event occurs which under the laws of the Philippines or any applicable political subdivision thereof, has an effect equivalent to any of the foregoing;

i. A general banking moratorium is declared in the Philippines or a material disruption in commercial banking or securities settlement or clearance services occurs in the Philippines;

j. The commencement or the threatened commencement in writing by any entity, person or regulatory body of any public action, court proceeding, litigation, arbitration or other similar proceeding against the Joint Lead Underwriters and Bookrunners in connection with or with respect to the issuance or sale by the Issuer of the Offer Bonds or the Offer in general which renders the performance of their underwriting commitment impossible or impracticable;

k. Any court, arbitral tribunal, or governmental authority which has jurisdiction on the matter issues an order restraining or prohibiting the Joint Lead Underwriters and Bookrunners, or directing them to cease, from performing their underwriting obligations which makes it impossible for the Joint Lead Underwriters and Bookrunners to perform their underwriting obligations due to conditions beyond their control;

l. Unavailability of PDTC's facilities used for the Offer and/or listing prior to or on the target Issue Date and such unavailability effectively prevents the ability of the Issuer and the Joint Lead Underwriters and Bookrunners to fully comply with the listing requirements of the PDEx, if the impact of such unavailability on the listing of the Offer Bonds remains unresolved after discussions between the Issuer and the Joint Lead Underwriters and Bookrunners in good faith; and

m. Any force majeure event, other than the ones enumerated above, that has material and adverse effect on the Issuer's long-term financial condition, assets, liabilities, results of operations, business, properties, or profitability.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or the Joint Lead Underwriters and Bookrunners' inability to sell or market the Offer Bonds or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any Offer Bonds remaining after the Offer Period.

Notwithstanding the acceptance of any Application, the Offer Bonds will be issued only upon listing of such Offer Bonds on the PDEx, and provided that the Underwriting Agreement shall not have been terminated or cancelled, on or before the Issue Date, in accordance with the provision of the said agreement. Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Bonds prior to the Issue Date pursuant to this section, the Company and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Bonds on Issue Date.

Sale and Distribution

The distribution and sale of the Offer Bonds shall be undertaken by the Underwriters who shall sell and distribute the Offer Bonds to third party buyers/investors. Nothing herein shall limit the right of the Underwriters to purchase the Offer Bonds for their own respective accounts.

The Offer Bonds shall be offered to the public at large.

The obligations of each of the Underwriters will be several, and not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Underwriters. Unless otherwise expressly provided in the Underwriting Agreement, the failure or success by an Underwriter to carry out its obligations thereunder shall neither relieve the other Underwriters of their obligations under the same Underwriting Agreement, nor shall any Underwriter be responsible for the obligation of another Underwriter.

No discounts or commissions shall be paid to broker dealers, and no finders are involved in the distribution of the Bonds.

Offer Period

The Offer Period shall commence on February 19, 2025 and end at 5:00 p.m. on March 4, 2025 or such earlier or later date as may be mutually agreed between the Company and the Underwriters.

Application to Purchase

The procedure set out in this section and the succeeding sections should be read together with the more detailed procedure and other conditions set out in the Application to Purchase.

Applicants may purchase the Offer Bonds during the Offer Period by submitting to the Underwriters properly completed Applications to Purchase, whether originally signed or electronically submitted (through the e-Securities Issue Portal or "**e-SIP**"), together with two (2) signature cards, identification document, and the full payment of the Purchase Price of the Offer Bonds in the manner provided in the said Application to Purchase.

Corporate and institutional Applicants must also submit, in addition to the foregoing:

(a) An original notarized certificate of the corporate secretary (or the managing director in case of a partnership) or an equivalent officer of the Applicant setting forth resolutions of the board of directors, partners or equivalent body (i) authorizing the purchase of the Offer Bonds indicated in the Application to Purchase and (ii) designating the signatories, with their specimen signatures, for the said purposes;

(b) copies of its Articles of Incorporation and By-Laws (or the Articles of Partnership in case of a partnership) and latest amendments thereof, together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory(ies);

(c) if e-SIP was not used, two (2) duly accomplished signature cards containing the specimen signatures of the authorized signatories of the Applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory(ies) (whose authority(ies) and specimen signatures will be submitted to the Registrar);

(d) BIR Certificate of Registration showing the Applicant's Tax Identification Number;

(e) identification document(s) of the authorized signatories of the Applicant, as specified in item (a) of the immediately succeeding paragraph below; and

(f) such other documents as may be reasonably required by any of the Underwriters, selling agents(if any) or the Registrar in the implementation of its internal policies regarding "know your customer" and compliance with anti-money laundering laws.

Individual applicants must also submit, in addition to accomplished Applications to Purchase and its required attachments:

(a) identification document ("**ID**") of the Applicant which shall consist of any one of the following valid identification documents bearing a recent photo, and which is not expired: Philippine Identification Card (PhilID), Passport, Driver's License, Professional Regulation Commission ID, National Bureau of Investigation Clearance, Police Clearance, Postal ID, Maritime Industry Authority (MARINA) ID, Voter's ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, OFW ID, Seaman's Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, *e.g*., Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Councilfor the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, company IDs issued by private entities or institutions registered with orsupervised or regulated either by the BSP, SEC or the Insurance Commission, or school ID duly signed by the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age);

(b) if e-SIP was not used, two (2) duly accomplished signature cards containing the specimen signature of the Applicant;

(c) validly issued tax identification number issued by the BIR; and

(d) such other documents as may be reasonably required by the Underwriters, selling agents (if any) or the Registrar and Paying Agent in the implementation of their respective internal policies regarding "knowyour customer" and compliance with anti-money laundering laws.

An Applicant who is claiming exemption from any applicable tax, or entitlement to preferential tax rates shall, in addition to the requirements set forth above, be required to submit the following requirements to the relevant Underwriter or selling agent (if any) (together with their respective Applications to Purchase), subject to acceptance by the Issuer as being sufficient in form and substance:

(i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR and addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto;

(ii) with respect to tax treaty relief, a copy of the duly filed request for confirmation or tax treaty relief application, as may be applicable, with the International Tax Affairs Division of the BIR as required under the BIR Revenue Memorandum Order No. 14-2021; including any clarification, supplement or amendment thereto and, once available, a BIR-certified certification, ruling or opinion addressed to the relevant applicant or Bondholder confirming its entitlement to the preferential tax rate under the applicable treaty;

(iii) a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases, or the Bondholder holds, the Offer Bonds for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Offer Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension, revocation, amendment or invalidation (in whole or in part) of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form under the Registry and Paying Agency Agreement, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and

(iv) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder's legal domicile in therelevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided, that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided, further, that all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

Failure on the part of the Bondholder to submit the aforementioned document/s within the time prescribed shall result in the application of the regular tax rates.

The Purchase Price for each Offer Bond is payable in full upon submission of the duly executed Application to Purchase. Payments of the Purchase Price shall be made either in checks or appropriate debit instructions or payment instructions made out to the order of the relevant Underwriter or selling agent (if any). All payments must be made or delivered to the relevant Underwriter, or the selling agent (if any) to whom the Application to Purchase is submitted.

Completed Applications to Purchase and corresponding payments must reach the Underwriter, or the selling agent (if any) prior to the end of the Offer Period, or such earlier dateas may be specified by the Underwriters. Acceptance by the Underwriters, or the selling agent (if any) of the completed Application to Purchase shall be subject to the availability of the Offer Bonds and the acceptance by FLI. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase shall be deemed revoked.

Minimum Purchase

A minimum purchase of ₱50,000.00 shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of ₱10,000.00.

Allotment of the Offer Bonds

If the Offer Bonds are insufficient to satisfy all Applications to Purchase, the available Offer Bonds shall be allotted at the discretion of the Joint Lead Underwriters and Bookrunners, in consultation with the Issuer and subject to Issuer's right of rejection.

Acceptance of Applications

The Company and the Joint Lead Underwriters and Bookrunners reserve the right to accept or reject Applications to Purchase the Offer Bonds and allocate the Offer Bonds available to the Applicants in a manner they deem appropriate.

Rejection of Applications

The Underwriters shall accept, reduce or reject Applications to Purchase on behalf of the Issuer in accordance with the following provisions and the allocation plan. Reasons for rejection may include the following:

(a) Applications may be rejected if: (i) the Purchase Price is unpaid; (ii) payments are insufficient or where checks, as applicable, are dishonoured upon first presentment; (iii) the Application to Purchase is not received by the Underwriters or the selling agent (if any) on or before the end of the Offer Period; (iv) the number of the Offer Bonds subscribed is less than the minimum amount of subscription; (v) the Applications to Purchase do not comply with the terms of the Offer; or (vi) the Applications to Purchase do not have sufficient information or are not supported by the required documents.

(b) Applications may be reduced if the Offer is oversubscribed, in which case the number of the Offer Bonds covered by such Applications to Purchase shall be reduced pro rata or in accordance with such other methodology adopted by the Underwriters.

In the event an Application to Purchase is rejected or the amount of the Offer Bonds applied for is scaled down for a particular Applicant, the relevant Underwriter or the selling agent (if any) shall notify the Applicant concerned that his/her application has been rejected or that the amount of the Offer Bonds applied for has been scaled down.

Refunds

If any application is rejected or accepted in part only, payments made by the Applicant or the appropriate portion thereof shall be returned without interest to such Applicant through the relevant Underwriter or the selling agent (if any) with whom such Application to Purchase was coursed through.

The manner of refunds shall be made, at the option of each Underwriter and or the selling agent (if any), either (i) through the issuance of check(s) payable to the order of the relevant Applicant and crossed "Payees' Account Only" and mailed or delivered, at the risk of the Applicant, to the address specified in the Application to Purchase, or (ii) through the issuance of instructions for automatic credit payments to the accounts of the relevant Applicants, as indicated in their respective Applications to Purchase.

Payments

The Paying Agent shall open and maintain a bank account for the Offer Bonds, which shall be operated solely and exclusively by the said Paying Agent in accordance with the Registry and Paying Agency Agreement (the "**Payment Account**"), provided that beneficial ownership of the Payment Account shall always remain with the Bondholders. The Payment Account shall be used exclusively for the payment of the principal, interest and other payments due on the Offer Bonds on the relevant Payment Date.

The Paying Agent shall maintain the Payment Account while the Offer Bonds are outstanding, and until six (6) months past the relevant Maturity Date or date of early redemption, as applicable. Upon closure of the Payment Account, any balance remaining in the Payment Account shall be returned to the Issuer and shall be held by the Issuer in trust and for the irrevocable benefit of the Bondholders with unclaimed interest and principal payments and such other payments that are due on the Offer Bonds.

Unclaimed Payments

Any payment of interest on, or the principal of the Offer Bonds which remain unclaimed after the same shall have become due and payable, shall be held in trust by the Paying Agent for the Bondholders at the latter's risk and shall be dealt with in accordance with the relevant provisions of the Registry and Paying Agency Agreement.

Purchase and Cancellation

The Issuer may purchase the Offer Bonds at any time in the open market or by tender or by contract, in accordance with PDEx Rules, as may be amended from time to time, without any obligation to make *pro rata* purchases from all Bondholders. Offer Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the Offer Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

Secondary Market

The Company intends to list the Offer Bonds in the PDEx.

For a more detailed discussion, please refer to the section "*Description of Offer Bonds – Secondary Trading of the Offer Bonds*".

Registry of Bondholders

The Offer Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the Offer Bonds sold in the Offer shall be issued in the name of the Trustee for the benefit of the Bondholders.

Legal title to the Offer Bonds shall be shown in the Registry of Bondholders to be maintained by the Registrar. The names and addresses of the Bondholders and the particulars of the Offer Bonds held by them and all transfers of the Offer Bonds shall be entered into the Registry of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the Registry of Bondholders.

For a more detailed discussion, please refer to the section "*Description of Offer Bonds – Transfer of Offer Bonds*".

Description of the Offer Bonds

The following does not purport to be a complete listing of all the rights, obligations or privileges of the Offer Bonds. Some rights, obligations or privileges may be further limited or restricted by other documents. Prospective Bondholders are enjoined to carefully review the Articles of Incorporation, By-Laws and resolutions of the Board of Directors and Shareholders of FLI, the information contained in the Prospectus, this Offer Supplement, the Trust Agreement, Registry and Paying Agency Agreement, Applicable Law, rules and regulations of PDTC and PDEx relevant to the Offer, and to perform their own independent investigation and analysis of the Company and the Offer Bonds. They must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis. Prospective Bondholders are likewise encouraged to consult their legal counsels and accountants in order to be better advised of the circumstances surrounding the Offer Bonds.

A registration statement covering the Bond Program, as authorized by resolution of the Board of Directors of the Company dated July 19, 2023, was filed by the Issuer with the SEC on September 22, 2023, and was rendered effective by the SEC by its order dated November 15, 2023. On December 1, 2023, FLI listed its ₱11,430,800,000.00, 3.5-year fixed rate bond due 2027 with a coupon rate of 6.9829% per annum.

The second Tranche of the Bond Program will be issued with a Base Offer of an aggregate principal amount of ₱9,000,000,000.00 and an Oversubscription Option of up to ₱3,000,000,000.00. The Offer Bonds will be issued on the Issue Date.

The Offer Bonds shall be constituted by a Trust Agreement to be executed on or about February 14, 2025 between FLI and Metropolitan Bank & Trust Company – Trust Banking Group as Trustee. The Trustee has no interest in or relation to FLI which may conflict with the performance of its functions as trustee for theOffer Bonds. The description and the terms and conditions of the Offer Bonds as set out below is subject to the detailed provisions of the Trust Agreement.

Established in 1962, the Metropolitan Bank & Trust Company has become the premier universal bank and among the foremost financial institutions in the Philippines, consistently recognized as one of the leading financial institutions in the Philippines, with expertise in investments, commercial and retail banking.

Metrobank has been engaged in the Trust Business for more than 62 years beginning its trust banking operation in 1962 and have grown over the years to include a wider range of services: retirement fund management and administration, fund management (IMA) for corporate and personal clients, estate planning (personal management trust and life insurance trust), and unit investment trust funds. Other products include trust and agency arrangements for securities issues, management services, mortgage trust indentures, transfer agency, loan and facilitation agency and escrow agency services.

First Metro is a subsidiary of Metropolitan Bank & Trust Company.

A Registry and Paying Agency Agreement shall be executed on or about February 14, 2025 in relation to the Offer Bonds between FLI and PDTC as Registrar and Paying Agent. PDTC has no interest in or relation to the Company which may conflict with the performance of its functions.

Copies of the Trust Agreement and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar, respectively. The holders of the Offer Bonds (the "**Bondholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Agreement and are deemed to have notice of those provisions of the Registry and Paying Agency and Agreement applicable to them.

1. Form, Denomination and Title

(a) *Form and Denomination*

The Offer Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the Offer Bonds sold in the Offer shall be issued to and registered in the name of the Trustee for the benefit of the Bondholders.

The Offer Bonds shall be issued in minimum denominations of Fifty Thousand Pesos (₱50,000.00) each and in integral multiples of Ten Thousand Pesos (₱10,000.00) thereafter, and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

(b) *Title*

Legal title to the Offer Bonds shall be shown in the Registry of Bondholders maintained by the Registrar. A notice confirming the principal amount of the Offer Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the Offer Bonds shall pass by recording of the transfer from the transferor to the transferee in the electronic Registry of Bondholders maintained by the Registrar. Settlement with respect to such transfer or change of title to the Offer Bonds, including the settlement of any cost arising from such transfers, including, but not limited to,documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

(c) *Offer Bonds Rating*

The Offer Bonds have been rated PRS Aaa with a Stable Outlook by PhilRatings on December 18, 2024 having considered FLI's business plans, growth prospects and cashflow. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. FLI's capacity to meet its financial commitment on the obligation is extremely strong. The assigned credit rating takes into account the following key considerations: (1) FLI's established brand name and track record, with geographically diverse real estate products and substantial land bank for future expansion; (2) its sound growth strategies and solid foothold in the affordable and middle-income segments; (3) the Company's strong profit performance in 2023 and its sustained growth momentum in 9M2024; and (4) its positive operating cash flows and ample liquidity. PhilRatings' ratings are based on available information and projections at the time that the rating process was ongoing. PhilRatings shall continuously monitor developments relating to FLI and may change the rating at any time, should circumstances warrant a change. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as the Offer Bonds are outstanding. After Issue Date, the Trustee shall likewise monitor compliance by the Issuer with certain covenants in relation to the Offer Bonds through regular annual reviews.

2. Transfer of Offer Bonds

(a) *Registry of Bondholders*

FLI shall cause the Registry of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Offer Bonds held by them and all transfers of the Offer Bonds shall be entered in the Registry of Bondholders. As required by BSP Circular No. 428-04, the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer), and a written advice confirming every receipt or transfer of the Offer Bonds that is effected in the Registrar's system. Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any and/or all requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfer of the Offer Bonds may be made during the period of two (2) Business Days preceding the Interest Payment Date or the Maturity Date.

(b) *Transfers; Tax Status*

Subject to the compliance with all procedures and provisions set forth in the Registry and Paying Agency Agreement and as the same may be amended by the Registrar with notice to the Issuer, as well as payment by the relevant Bondholder of the proper fees, if any, to PDEx and/or the Registrar, Bondholders may transfer their Offer Bonds at any time, regardless of tax status of the transferor vis-à-vis the transferee except for: (i) transfers across Tax Categories except on Interest Payment Dates that fall on a Business Day, provided, however, that transfers from a Tax-Exempt Category to a Taxable Tax Category on a non-Interest Payment Date shall be allowed using the applicable tax-withheld series name on PDEx, ensuring the computations are based on the final withholding tax rate of the taxable party to the trade; provided further that should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred; (ii) transfers by

Bondholders with deficient documents; and (iii) transfers during a Closed Period. For purposes hereof, "Tax Categories" refer to the four (4) final withholding tax categories covering, particularly, tax-exempt entities, 20% tax-withheld entities, 25% tax-withheld entities, and 30% tax-withheld entities; *"Closed Period"* means the periods during which the Registrar shall not register any transfer or assignment of the Offer Bonds, specifically: (a) during the period of two (2) Business Days preceding the Interest Payment Date or the Maturity Date, as the case may be; or (b) the period after the Offer Bonds have been called for redemption or pre-termination. Transfers taking place in the Registry of Bondholders after the Offer Bonds are listed on PDEx shall be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guideline of PDEx and PDTC. A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified below under "Payment of Additional Amounts; Taxation", within the period required under the PDEx Rules.

(b) *Secondary Trading of the Offer Bonds*

FLI intends to list the Offer Bonds in PDEx for secondary market trading. Secondary market trading and settlement in PDEx shall follow the applicable PDEx Rules, including rules, conventions and guidelines governing trading and settlement between bondholders of different tax status, and shall be subject to the relevant fees of PDEx and PDTC.

Upon listing of the Offer Bonds with PDEx, investors shall course their secondary market trades through PDEx Brokering Participants for execution in the PDEx Trading Platform in accordance with PDEx Rules, and shall settle such trades on a Delivery versus Payment basis in accordance with PDEx Rules. The PDEx Rules are available on the PDEx website (www.pds.com.ph). An Investor Frequently Asked Questions discussion on the secondary market trading, settlement, documentation and estimated fees are also available on the PDEx website.

3. Ranking

The Offer Bonds constitute direct, absolute, unconditional, unsubordinated and unsecured obligations of the Issuer and shall rank pari passu and ratably without any preference or priority amongst themselves and shall rank at all times at least pari passu in priority of payment and in all respects with all its other unsubordinated and unsecured Indebtedness, other than obligations preferred by the law other than the preference or priority established by Article 2244, paragraph 14 of the Civil Code of the Philippines, as the same may be amended from time to time.

"**Indebtedness**" means, (a) with respect to the Issuer: (i) all indebtedness or other obligations of the Issuer for borrowed money or for the deferred purchase price of property or services and similar arrangements; (ii) all indebtedness or other obligations of any other Person, the payment or collection of which is guaranteed by the Issuer (except by reasonof endorsement for collection in the ordinary course of business) or in respect of which the Issuer is liable, contingently or otherwise, including without limitation, any agreement to purchase, to provide funds for payment, to supply fundsto or otherwise invest in such Person; and (iii) capitalized lease obligations of the Issuer; and (b) with respect to any other Person, all indebtedness or other obligations of such Person for borrowed money or for the deferred purchase price of property or services and similar arrangements.

4. Interest

(a) *Interest Payment Dates*

The Offer Bonds shall bear interest on its principal amount from and including the Issue Date per annum, payable quarterly in arrears, commencing on June 12, 2025, for the first Interest Payment Date, and March 12, June 12, September 12, and December 12 of each year for each subsequent Interest Payment Date while the Offer Bonds are outstanding, or the subsequent Business Day without adjustment for accrued interest, if the relevant Interest Payment Date is not a Business Day. If the Issue Date is set at a date other than March 12, 2025, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every three (3) months following the actual Issue Date.

For purposes of clarity, the last Interest Payment Date on the Offer Bonds shall fall on the Maturity Date. The cut-off date in determining the existing Bondholders entitled to receive the interest or principal amount due shall be the second (2^{nd}) Business Day immediately preceding the relevant Interest Payment Date (the "**Record Date**"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the Offer Bonds. No transfers of the Offer Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

The Series B Bonds shall bear interest on its principal amount from and including the Issue Date at the rate of 6.2916% per annum.

The Series C Bonds shall bear interest on its principal amount from and including the Issue Date at the rate of 6.6550% per annum.

The Series D Bonds shall bear interest on its principal amount from and including the Issue Date at the rate of 6.8312% per annum.

(b) *Interest Period*

Interest on the first Interest Payment Date will cover the period from Issue Date up to such Interest Payment Date. Subsequent interest payments shall be reckoned from the day immediately succeeding the last Interest Payment Date up to the next Interest Payment Date.

(c) *Interest Accrual*

The Offer Bonds shall cease to bear interest after the Maturity Date, as defined in the discussion on *"Final Redemption"*, below, unless, upon due presentation, payment of the principal in respect of the Offer Bonds then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see *"Penalty Interest"* below) shall apply.

(d) *Determination of Interest Amount*

The interest shall be calculated on the basis of a 30/360-day basis, consisting of twelve (12) months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of thirty (30) days.

5. Redemption and Purchase

(a) *Early Redemption Option*

The Issuer shall have the right, but not the obligation, to redeem in whole (but not in part), any series of the outstanding Offer Bonds on the dates set out below (the "**Early Redemption Option Date**"); provided, that if the Early Redemption Option Date falls on a day that is not a Business Day, then the payment of the Early Redemption Price shall be made by the Issuer on the next Business Day, without adjustment to the amount of interest and the Early Redemption Price to be paid.

Series B Bonds

Early Redemption Option Date	**Early Redemption Price**
On the 3rd anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 4th anniversary of the Issue Date.	101.00%
On the 4th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the Maturity Date of the Series B Bonds.	100.50%

Series C Bonds

Early Redemption Option Date	**Early Redemption Price**

On the 3rd anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 4th anniversary of the Issue Date.	102.50%
On the 4th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 5th anniversary of the Issue Date.	101.50%
On the 5th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 6th anniversary of the Issue Date.	101.00%
On the 6th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the Maturity Date of the Series C Bonds.	100.50%

Series D Bonds	
Early Redemption Option Date	**Early Redemption Price**
On the 5th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 6th anniversary of the Issue Date.	102.50%
On the 6th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 7th anniversary of the Issue Date.	102.00%
On the 7th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 8th anniversary of the Issue Date.	101.50%
On the 8th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the 9th anniversary of the Issue Date.	101.00%
On the 9th anniversary of the Issue Date and every Interest Payment Date thereafter prior to the Maturity Date of the Series D Bonds.	100.50%

The amount payable to the Bondholders upon the exercise of the Early Redemption Option by the Issuer shall be calculated, based on the principal amount of the Offer Bonds being redeemed, as the sum of: (i) accrued interest computed from the last Interest Payment Date up to the Early Redemption Option Date; and (ii) the product of the principal amount of the Offer Bonds being redeemed and the Early Redemption Price in accordance with the above table. For the avoidance of doubt, the Bondholders shall not have any right to cause the Issuer to redeem the Offer Bonds pursuant to this Early Redemption Option.

The Issuer shall give no less than thirty (30) nor more than sixty (60) days prior written notice to the Trustee, the Registrar and Paying Agent of its intention to redeem the Offer Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemptionof the Offer Bonds on the Early Redemption Option Date stated in such notice.

(b) *Final Redemption*

Unless otherwise earlier redeemed or purchased and cancelled, the Offer Bonds shall be redeemed at par or 100% of face value on the Maturity Date. However, if the relevant Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Paying Agent,without adjustment in computation as to the amount of interest payable and principal amount, on the succeeding Business Day.

(c) *Redemption for Taxation Reasons*

If payments under the Offer Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer shall have the option, but not the obligation, to redeem the Offer Bonds in whole, but not in part, on any Interest Payment Date (having given not more than sixty (60) nor less than thirty (30) days' prior written notice to the Trustee and the Registrar and Paying Agent) at 100% of the face value of the Offer Bonds plus accrued interest thereon computed up to the date when the Offer Bonds shall be redeemed earlier than the Maturity Date, subject to the requirements of Applicable Law.

(d) *Redemption due to Change in Law or Circumstance*

If any provision of the Trust Agreement or any of the related documents is or shall become for any reason, invalid, illegal or unenforceable to the extent that it shall become, for any reason, unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Agreement or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Agreement or any other related documents, the Issuer shall provide the Trustee an opinion of legal counsel confirming the foregoing, such legal counsel being from an internationally recognized Philippine law firm reasonably acceptable to the Trustee. Thereupon the Trustee, upon notice to the Issuer, shall declare the principal of the Offer Bonds, including all accrued interest and other chargers thereon, if any, to be immediately due and payable, and upon such declaration, the same shall be immediately due and payable without any pre-payment penalty, notwithstanding anything in the Trust Agreement or in the Offer Bonds to the contrary.

(e) *Purchase and Cancellation*

The Issuer may at any time purchase any of the Offer Bonds at any price in the open market or by tender or by contract at market price, in accordance with PDEx Rules, which may be amended from time to time, without any obligation to purchase Offer Bonds pro-rata from all Bondholders and the Bondholders shall not be obliged to sell. Any Offer Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Offer Bonds on PDEx, the Issuer shall disclose any such transactions in accordance with the applicable PDEx disclosure rules.

6. Payments

The principal of, interest on, and all other amounts payable on the Offer Bonds shall be paid by FLI, through the Paying Agent, to the Bondholders by crediting the settlement accounts designated by each of the Bondholders. The principal of, and interest on, the Offer Bonds shall be payable in Philippine Pesos, net of final taxes and fees (if any). FLI shall ensure that so long as any of the Offer Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the Offer Bonds. In the event the Paying Agent shall be unable or unwilling to continue to act as such, FLI shall appoint a qualified financial institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or beremoved without a successor having been appointed.

7. Taxation and Yield Protection

Interest income on the Offer Bonds is subject to a final withholding tax at rates between 20% and 25% depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of FLI; provided however, that FLI shall not be liable for the following:

(a) income tax on any gain by a holder of the Offer Bonds realized from the sale, exchange or retirement of the Offer Bonds;

(b) the applicable final withholding tax on interest earned on the Offer Bonds prescribed under the Tax Reform Act of 1997, as amended and its implementing rules and regulations as maybe in effect from time to time. Interest income on the Offer Bonds is subject to a final withholding tax at rates between 20% and 25% depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by FLI as being sufficient in form and substance:

(i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the Bureau of Internal Revenue ("**BIR**") and addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014, including any clarification, supplement or amendment thereto;

(ii) with respect to tax treaty relief, a copy of the duly filed request for confirmation or tax treaty relief application, as may be applicable, with the International Tax Affairs Division of the BIR as required under BIR Revenue Memorandum Order No. 14-2021; including any clarification, supplement or amendment thereto and, once available, a BIR-certified certification, ruling or opinion addressed to the relevant Applicant or Bondholder confirming its entitlement to the preferential tax rate under the applicable treaty;

(iii) a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such Applicant or Bondholder who has personal knowledge of the exemption based on his official functions, if the Applicant purchases, or the Bondholder holds, the Offer Bonds for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Offer Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension, revocation, amendment or invalidation (in whole or in part) of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form under the Registry and Paying Agency Agreement, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and

(iv) such other documentary requirements as may be required by the Issuer and the Registrar under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided, further, that all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

(c) Gross Receipts Tax under Section 121 of the Tax Code;

(d) taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and

(e) VAT under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337.

Documentary stamp tax for the primary issue of the Offer Bonds and the execution of the Bond Agreements, ifany, shall be for FLI's account.

8. Financial Covenant

FLI shall maintain a Debt-to-Equity Ratio of not more than 2.00:1.00 Debt-to-Equity Ratio is computed as total Financial Indebtedness divided by Total Equity.

The Financial Covenant of FLI with respect to the Offer Bonds is limited to the foregoing.

For clarity, the foregoing ratios shall be computed using the following definitions:

"**Financial Indebtedness**" means any outstanding indebtedness of FLI and/ or any or all of its subsidiaries for or in respect of:

(i) monies borrowed, which, in accordance with PFRS or PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as applicable, shall be treated as loans payable, notes payable, bonds payable, or other similar borrowing. "PFRS" means Philippine Financial Reporting Standards,

(ii) any amount raised by acceptance under any acceptance credit facility;

(iii) any obligation in respect of a standby or documentary letter of credit or any other similar instrument issued by a bank or financial institution;

(iv) receivables sold or discounted other than receivables that are sold on a non-recourse basis;

(v) any amount of any liability (other than trade accounts payable, accrued expenses, and unearned revenues) under an advance or deferred purchase agreement if one of the primary reasons behind entering into that agreement is to raise funds;

(vi) any currency swap, or interest rate swap, cap or collar arrangement or any other derivative instrument;

(vii) any amount raised by the issue of redeemable shares;

(viii) any amount raised under any other transaction having the commercial effect of a borrowing; and/or

(ix) Any guarantee or indemnity or other assurance against financial loss of any person except those incurred in the ordinary course of business.

"Stockholders' Equity" means the total stockholders' equity of the Issuer as recognized and measured in its audited consolidated financial statements in conformity with PFRS or PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as applicable.

"**Total Equity**" means total consolidated Stockholders' Equity (including minority interest) as recognized and measured in FLI's audited consolidated financial statements in conformity with PFRS or PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as applicable.

9. Negative Pledge

For as long as any of the Offer Bonds remain outstanding, FLI covenants that it shall not, without the prior written consent of the Majority Bondholders, permit any Indebtedness for borrowed money to be secured by or to benefit from Security in favor of any creditor or class of creditors without providing the Bondholders with the same kind or class of Security, the benefit of which is extended equally and ratably among them to secure the Offer Bonds; provided however that, this restriction shall not prohibit the following:

(a) Any Security over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (i) the payment of the purchase price or cost of leasehold rights of such asset; or (ii) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by FLI in the ordinary course of business; or (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefore) incurred for the purpose of financing the purchase, lease or development of such asset; or (iv) the normal rediscounting of receivable activities of FLI made in the ordinary course of business;

(b) Any Security created for the purpose of paying current Taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty; or the validity of which is contested in good faith in appropriate proceedings upon stay of execution of the enforcement thereof and adequate reserves having been provided for the payment thereof;

(c) Any Security to secure, in the normal course of the business of FLI or its Affiliates: (i) statutory or regulatory obligations; (ii) surety or appeal bonds; (iii) bonds for release of attachment, stay of execution or injunction; or (iv) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases;

(d) Any Security: (i) imposed by law, such as carrier's, warehousemen's, mechanics' liens and other similar liens arising in the ordinary course of business and not material in amount; (ii) arising out of pledges or deposits under the workmen's compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits or similar legislation; and (iii) arising out of set-off provisions in the normal course of its financing arrangements; provided that, the Bondholders hereunder shall also have to the extent permitted by applicable law, and upon notice to FLI, a similar right of set-off;

(e) Any Security in favor of banks, insurance companies, other financial institutions and Philippine government agencies, departments, authorities, corporations or other juridical entities, which secure a preferential financing obtained by FLI under a governmental program under which creation of a security is a prerequisite in order to obtain such financing, and which cover assets of FLI which have an aggregate appraised value, determined in accordance with generally accepted appraisal principles and practices consistently applied not exceeding fifteen percent (15%) of FLI's total assets based on the most recent interim financial statements;

(f) Any Security established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets;

(g) Any Security existing on the date of the Trust Agreement which is disclosed in writing by FLI to the Trustee prior to the execution of the Trust Agreement;

(h) Any Security to be constituted on the assets of the Issuer after the execution of the Trust Agreement which is disclosed in writing by the Issuer to the Trustee prior to the execution of the Trust Agreement and with an aggregate amount not exceeding fifteen percent (15%) of the consolidated assets of the Issuer at any one time; and

(i) Any Security or Lien undertaken in compliance with the requirements of government regulatory agencies such as but not limited to the Bangko Sentral ng Pilipinas, the Department of Human Settlements and Urban Development, the Housing and Land Use Regulatory Board and the Department of Agrarian Reform, provided that any such Security or Liens are created by operation of law and not as a result of any default or omission by the Issuer.

10. Events of Default

FLI shall be considered in default under the Offer Bonds and the Trust Agreement in case any of the following events (each an "**Event of Default**") shall occur and is continuing:

(a) *Payment Default*

FLI fails to pay when due and payable any amount which FLI is obligated to pay to the Bondholders under the Trust Agreement and the Offer Bonds in the manner, at the place, and in the currency in which it is expressed to be payable; provided that such non-payment shall not constitute an Event of Default if it is solely due to an administrative or technical cause, not attributable to the fault or negligence of the Issuer, affecting the transfer of funds despite timely payment instruction having been given by the Issuer and such payment is received by the Paying Agent within two (2) Business Days from the relevant due date.

(b) *Representation/Warranty Default*

Any representation or warranty of FLI hereof or in any certificate or opinion submitted pursuant hereto proves to have been untrue, incorrect or misleading in any material respect as and when made and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than fourteen (14) days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Bondholders through the Trustee to that effect.

(c) *Other Default*

FLI fails to perform or violates any other provision, term of the Trust Agreement and the Offer Bonds, and such failure or violation is not remediable or, if remediable, continues to be unremedied after the applicable grace period, or in the absence of such grace period, after thirty (30) days from the date of occurrence of the said violation; provided that, the Events of Default constituting a payment default, expropriation, insolvency or closure default, or a violation of a negative covenant shall not be remediable.

(d) *Cross Default*

FLI and/or any of its Material Subsidiaries fails to pay or defaults in the payment of any installment of the principal or interest in excess of the Philippine Pesos: Seven Hundred Thirty Five Million (₱735,000,000.00), or fails to comply or commits a breach or violation of any material term, condition or stipulation, of any other agreement, contract or document with its lenders or any third party to which it is a party or privy or under which it acts as a guarantor or surety, including any agreement similar or analogous thereto, whether executed prior to or after the date of the issuance of the Offer Bonds, and which breach or violation, if remediable, is not remedied by FLI or its Material Subsidiary within ten (10) Business Days from receipt of notice by the Trustee to FLI and if the effect of the failure to observe or perform such term, covenant or agreement is to cause such obligation to become due prior to its stated maturity unless these are diligently contested in good faith in appropriate proceedings.

(e) *Insolvency Default*

FLI and/or any of its Material Subsidiaries becomes insolvent or unable to pay its debts when due or commits or permits any act of bankruptcy, which term shall include, but shall not be limited to: (i) filing of a petition in any bankruptcy, reorganization (other than a labor or management reorganization), winding-up, suspension of payment or liquidation proceedings, or any other proceeding analogous in purpose and effect; (ii) appointment of a trustee or receiver of all or a substantial portion of its properties; (iii) making of an assignment for the benefit of its creditors; (iv) the admission in writing by FLI of its inability to pay its debts; or (v) the entry of any order or judgment of any court, tribunal or administrative agency or body confirming its bankruptcy or insolvency or approving any reorganization (other than a labor or management reorganization), winding-up, liquidation or appointment of trustee or receiver of FLI and/or any of its Material Subsidiaries or a substantial portion of its property or assets.

(f) *Closure Default*

FLI voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days except in the case of strikes or lockouts or when necessary to prevent business losses or when due to fortuitous events or force majeure or when suspension or cessation of operations, as the case may be, is required by the national government as a result of pandemic or epidemic.

(g) *Expropriation Default*

The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or the substantial portion of the operations of FLI and to condemn, seize, nationalize or appropriate (either with or without compensation) FLI or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by FLI.

(h) *Cancellation of Licenses, Permits, etc.*

Any of the licenses, permits, rights, options, or privileges presently or hereafter enjoyed, utilized or required in the conduct of the business or operations of FLI shall be revoked, cancelled, or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in each case in such manner as to materially and adversely affect the ability of FLI to meet its obligations under the Trust Agreement and the Offer Bonds, or any similar events that occur which materially and adversely affect the ability of FLI to meet its obligations under the Trust Agreement and the Offer Bonds.

(i) *Judgment Default*

Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of ₱500,000,000 or its equivalent in any other currency is entered against FLI and the enforcement of which is not stayed, and is not paid, discharged or duly bonded within thirty (30) calendar days after the date when payment of such judgment, decree or award is due under the applicable law or agreement.

(j) *Writ and Similar Process Default*

Any judgment, writ, warrant of attachment, injunction, stay order, execution or similar process shall be issued or levied against any material part of FLI's assets, business or operations and such judgment, writ, warrant or similar process shall not be released, vacated or fully bonded within thirty (30) calendar days after receipt of order relating to the issuance or levy on execution.

(k) *Non-Payment of Taxes*

Non-payment of any Taxes, or any assessments or governmental charges levied upon it or against its properties, revenues and assets by the date on which such Taxes, assessments or charges attached thereto, which are not contested in good faith by FLI, or after the lapse of any grace period that may have been granted to FLI by the Bureau of Internal Revenue or any other Philippine tax body or authority.

For purposes hereof, **"Material Subsidiaries"** means subsidiaries of FLI which each contribute to at least 10% of FLI's consolidated revenues or consolidated net income per fiscal year.

11. Consequences of Default

Subject to the terms of the Trust Agreement, the Trustee shall, within ten (10) Business Days after receiving notice, from the Issuer or the Majority Bondholders, or having knowledge of the occurrence of any Event of Default pursuant to Section 3.01(b) of the Trust Agreement, give to all the Bondholders written notice of such Event of Default known to it unless the same shall have been cured before the giving of such notice.

The written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in Metro Manila for two (2) consecutive days, further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain any information relating to such occurrence of an Event of Default at the principal office of the Trustee upon presentation of sufficient and acceptable identification consistent with the Bondholders' records of the Registrar.

If any one or more of the Events of Default occur and continue without the same being cured within the periods provided in the Trust Agreement and in these terms and conditions, the Trustee, acting upon the written direction of persons holding more than 50% of the aggregate principal amount of the issued Offer Bonds (the "**Majority Bondholders**"), following notification from the Trustee in case of a potential Event of Default pursuant to Section 3.01(b) of the Trust Agreement, shall, by notice in writing delivered to FLI, all the Bondholders, with a copy furnished the Paying Agent and Registrar, declare the principal of the Offer Bonds, including all accrued interest and other charges thereon, if any, to be immediately due and payable, and upon such declarationthe same shall be immediately due and payable.

All the unpaid obligations under the Offer Bonds, including accrued Interest, and all other amounts payable thereunder, shall be declared to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by FLI.

12. Notice of Default

The Trustee shall, within ten (10) Business Days after receiving notice from the Issuer or the Majority Bondholders or having knowledge, pursuant to Section 3.01(b) of the Trust Agreement, the occurrence of any Event of Default, give to the Bondholders written notice of such Event of Default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of payment default under Section 10(a) above, the Trustee shall immediately notify the Bondholders upon the occurrence of such payment default. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in the Philippines for two (2) consecutive days, further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain any information relating to such occurrence of an Event of Default at the principal office of the Trustee upon presentation of sufficient and acceptable identification to the Trustee.

13. Penalty Interest

In case any amount payable by FLI under the Offer Bonds, whether for principal, interest, or fees due to Trustee, Registrar, Paying Agent or otherwise, is not paid on due date, FLI shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay penalty interest on the defaulted amount(s) at the rate of 12% per annum (the "**Penalty Interest**") from the time the amount falls due until it is fully paid.

14. Payment in the Event of Default

FLI covenants that upon the occurrence of any Event of Default, FLI shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Offer Bonds with interest at the rate borne by the Offer Bonds on the overdue principal and with Penalty Interest as described above, where applicable, and in addition thereto, FLI shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without gross negligence or bad faith by the Trustee.

15. Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Agreement and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first*, to the payment to the Trustee, the Paying Agent and the Registrar, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without gross negligence or bad faith; *second*, to the payment of the interest in default, in theorder of the maturity of such interest with Penalty Interest; *third*, to the payment of the whole amount then due and unpaid upon the Offer Bonds for principal and interest, with Penalty Interest; and *fourth*, the remainder, if any shall be paid to FLI, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. Except for any interest and principal payments, all disbursements of the Paying Agent in relation to the Offer Bonds shall require the conformity of the Trustee. The Paying Agent shall render a monthly account of such funds under its control.

16. Prescription

Claims with respect to principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

17. Remedies

All remedies conferred by the Trust Agreement to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra-judicial proceedings appropriate to enforce the conditions and covenants of the Trust Agreement, subject to the discussion below on *"Ability to File Suit"*. No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Agreement to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

18. Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Agreement to institute any suit, action or proceeding for the collection of any sum due from FLI hereunder on account of principal, interest and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such Bondholder previously gave to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Offer Bonds; (ii) the Majority Bondholders shall have decided and made a written request upon the Trustee to institute such suit, action, or proceeding in the latter's name; (iii) the Trustee neglected or refused to institute any such suit, action, or proceeding for sixty (60) days after receipt of such notice and request; and (iv) no directions inconsistent with such written request shall have been given or a waiver of default by the Bondholders have been made, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatsoever by virtue of or by availing of any provision of the Trust Agreement to affect, disturb or prejudice the rights of the holders of any other such Offer Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

19. Waiver of Default by the Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or the Majority Bondholders may decide for and on behalf of the Bondholders to waive any past default, except the events of default specified in Sections 10 (a), (d), (e), (f), and (g) above. In case of any such waiver, FLI, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Offer Bonds.

20. Trustee Notices

(a) *Notice to the Trustee*

All documents required to be submitted to the Trustee pursuant to the Trust Agreement and this Offer Supplement and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee:	Metropolitan Bank & Trust Company – Trust Banking Group
Attention:	Mary Grace Gatchallan and/or Mary Florence de Vera
Subject:	Filinvest Land, Inc. Fixed Rate Bonds Due Series B Due 2030, Series C Due 2031, and Series D Due 2035
Address:	16th Floor, Metrobank Center, 35th St. corner 7th Ave., Bonifacio Global City, Taguig City
Telephone:	88596300 local 5265 / 88596300 local 5251
E-mail address:	grace.gatchallan@metrobank.com.ph / florence.devera@metrobank.com.ph

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

(b) *Notice to the Bondholders*

The Trustee shall send all notices to Bondholders to their mailing address as set forth in the Registry of Bondholders. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Registry of Bondholders. The Trustee shall rely on the Registry of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received: (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on the date of publication; or (iv) on the date of delivery, for personal delivery; or (v) on the date of receipt of the e-mail in readable form.

(c) *Binding and Conclusive Nature*

Except as provided in the Trust Agreement, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Agreement, shall (in the absence of willful default, bad faith or manifest error) be binding on FLI and all Bondholders. No liability to FLI, the Paying Agent or the Bondholders shall attach to the Trustee in connection with theexercise or non-exercise by it of its powers, duties and discretions under the Trust Agreement resulting from the Trustee's reliance on the foregoing.

21. Duties and Responsibilities of the Trustee

(a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Agreement.

(b) The Trustee shall act as trustee for and in behalf of the Bondholders and as such shall, in accordance with the terms and conditions of the Trust Agreement, monitor the compliance or non-compliance by FLI with all its representations and warranties, and the observance by FLI of all its covenants and performance of all its obligations, under and pursuant to the Trust Agreement. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Agreement. For the avoidance of doubt, notwithstanding any actions that the Trusteemay take, the Trustee shall be responsible to the Bondholders, and the Bondholders shall solely communicate with the Trustee in respect to any matters that must be taken up with FLI.

(c) The Trustee shall have custody of and hold in its name, for and on behalf of the Bondholders, the Master Certificate of Indebtedness for the total issuance of the Offer Bonds.

(d) The Trustee shall promptly and faithfully carry out the instructions or decisions of the Majority Bondholders issued or reached in accordance with Section 11 above.

(e) The Trustee shall, from time to time, request the Issuer to submit such certification of its officers, reports of its external auditors, and other documents relating to the Issuer's ability to comply with its obligations under the Offer Bonds and this Agreement, as well as to examine such records of the Issuer as may be related to the Issuer's obligations under the Offer Bonds and the Trust Agreement.

(f) The request shall be reasonable, made not less than seventy-two (72) hours prior to the intended date of examination and shall be in writing to the Issuer which shall include, in reasonable detail, the purpose for such request and the intended use of the requested documents or information. The Issuer may require the Trustee, its directors, officers, employees, representatives, agents, partners, consultants and advisors to hold in confidence such documents and information furnished to the Trustee pursuant to said request or to limit the use thereof for the purpose intended as stated in the request provided such limitation shall not apply if in conflict with the duties and responsibilities of the Trustee under any provision of the Trust Agreement.

(g) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Agreement. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Agreement, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters, exercise in the management of their own affairs.

(h) The Trustee shall inform the Bondholders of any event which has a Material Adverse Effect (as defined in the Trust Agreement) on the ability of the Issuer to comply with its obligations to the Bondholders, breach of representations and warranties, and Events of Default within a reasonable period from the time that the Trustee learns of such events, subject to Section 12 above.

(i) The Trustee shall perform such other powers and functions as provided for elsewhere under the Trust Agreement.

(j) None of the provisions contained in the terms and conditions or this Offer Supplement shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of itsduties or in the exercise of any of its rights or powers.

22. Resignation and Change of Trustee

(a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to FLI and to the Bondholders of such resignation. Upon receiving such notice of resignation of FLI, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be deliveredto the resigning Trustee and one (1) copy to the successor trustee. If no successor shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee, or any Bondholder who has beena *bona fide* holder for at least six months (the "**Bona Fide Bondholder**") may, on behalf of himself and all the other Bondholders, petition any such court of competent jurisdiction for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, prescribe and appoint a successor trustee.

(b) A successor trustee should possess all the qualifications required under pertinent laws, otherwise, the incumbent trustee shall continue to act as such in a temporary hold-over capacity until such qualified successor trustee has been appointed subject to Section 22(a) above.

(c) In case at any time any of the following shall occur – (i) the Trustee fails to comply with the provisions of Section 22(a) above after written request therefor by the Issuer or by the Majority Bondholders; (ii) the Trustee ceases to be eligible in accordance with the provisions of Section 3.02 of the Trust Agreement and fails to resign after written request therefor by the Issuer or by any Bona Fide Bondholder; or (iii) the Trustee becomes incapable of acting, or is adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property is appointed, or any public officer takes charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then FLI may within thirty (30) days from there remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its duly authorized officers, one (1) copy of which instrument shall be delivered to the Trustee so removed and one (1) copy to the successor trustee. If FLI fails to remove the Trustee concerned and appoint a successor trustee, any Bona Fide Bondholder may, on behalf of himself and all other Bondholders, petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee.

(d) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to FLI of the required evidence of the action in that regard taken by the Majority Bondholders. This is without prejudice to whatever remedies may be available to the Majority Bondholders under the Law or in equity.

(e) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any of the provisions of the Trust Agreement shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Agreement; or (ii) the effectivity of the resignation notice sent by the Trustee under the Trust Agreement (the "**Resignation Effective Date**"); provided, however, that after the Resignation Effective Date and, as relevant, until such successor trustee is qualified and appointed, the resigning Trustee shall discharge duties and responsibilities solely as a custodian of records for turnover to the successor Trustee promptly upon the appointment thereof by FLI, the Majority Bondholders, or the court, as the case may be, and shall be entitled to be compensated with due and demandable fees stipulated in Section 3.04, par. (a) of the Trust Agreement for services already rendered.

(f) Within thirty (30) days from the effectivity of the resignation or removal of the Trustee and the appointment of the successor trustee, the Trustee shall transfer and turn over to the successor trustee, and shall make an accounting of, all the assets, documents or instruments which are in the custody of the Trustee pursuant to the Trust Agreement, if any.

23. **Successor Trustee**

(a) Any successor trustee appointed shall execute, acknowledge and deliver to FLI and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as trustee in the Trust Agreement. The foregoing notwithstanding, on the written request of FLI or of the successor trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor trustee, FLI shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.

(b) No successor Trustee shall accept appointment as provided in Section 3.10 of the Trust Agreement unless at the time of acceptance such successor Trustee is qualified and eligible under the provisions of Section 3.02 of the Trust Agreement and has none of the conflict of interest under Section 3.08 of the Trust Agreement.

(c) Upon acceptance of the appointment by a successor trustee, FLI shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If FLI fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the trustee, the latter shall cause the Bondholders to be notified at the expense of FLI.

24. Reports to the Bondholders

(a) The Trustee shall submit to the Bondholders on or before February 28 of each year from the Issue Date until full payment of the Offer Bonds a brief report dated as of December 31 of the immediately preceding year with respect to:

(i) The property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report which shall be based on the report to be given by the Paying Agent to the Trustee upon request by the Trustee through the Issuer; and

(ii) Any action taken by the Trustee in the performance of its duties under the Trust Agreement which it has not previously reported and which in its opinion materially affects the Offer Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.

(b) The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the Offer Bonds at such time.

(c) The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:

(i) Trust Agreement

(ii) Registry and Paying Agency Agreement

(iii) Articles of Incorporation and By-Laws of the Company

(iv) SEC Permit to Offer Securities for Sale

25. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or on behalf of the Bondholders of any specified aggregate principal amount of the Offer Bonds under any other provisions of the Trust Agreement or under the law and such other matters related to the rights and interests of the Bondholders under the Offer Bonds.

(a) *Notice of Meetings*

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Offer Bonds (or, as applicable, the relevant series thereof) may direct the Trustee in writing to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to FLI and to each of the registered Bondholders (or, as applicable, the relevant series thereof) not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. Each of such notices shall be published in a newspaper of general circulation as provided in the Trust Agreement. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the notices for the requested meeting shall be reimbursed by FLI within ten (10) days from receipt of the duly supported billing statement. Meetings may be either in person or through teleconference, videoconference or through similar modes of modern communication technology.

(b) *Failure of the Trustee to Call a Meeting*

In case at any time FLI or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Offer Bonds (or, as applicable, the relevant series thereof) shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then FLI or the Bondholders (or, as applicable, the relevant series thereof) may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

(c) *Quorum*

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy based on the list of the Bondholders prepared by the Registrar and Paying Agent in accordance with the Registry and Paying Agency Agreement, which list shall include all information necessary for the performance of the duties and powers of the Trustee under the Trust Agreement, such as, but not limited to, specimen signatures of the Bondholders' authorized signatories. The presence of the Majority Bondholders shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

(d) *Procedure for Meetings*

(i) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by FLI or by the Bondholders, in which case FLI or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.

(ii) Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held on another date without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Offer Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) *Voting Rights*

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one (1) or more Offer Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one vote for every Ten Thousand Pesos (₱10,000) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of FLI and its legal counsel.

(f) *Voting Requirement*

All matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Agreement (please refer to the preceding discussion on "Quorum"). Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided in the Trust Agreement shall be binding upon all the Bondholders and FLI as if the votes were unanimous.

(g) *Role of the Trustee in Meetings of the Bondholders*

Notwithstanding any other provisions of the Trust Agreement, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the Offer Bonds, the appointment of proxies by registered holders of the Offer Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit. The elected secretary shall take down the minutes of the meeting, covering all matters presented for resolution by, and the results of the votes cast by, the Bondholders entitled to vote at the meeting and/or the person appointed in writing by a public instrument as proxy or agent by any such Bondholder in accordance with the procedure set forth in Section 11.07 of the Trust Agreement. The elected secretary shall immediately provide the Trustee with a copy of the minutes of the meeting which copy shall be made available at any time to the Issuer and all Bondholders upon receipt of written request.

26. Amendments

FLI and the Trustee may, without prior notice to or the consent of the Bondholders or other parties, amend or waive any provisions of the Agreements if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

FLI and the Trustee may amend the terms and conditions of the Offer Bonds without notice to every Bondholder but with the prior written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the Offer Bonds). However, without the consent of each Bondholder affected thereby, an amendment may not:

a. reduce the amount of Bondholder that must consent to an amendment or waiver;

b. reduce the rate of or extend the time for payment of interest on any Offer Bond;

c. reduce the principal of or extend the Maturity Date of any Offer Bond;

d. impair the right of any Bondholder to receive payment of principal of and interest on such Bondholder's Offer Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Bondholders;

e. reduce the amount payable upon the redemption or repurchase of any Offer Bond under the terms and conditions or change the time at which any Bond may be redeemed;

f. make any Offer Bond payable in money other than that stated in the Bond;

g. subordinate the Offer Bonds to any other obligation of FLI;

h. release any security interest that may have been granted in favor of the Bondholders;

i. amend or modify the provisions of the Trust Agreement and the Taxation and Yield Protection, the Events of Default or the Waiver of Default by the Bondholders sections; or

j. make any change or waiver of this Section 26 Amendments.

It shall not be necessary for the consent of the Bondholders under this condition to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Section 26 Amendments becomes effective, FLI shall send a notice briefly describing such amendment to the Bondholders in the manner provided in the section entitled "Notices."

27. Evidence Supporting the Action of the Bondholders

Wherever in the Trust Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Offer Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing; or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith; or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

28. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the

Trustee, made its own credit investigation and appraisal of the financial condition and affairs of FLI on the basis of such documents and information as it has deemed appropriate and that he has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature with respect to its obligations under the Trust Agreement, except for its gross negligence or willful misconduct.

29. Own Risk

Bondholders understand and acknowledge that investment in the Offer Bonds is not covered by the Philippine Deposit Insurance Corporation ("**PDIC**") and that any loss or depreciation in the value of the assets of the Bondholders, resulting from the investments or reinvestment in the Offer Bonds and the regular conduct of the Trustee's trust business shall be for the account of the Bondholder.

30. Governing Law

The Bond Agreements are governed by and are construed in accordance with Philippine law.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of the Company's recent financial results should be read in conjunction with the auditors' reports and the Company's consolidated financial statements and notes thereto contained in this Offer Supplement and thesection entitled "Summary of Financial Information". This discussion contains forward-looking statements and reflects the current views of the Company with respect to future events and financial performance. Actual results maydiffer materially from those anticipated in these forward-looking statements as a result of certain factors such as thoseset forth in the section entitled "Risk Factors" and elsewhere in this Offer Supplement.

<u>Results of operations for the nine months ended September 30, 2024 compared to nine months ended September 30, 2023</u>

	For the nine months ended September 30,			
	2024 (Unaudited)	2023 (Unaudited)	Change (In PHP)	Change (In %)
	(in millions except % figures)			
REVENUE				
Real estate sales	₱11,892.13	₱9,827.65	₱2,064.48	21.01%
Rental and related services	5,711.29	5,356.37	354.92	6.63%
Total Revenue	17,603.42	15,184.02	2,419.40	15.93%
EQUITY IN NET EARNINGS OF ASSOCIATES	250.50	141.41	109.09	77.14%
OTHER INCOME				
Interest income	303.86	192.17	111.69	58.12%
Others - net	280.11	202.54	77.57	38.30%
	18,437.89	15,720.14	2,717.75	17.29%
COSTS				
Real estate sales	5,847.37	5,498.62	348.75	6.34%
Rental and related services	2,744.88	2,432.87	312.01	12.82%
OPERATING EXPENSES				
General and administrative expenses	1,138.38	906.33	232.05	25.60%
Selling and marketing expenses	1,880.09	1,623.25	256.84	15.82%
INTEREST AND OTHER FINANCE CHARGES	2,640.72	1,982.35	658.37	33.21%
	14,251.44	12,443.42	1,808.02	14.53%
INCOME BEFORE INCOME TAX	4,186.45	3,276.72	909.73	27.76%
PROVISION FOR (BENEFIT FROM) INCOME TAX	718.21	470.05	248.16	52.79%
NET INCOME	₱3,468.24	₱2,806.67	₱661.57	23.57%
Net income attributable to:				
Equity holders of the parent	₱3,115.08	₱2,441.77	₱673.31	27.57%
Non controlling interest	353.16	364.90	(11.74)	(3.22%)
	₱3,468.24	₱2,806.67	₱661.57	23.57%

For the nine months ended September 30, 2024, FLI's consolidated net income increased by ₱661.57 million or 23.57%, from ₱2,806.67 million to ₱3,468.24 million coming mainly from the growth in the residential segment.

Revenues and other income
Total consolidated revenues and other income increased by ₱2,717.75 million or 17.29% year-on-year from ₱15,720.14 million for the nine months ended September 30, 2023 to ₱18,437.89 million for the nine months ended September 30, 2024 which was driven by the growth in residential segment.

Real estate sales grew ₱2,064.48 million or 21.01% compared to prior year, from ₱9,827.65 million for the nine months ended September 30, 2023 to ₱11,892.13 million for the nine months ended September 30, 2024 mainly resulting from construction percentage of completion achieved during the period and accelerated collections. Real estate sales booked during the year broken down by product type are as follows: Medium Income at 76.16%, inclusive of medium-rise buildings (MRB) and high-rise buildings (HRB); Affordable and low affordable at 11.28%; High-End and Others at 8.12%; and Socialized at 4.44%.

Rental and related services increased by ₱354.92 million or by 6.63% vs. last year, from ₱5,356.37 million for the nine months ended September 30, 2023 to ₱5,711.29 million for the nine months ended September 30, 2024. Retail leasing (cinema operations, tenant dues and rental and related services from mall and other operations) grew by ₱257.05 million or 13.16% which was mainly due to higher occupancy levels, rental escalation rates, and the removal of rental concessions. Co-living (dormitel segment) contributed to the increase by ₱64.29 million or 59% from the operations of The Crib Clark, while Office leasing contributed ₱97.88 million or 2.88% from higher gross leasable area and net effective rate.

Equity in net earnings of associates increased by ₱109.09 million or by 77.14% year-on-year from ₱141.41 million for the nine months ended September 30, 2023 to ₱250.50 million for the nine months ended September 30, 2024 mainly due to share in net income from operations reported by FAI and SPI.

Interest income increased by ₱111.69 million or by 58.12% compared to the prior year, from ₱192.17 million for the nine months ended September 30, 2023 to ₱303.86 million for the nine months ended September 30, 2024, mainly from installment contract receivable from buyers.

Other income increased by ₱77.57 million or by 38.30% vs. last year from ₱202.54 million for the nine months ended September 30, 2023 to ₱280.11 million for the nine months ended September 30, 2024 due to higher income generated from processing fees.

Costs and Expenses

Cost of real estate sales increased by ₱348.75 million or by 6.34%, year-on-year from ₱5,498.62 million for the nine months ended September 30, 2023 to ₱5,847.37 million for the nine months ended September 30, 2024 due to higher real estate revenues realized for the period.

Cost of rental services increased by ₱312.01 million or by 12.82% compared to prior year from ₱2,432.87 million for the nine months ended September 30, 2023 to ₱2,744.88 million for the nine months ended September 30, 2024 due mainly to higher direct operating expenses as a result of increased level of operations in the retail segment and depreciation from newly opened buildings.

Selling & marketing expenses increased by ₱232.05 million or by 25.60% year-on-year from ₱906.33 million for the nine months ended September 30, 2023 to ₱1,138.38 million for the nine months ended September 30, 2024 mainly due to increase in commission from higher residential revenue, and additional manpower overhead costs/services fees incurred for sales generation.

General and administrative expenses increased by ₱256.84 million or by 15.82%, vs. last year from ₱1,623.25 million for the nine months ended September 30, 2023 to ₱1,880.09 million for the nine months ended September 30, 2024 primarily due to higher manpower costs, taxes and licenses, professional fees, security & janitorial, and dues for additional infrastructure rehabilitation.

Interest and other finance charges

Interest and other finance charges increased by ₱658.37 million or by 33.21% compared to prior year from ₱1,982.35 million in 2023 to ₱2,640.72 million in 2024 primarily due to non-capitalization of borrowing costs for lots, condominium and residential units for sale.

Provision for Income Tax

Provision for income tax increased by ₱248.16 million or 52.79% in 2024 versus 2023, from ₱470.05 million to ₱718.21 million, due to higher deferred tax from temporary differences.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Financial Condition as of September 30, 2024 compared to as of December 31, 2023

	September 30, 2024 (unaudited)	December 31, 2023 (audited)	Change (In PHP)	Change (In %)
		(in millions except % figures)		
ASSETS				
Cash and cash equivalents	₱5,479.54	₱5,732.01	(₱252.47)	(4.40%)
Contracts receivables	2,320.88	1,837.83	483.05	26.28%
Contract assets	5,513.14	4,745.83	767.31	16.17%
Other receivables	3,676.09	3,465.06	211.03	6.09%
Real estate inventories	69,023.40	72,634.83	(3,611.43)	(4.97%)
Other current assets	7,945.47	7,192.43	753.04	10.47%
Contract assets – net of current portion	2,849.58	5,037.94	(2,188.36)	(43.44%)
Investments in associates	5,364.40	5,219.90	144.50	2.77%
Investment properties	83,835.22	79,659.34	4,175.88	5.24%
Property and equipment	5,994.26	5,673.01	321.25	5.66%
Deferred income tax assets	66.70	48.48	18.22	37.58%
Goodwill	4,567.24	4,567.24	-	0.00%
Build-transfer-operate (BTO) Rights	6,396.04	6,387.60	8.44	0.13%
Other noncurrent assets	2,820.64	2,274.58	546.06	24.01%
TOTAL ASSETS	₱205,852.60	₱204,476.08	₱1,376.52	0.67%
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accrued expenses	₱10,841.27	₱12,551.17	(₱1,709.90)	(13.62%)
Contract liabilities	648.23	792.40	(144.17)	(18.19%)
Lease liabilities – current portion	196.12	175.46	20.66	11.77%
Due to related parties	247.65	488.49	(240.84)	(49.30%)
Income tax payable	68.35	21.56	46.79	217.02%
Current portion of loans payable	15,209.00	16,480.44	(1,271.44)	(7.71%)
Current portion of bonds payable	11,544.19	1,697.34	9,846.85	580.13%
Loans payable – net of current portion	24,318.12	20,507.49	3,810.63	18.58%
Bonds payable – net of current portion	25,988.47	35,771.17	(9,782.70)	(27.35%)
Contract liabilities – net of current portion	56.90	149.95	(93.05)	(62.05%)
Lease liabilities – net of current portion	6,691.90	6,544.40	147.50	2.25%
Net retirement liabilities	454.34	437.19	17.15	3.92%
Deferred income tax liabilities - net	4,596.88	5,649.15	(1,052.27)	(18.63%)
Accounts payable and accrued expenses – net of current portion	12,651.74	8,938.00	3,713.74	41.55%
Total Liabilities	113,513.16	110,204.21	3,308.95	3.00%
EQUITY				
Common stock	₱24,470.71	₱24,470.71	₱-	0.00%

	September 30, 2024 (unaudited)	December 31, 2023 (audited)	Change (In PHP)	Change (In %)
Preferred stock	80.00	80.00	-	0.00%
Additional paid-in capital	5,612.32	5,612.32	-	0.00%
Treasury stock	(221.04)	(221.04)	-	0.00%
Retained earnings	60,239.19	62,061.52	(1,822.33)	(2.94%)
Revaluation reserve on financial assets at fair value through other comprehensive income	(2.62)	(2.62)	-	0.00%
Remeasurement gains on retirement plan	47.52	47.52	-	0.00%
Share in other components of equity of associates	372.45	372.45	-	0.00%
Equity attributable to equity holders of the parent	90,598.53	92,420.86	(1,822.33)	(1.97%)
Noncontrolling interest	1,740.91	1,851.01	(110.10)	(5.95%)
Total Equity	92,339.44	94,271.87	(1,932.43)	(2.05%)
TOTAL LIABILITIES AND EQUITY	₱205,852.60	₱204,476.08	₱1,376.52	0.67%

As of September 30, 2024, FLI's total consolidated assets stood at ₱205.85 billion from ₱204.48 billion as of December 31, 2023, an increase of ₱1.38 billion or 0.67%. Following are the material changes in account balances:

4.40% Decrease in Cash and Cash Equivalents
Primarily due to additions to real estate inventories, investment properties, property, and equipment and BTO rights tempered by increased net cash provided by operating activities on account of increased collections.

8.09% Overall Decrease in Contract Receivables and Contract Assets
26.28% increase in contract receivables; 14.52% decrease in contract assets (16.17% increase in contract assets – current portion; 43.44% decrease in contract assets – net of current portion)
Mainly due to increased collections, including receipt of bank takeouts.

6.09% Increase in Other Receivables
Mainly due to increases in receivable from associates, rent receivable from tenants and advances for taxes and permits required for various residential and leasing projects.

4.97% Decrease in Real Estate Inventories
Primarily because of the adoption of PFRS 15 on non-capitalization of borrowing costs which resulted to the removal of previously capitalized interest in beginning inventory.

13.72% Overall Increase in Other Assets
10.47% Increase in Other Current Assets; 24.01% Increase in Other Noncurrent Assets
Largely due to increases in input taxes, creditable withholding taxes and prepaid expenses. The increase in other noncurrent assets pertains to advances to contractors and suppliers.

37.58% Increase in Deferred Income Tax Assets
Mainly due to the increase in advance rentals.

9.32% Overall Increase in Accounts Payable and Accrued Expenses
13.62% Decrease in Accounts Payable and Accrued Expenses – current; 41.55% Increase in Accounts Payable and Accrued Expenses – non-current
Increase in non-current accounts payable and accrued expenses is primarily due to increase in retention fees, deposits from tenants and registration fees from buyers.

25.17% Overall Decrease in Contract Liabilities
18.19% decrease in contract liabilities - current; 62.05% decrease in contract liabilities – net of current portion
Overall decrease is due to construction of existing projects during the period.
49.30% Decrease in Due to Related Parties
Mainly due to partial payment by FILRT to FDC on purchase of Boracay lot.

217.02% Increase in Income Tax Payable
Due to the higher net taxable income of the Group.

6.86% Overall Increase in Loans Payable
7.71% decrease in loans payable – current portion; 18.58% increase in loans payable – net of current portion
Mainly due to availment of various loans totaling ₱25.90 billion during 2024, net of ₱23.20 billion loan repayments.

0.17% Overall Decrease in Bonds Payable
580.13% increase in bonds payable – current portion; 27.35% decrease in bonds payable – net of current portion
Movements in bonds payable are mostly attributable to the reclassification of bonds payable from non-current to current based on bonds maturities.

2.50% Overall Increase in Lease Liabilities
11.77% increase in lease liabilities – current portion; 2.25% increase in lease liabilities – net of current portion
The increase is mainly due to the amortization of interest expense on lease liabilities.

18.63% Overall Decrease in Deferred Tax Liabilities
The decrease is mainly due to the deferred tax impact on application of PFRS 15 on reversal of capitalized borrowing cost.

Material Changes in Liquidity and Cash Reserves for the nine-month period ended September 30, 2024 versus September 30, 2023

FLI Group registered a net cash outflow of ₱252.47 million for the nine months ended September 30, 2024. Decrease in cash used in investing and financing activities was offset by lower net cash provided by operating activities due to higher project expenditures.

Investing activities used ₱3.53 billion during the period versus ₱3.71 billion in the same period last year mainly due to lower acquisitions related to BTO rights and dividends received during the period.

Financing activities used ₱3.47 billion primarily on payments of loan principal and interests and cash dividends, tempered by loan availments during the year. During the same period in 2023, net cash used in financing activities amounted to ₱3.90 billion on payments of interest expense, principal loans and bonds and cash dividends, offset by loan availments.

Net decrease in cash and cash equivalents as of September 30, 2024 amounting to ₱252.47 million is ₱316.88 million lower than the same period last year.

Performance Indicators

		September 30 2024 (Unaudited)	September 30 2023 (Unaudited)	December 31 2023 (Audited)
1	Earnings per Share - Basic[1]	0.13	0.10	0.16
2	Earnings per Share - Diluted[2]	0.13	0.10	0.16
3	Price Earnings Ratio[3]	4.73	4.62	3.69
4	Interest-bearing Debt to Equity Ratio[4]	0.83	0.81	0.79
5	Debt Ratio[5]	0.55	0.54	0.54
6	EBITDA to Total Interest Paid [6]	2.05	2.21	2.18

[1] Basic earnings per share amounts are calculated by dividing net income for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

[2] *Diluted earnings per share amounts are calculated by dividing the net income attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.*

[3] *Price Earnings Ratio is computed as closing price of the Parent Company's shares of stock divided by annualized actual earnings per share for the periods ended September 30, 2024 and 2023 and December 31, 2023. Closing price as of September 30, 2024, September 30, 2023 and December 31, 2023 is 0.81, 0.62 and 0.59, respectively.*

[4] *Interest-bearing Debt-to-Equity Ratio is computed as the sum of consolidated loans payable and consolidated bonds payable divided by total equity.*

[5] *Debt Ratio is computed as total liabilities divided by total assets*

[6] *EBITDA to Total Interest Paid is computed as EBITDA (net income plus interest and other finance charges (including interest expense on financial liability on lease contract), provision for income tax, depreciation and amortization) divided by total interest paid.*

Results of operations for the years ended December 31, 2023 compared to year ended December 31, 2022

	For the years ended December 31, 2023 (audited)	2022 (audited)	Change (In PHP)	Change (In %)
	(in millions except % figures)			
REVENUE				
Real estate sales	₱14,486.51	₱12,836.06	₱1,650.45	12.86%
Rental and related services	7,200.95	6,350.41	850.54	13.39%
Total Revenue	21,687.46	19,186.47	2,500.99	13.04%
EQUITY IN NET EARNINGS OF ASSOCIATES	242.01	78.96	163.05	206.50%
OTHER INCOME				
Interest income	283.98	367.05	(83.07)	(22.63%)
Others - net	340.89	311.87	29.02	9.31%
	22,554.34	19,944.35	2,609.99	13.09%
COSTS				
Real estate sales	8,101.49	7,354.69	746.80	10.15%
Rental and related services	3,122.34	2,583.49	538.85	20.86%
OPERATING EXPENSES				
General and administrative expenses	2,584.60	2,313.06	271.54	11.74%
Selling and marketing expenses	1,370.14	1,150.64	219.50	19.08%
INTEREST AND OTHER FINANCE CHARGES	2,434.39	2,294.25	140.14	6.11%
	17,612.96	15,696.13	1,916.83	12.21%
INCOME BEFORE INCOME TAX	4,941.38	4,248.22	693.16	16.32%
PROVISION FOR (BENEFIT FROM) INCOME TAX	645.34	727.08	(81.74)	(11.24%)
NET INCOME	₱4,296.04	₱3,521.14	₱774.90	22.01%
Net income attributable to:				
Equity holders of the parent	₱3,765.39	₱2,889.92	₱875.47	30.29%
Noncontrolling interest	530.65	631.22	(100.57)	(15.93%)
	₱4,296.04	₱3,521.14	₱774.90	22.01%

For the year ended December 31, 2023, FLI’s net income from its business segments increased by ₱774.91 million or 22.01%, from ₱3,521.14 million in 2022 to ₱4,296.04 million in 2023 primarily due to the growth of the residential and leasing business segments.

Revenues and other income

Total consolidated revenues and other income increased by ₱2.61 billion or 13.09% year-on-year from ₱19.94 billion in 2022 to ₱22.55 billion in 2023 due to higher revenues generated from residential, retail and office leasing businesses.

Real estate sales grew by ₱1.65 billion or 12.86% compared to prior year, from ₱12.84 billion in 2022 to ₱14.49 billion in 2023 primarily attributed to higher construction percentage of completion achieved during the year. Real estate sales booked during the year broken down by product type are as follows: Medium Income 67.89% (inclusive of MRB and HRB); Affordable and low affordable 23.25%; High-End 5.9%; Socialized 2.96%.

Rental and other services improved by ₱850.54 million or 13.39% vs. last year, from ₱6,350.41 million in 2022 to ₱ 7,200.95 million in 2023. Mall rentals revenue grew by ₱534.44 million or 32% driven by gradual reduction of rental concessions, reinstatement of escalation rates and increased occupancy levels. On the other hand, the office sector remained stable with an increase of ₱76.74 million or 2% despite continuing challenges on account of flexible work arrangements and slow return-to-office set-up and pre-termination of leases from POGO tenants. During the year, FLI started operations on its co-living or dormitel business in Filinvest Mimosa+ Leisure City which contributed to ₱180.86 million in revenues.

Equity in net earnings of associates increased by ₱163.05 million or 206.50% year-on-year from ₱78.96 million in 2022 to ₱242.01 million in 2023 due to higher net income reported by FAI and the improvement in operations of SPI, Pro-Excel and CTI.

Interest income declined by ₱83.07 million or 22.63% compared to prior year, from ₱367.05 million in 2022 to ₱283.98 million in 2023 due to lower interest income derived from installment contract receivables for in-house financing scheme as we are prioritizing bank financed loans.

Other income increased by ₱29.01 million or 9.30% against last year, from ₱311.87 million in 2022 to ₱340.88 million in 2023 due to higher income generated from processing fees.

Costs and Expenses

Cost of real estate sales increased by ₱746.79 million or 10.15%, year-on-year from ₱7,354.69 million in 2022 to ₱ 8,101.49 million in 2023 due to higher real estate revenues realized during the year.

Cost of rental services went up by ₱538.85 million or 20.86% compared to prior year from ₱2,583.49 million in 2022 to ₱3,122.34 million in 2023 due to higher direct operating expenses during the year on account of improving business activities in the leasing segment.

General and administrative expenses increased by ₱271.54 million or 11.74% against last year from ₱2,313.06 million in 2022 to ₱2,584.60 million in 2023 primarily due to higher manpower costs, taxes and licenses and increased repairs and maintenance expenses for the managed projects.

Selling & marketing expenses increased by ₱219.49 million or 19.08% year-on-year from ₱1,150.64 million in 2022 to ₱1,370.13 million in 2023 on account of higher commissions, local and international branch sale offices and sales and marketing activities designed to generate sales.

Interest and other finance charges

Interest and other finance charges increased by ₱140.15 million or 6.11 % compared to prior year from ₱2,294.24 million in 2022 to ₱2,434.39 million in 2023 mainly from higher average interest rates.

Provision for Income Tax

Total provision for income tax decreased by ₱81.74 million or 11.24% against last year from ₱727.08 million in 2022 to ₱645.34 million in 2023, as the taxable income decreased due mainly to more projects enjoying special tax rates such as PEZA and BOI).

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Financial Condition as of December 31, 2023 compared to as of December 31, 2022

	As of December 31, 2023 (audited)	2022 (audited)	Change (In PHP)	Change (In %)
		(in millions except % figures)		
ASSETS				
Cash and cash equivalents	₱5,732.01	₱6,619.13	(₱887.12)	(13.40%)
Contracts receivables	1,837.83	2,128.88	(291.05)	(13.67%)
Contract assets	4,745.83	5,399.79	(653.96)	(12.11%)
Other receivables	3,465.06	2,902.01	563.05	19.40%
Real estate inventories	72,634.83	71,326.49	1,308.34	1.83%
Other current assets	7,192.43	6,380.77	811.66	12.72%
Contract assets – net of current portion	5,037.94	5,083.16	(45.22)	(0.89%)
Investments in associates	5,219.90	5,135.02	84.88	1.65%
Investment properties	79,659.34	77,021.40	2,637.94	3.42%
Property and equipment	5,673.01	5,485.28	187.73	3.42%
Deferred income tax assets	48.48	91.38	(42.90)	(46.95%)
Goodwill	4,567.24	4,567.24	-	0.00%
Other noncurrent assets	8,662.18	7,974.63	687.55	8.62%
TOTAL ASSETS	₱204,476.08	₱200,115.18	₱4,360.90	2.18%
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accrued expenses	₱12,551.17	₱11,948.85	₱602.32	5.04%
Contract liabilities	792.40	1,012.29	(219.89)	(21.72%)
Lease liabilities – current portion	175.46	246.05	(70.59)	(28.69%)
Due to related parties	488.49	754.26	(265.77)	(35.24%)
Income tax payable	21.56	19.55	2.01	10.28%
Current portion of loans payable	16,480.44	8,446.98	8,033.46	95.10%
Current portion of bonds payable	1,697.34	15,017.44	(13,320.10)	(88.70%)
Loans payable – net of current portion	20,507.49	24,402.51	(3,895.02)	(15.96%)
Bonds payable – net of current portion	35,771.17	26,115.35	9,655.82	36.97%
Contract liabilities – net of current portion	149.95	283.07	(133.12)	(47.03%)
Lease liabilities – net of current portion	6,544.40	6,262.44	281.96	4.50%
Net retirement liabilities	437.19	431.31	5.88	1.36%
Deferred income tax liabilities - net	5,649.15	5,625.21	23.94	0.43%
Accounts payable and accrued expenses – net of current portion	8,938.00	8,047.13	890.87	11.07%
Total Liabilities	110,204.21	108,612.44	1,591.77	1.47%
EQUITY				
Common stock	₱24,470.71	₱24,470.71	₱-	0.00%
Preferred stock	80.00	80.00	-	0.00%
Additional paid-in capital	5,612.32	5,612.32	-	0.00%
Treasury stock	(221.04)	(221.04)	-	0.00%
Retained earnings	62,061.52	59,172.01	2,889.51	4.88%

	As of December 31,			
	2023 (audited)	2022 (audited)	Change (In PHP)	Change (In %)
Revaluation reserve on financial assets at fair value through other comprehensive income	(2.62)	(2.62)	-	0.00%
Remeasurement gains on retirement plan – net of tax	47.52	68.18	(20.66)	(30.30%)
Share in other components of equity of associates	372.45	372.45	-	0.00%
Equity attributable to equity holders of the parent	92,420.86	89,552.01	2,868.85	3.20%
Noncontrolling interest	1,851.01	1,950.73	(99.72)	(5.11%)
Total Equity	94,271.87	91,502.74	2,769.13	3.03%
TOTAL LIABILITIES AND EQUITY	₱204,476.08	₱200,115.18	₱4,360.90	2.18%

As of December 31, 2023, FLI's total consolidated assets stood at ₱204.48 billion from ₱200.12 billion as of December 31, 2022, an increase by ₱4.36 billion or 2.18%. The following are the material changes in account balances:

13.40% Decrease in Cash and Cash Equivalents
Mainly from capital expenditures on investment properties, property, and equipment, and BTO rights and payment of interest and cash dividends. This was partially offset by cash generated from the Group's operations.

7.85% Overall Decrease in Contract Receivables and Contract Assets
13.67% decrease in contract receivables; 6.67% decrease in contract assets (12.11% decrease in contract assets – current portion; 0.89% decrease in contract assets – net of current portion)
Decreases are mainly due to increased collections including receipt of bank takeouts while increases are primarily due to longer payment terms and new sales recognized during the year.

19.40% Increase in Other Receivables
Mainly due to increase in receivables from leasing tenants.

12.72% Overall Increase in Other Current Assets
Primarily due to additional input taxes, creditable withholding taxes, and advances to contractors.

46.95% Decrease in Deferred Income Tax Assets
Mainly from the decrease in deferred taxes attributable to advance rentals.

8.62% Increase in Other Noncurrent Assets
Increase was largely due to additional construction costs of Filinvest Cebu Cyberzone (known as "BTO rights") covered by the BTO agreement with the Provincial Government of Cebu and an investment in a 5-year, non-interest bearing, Class A Senior Notes issued by a third-party special purpose trust fund.

7.47% Overall Increase in Accounts Payable and Accrued Expenses
5.04% increase in Accounts Payable and Accrued Expenses – current portion; 11.07% increase in Accounts Payable and Accrued Expenses – net of current portion
Mainly from the unpaid balance of Niyog and Cajel acquisition, increase in deposit from tenants, and other operating payables of the Group.

27.25% Overall Decrease in Contract Liabilities
21.72% decrease in contract liabilities – current portion; 47.03% decrease in contract liabilities – net of current portion
Mainly because of the construction progress for the accounts already qualified for revenue recognition

35.24% Decrease in Due to Related Parties
Pertains to FILRT's continuing quarterly payments to FDC for the purchase of land In Boracay, Aklan, as part of its asset infusion program.

10.25% Increase in Income Tax Payable

Primarily due to higher 4th quarter income tax

12.60% Increase in Loans Payable
95.10% increase in Loans Payable – current portion; 15.96% decrease in Loans Payable – net of current portion
Attributable to newly availed loans of ₱24.66 billion offset by ₱20.53 billion repayments.

8.91% Decrease in Bonds payable
88.70% decrease in Bonds Payable – current portion; 36.97% increase in Bonds Payable – net of current portion
Primarily due to the settlement of FILRT's bonds of ₱6.00 billion in January 2023 and FLI's bonds of ₱9.04 billion in November 2023, partially offset by FLI's bond issuance amounting to ₱11.43 billion in December 2023.

1.36% Increase in Retirement Liabilities
Mainly from plan asset contribution and payments, offset by net benefit costs for the year.

30.31% Decrease on Remeasurement Losses on Retirement Plan
Mainly due to actuarial adjustments during the year.

5.74% Decrease in Non-controlling InterestsMainly due to dividend distributions higher than the income share of NCI.

<u>Results of operations for the for the years ended December 31, 2022 compared to year ended December 31, 2021</u>

	For the years ended December 31, 2022 (audited)	2021 (audited)	Change (In PHP)	Change (In %)
	(in millions except % figures)			
REVENUE				
Real estate sales	₱12,836.06	₱11,274.51	₱1,561.55	13.85%
Rental and related services	6,350.41	5,591.80	758.61	13.57%
Total Revenue	19,186.47	16,866.31	2,320.15	13.76%
EQUITY IN NET EARNINGS OF ASSOCIATES	78.96	112.02	(33.06)	(29.51%)
OTHER INCOME				
Interest income	367.05	409.61	(42.56)	(10.39%)
Others - net	311.87	350.98	(39.11)	(11.14%)
	19,944.35	17,738.92	2,205.43	12.43%
COSTS				
Real estate sales	7,354.69	6,443.69	911.00	14.14%
Rental and related services	2,583.49	2,430.62	152.87	6.29%
OPERATING EXPENSES				
General and administrative expenses	2,313.06	1,979.12	333.94	16.87%
Selling and marketing expenses	1,150.64	911.82	238.82	26.19%
INTEREST AND OTHER FINANCE CHARGES	2,294.25	2,426.79	(132.54)	(5.46%)
	15,696.13	14,192.04	1,504.09	10.60%
INCOME BEFORE INCOME TAX	4,248.22	3,546.88	701.34	19.77%
PROVISION FOR (BENEFIT FROM) INCOME TAX	727.08	(758.35)	1,485.43	(195.88%)
NET INCOME	₱3,521.14	₱4,305.23	(₱784.09)	(18.21%)
Net income attributable to:				
Equity holders of the parent	₱2,889.92	₱3,803.38	(₱913.46)	(24.02%)
Noncontrolling interest	631.22	501.85	129.37	25.78%
	₱3,521.14	₱4,305.23	(₱784.09)	(18.21%)

For the year ended December 31, 2022, FLI's net income from its business segments declined by ₱784.09 million or 18.21%, from ₱4,305.23 million in 2021 to ₱3,521.14 million in 2022 primarily due to ₱1.10 billion income tax benefit recognized last year due to CREATE law. Without the tax benefit, net income in 2021 will be at ₱3,183.95 million for a net income improvement of ₱337.19 million or 10.59% in 2022.

Revenues and other income

Total consolidated revenues and other income increased by ₱2,205.43 million or 12.43% year-on-year from ₱17,738.92 million in 2021 to ₱19,944.35 million in 2022 due to higher revenues generated from both residential and retail leasing businesses tempered by the slight decrease in the office leasing business.

Real estate sales grew by ₱1,561.55 million or 13.85% compared to prior year, from ₱11,274.51 million in 2021 to ₱12,836.06 million in 2022 primarily attributed to higher construction percentage of completion achieved during the year. Real estate sales booked during the year broken down by product type are as follows: Medium Income 69% (inclusive of MRB and HRB); Affordable and low affordable 21%; High-End 8%; Socialized 2%.

Rental and related services improved by ₱758.61 million or 13.57% vs. last year, from ₱5,591.80 million in 2021 to ₱6,350.41 million in 2022. Mall rentals (cinema operations, tenant dues and rental revenues from mall and other operations) more than doubled from year ago levels, from ₱796.10 million to ₱1,678.56 million or an increase of ₱882.46 million or 110.85% due to gradual reduction of rental concessions, reinstatement of escalation rates and increased occupancy levels. On the other hand, the office sector continued to face challenges on account of flexible work arrangements and slow return-to-office set-up and pre-termination of leases from POGO tenants which resulted to lower occupancy.

Equity in net earnings of associates decreased by ₱33.06 million or 29.51% year-on-year from ₱112.02 million in 2021 to ₱78.96 million in 2022 due to lower net income reported by FAI and the share in net loss from operations of DPI and CTI.

Interest income declined by ₱42.56 million or 10.39% compared to prior year, from ₱409.61 million in 2021 to ₱367.05 million in 2022 due to lower interest income derived from installment contract receivables for in-house financing scheme as we are prioritizing bank financed loans.

Other income lowered by ₱39.11 million or 11.14% vs. last year, from ₱350.98 million in 2021 to ₱311.87 million in 2022 due to lower income generated from processing fees.

Costs and Expenses

Cost of real estate sales increased by ₱911.00 million or 14.14%, year-on-year from ₱6,443.69 million in 2021 to ₱7,354.69 million in 2022 due to higher real estate revenues realized during the year.

Cost of rental services went up by ₱152.87 million or 6.29% compared to prior year from ₱2,430.62 million in 2021 to ₱2,583.49 million in 2022 due to higher direct operating expenses during the year on account of improving business activities in the retail segment.

General and administrative expenses increased by ₱333.94 million or 16.87% vs. last year from ₱1,979.12 million in 2021 to ₱2,313.06 million in 2022 primarily due to higher manpower costs, taxes and licenses and increased repairs and maintenance expenses for the managed projects.

Selling & marketing expenses increased by ₱238.82 million or 26.19% year-on-year from ₱911.82 million in 2021 to ₱1,150.64 million in 2022 due to higher commissions and sales generation activities which resulted to higher option sales for the year.

Interest and other finance charges

Interest and other finance charges decreased by ₱132.54 million or 5.46 % compared to prior year from ₱2,426.79 million in 2021 to ₱2,294.25 million in 2022 due to lower other finance charges coupled with higher capitalized interest during the year.

Provision for Income Tax

Total provision for income tax increased by ₱1,485.43 million or 195.88% vs. last year from a tax benefit of ₱758.35 million in 2021 to a tax expense of ₱727.08 million in primarily due to ₱1.10 billion income tax benefit recognized last year due to CREATE law.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Financial Condition as of December 31, 2022 compared to as of December 31, 2021

	As of December 31, 2022 (audited)	2021 (audited)	Change (In PHP)	Change (In %)
		(in millions except % figures)		
ASSETS				
Cash and cash equivalents	₱6,619.13	₱9,658.26	(₱3,039.13)	(31.47%)
Contracts receivables	2,128.88	5,337.93	(3,209.05)	(60.12%)
Contract assets	5,399.79	4,177.82	1,221.97	29.25%
Other receivables	2,902.01	2,710.46	191.55	7.07%
Real estate inventories	71,326.49	68,726.92	2,599.57	3.78%
Other current assets	6,380.77	4,933.31	1,447.46	29.34%
Contract assets – net of current portion	5,083.16	4,152.76	930.40	22.40%
Investments in associates	5,135.02	5,045.09	89.93	1.78%
Investment properties	77,021.40	72,077.99	4,943.41	6.86%
Property and equipment	5,485.28	4,794.02	691.26	14.42%
Deferred income tax assets	91.38	95.55	(4.17)	(4.36%)
Goodwill	4,567.24	4,567.24	-	0.00%
Other noncurrent assets	7,974.63	6,946.18	1,028.45	14.81%
TOTAL ASSETS	₱200,115.18	₱193,223.53	₱6,891.65	3.57%
LIABILITIES AND EQUITY				
Liabilities				
Accounts payable and accrued expenses	₱11,948.85	₱11,738.49	₱210.36	1.79%
Contract liabilities	1,012.29	1,171.38	(159.09)	(13.58%)
Lease liabilities – current portion	246.05	248.59	(2.54)	(1.02%)
Due to related parties	754.26	204.32	549.94	269.16%
Income tax payable	19.55	8.52	11.03	129.46%
Current portion of loans payable	8,446.98	4,912.20	3,534.77	71.96%
Current portion of bonds payable	15,017.44	6,991.75	8,025.69	114.79%
Loans payable – net of current portion	24,402.51	27,270.55	(2,868.04)	(10.52%)
Bonds payable – net of current portion	26,115.35	29,297.17	(3,181.82)	(10.86%)
Contract liabilities – net of current portion	283.07	774.21	(491.14)	(63.44%)
Lease liabilities – net of current portion	6,262.44	6,099.43	163.01	2.67%
Net retirement liabilities	431.31	459.63	(28.32)	(6.16%)
Deferred income tax liabilities - net	5,625.21	5,317.27	307.94	5.79%
Accounts payable and accrued expenses – net of current portion	8,047.13	8,939.80	(892.67)	(9.99%)
Total Liabilities	₱108,612.44	₱103,433.31	5,179.13	5.01%

EQUITY

	As of December 31,			
	2022 (audited)	2021 (audited)	Change (In PHP)	Change (In %)
Common stock	₱24,470.71	₱24,470.71	₱-	0.00%
Preferred stock	80.00	80.00	-	0.00%
Additional paid-in capital	5,612.32	5,612.32	-	0.00%
Treasury stock	(221.04)	(221.04)	-	0.00%
Retained earnings	59,172.01	57,425.03	1,746.98	3.04%
Revaluation reserve on financial assets at fair value through other comprehensive income	(2.62)	(2.62)	-	0.00%
Remeasurement losses on retirement plan – net of tax	68.18	(16.17)	84.36	(521.71%)
Share in other components of equity of associates	372.45	372.45	-	0.00%
Equity attributable to equity holders of the parent	89,552.01	87,720.68	1,831.33	2.09%
Noncontrolling interest	1,950.73	2,069.54	(118.81)	(5.74%)
Total Equity	91,502.74	89,790.22	1,712.52	1.91%
TOTAL LIABILITIES AND EQUITY	₱200,115.18	₱193,223.53	₱6,891.65	3.57%

As of December 31, 2022, FLI's total consolidated assets stood at ₱200.12 billion from ₱193.22 billion as of December 31, 2021, an increase by ₱6.89 billion or by 3.57%. The following are the material changes in account balances:

31.47% Decrease in Cash and Cash Equivalents
Primarily due to additions to investment properties, property and equipment and BTO rights tempered by increased net cash provided by operating activities on account of increased collections. In addition, the company raised funds from the REIT in August 2021, which had to be reinvested within one year and was fully utilized in 2022.

7.73% Overall Decrease in Contract Receivables and Contract Assets
60.12% decrease in contract receivables; 25.84% increase in contract assets (29.25% increase in contract assets – current portion; 22.40% increase in contract assets – net of current portion)
Mainly due to increased collections including receipt of bank takeouts, portfolio sale and extended payment terms granted to buyers.

7.07% Increase in Other Receivables
Mainly due to increase in receivables from office tenants.

29.34% Overall Increase in Other Current Assets
Primarily due to additional input VAT and creditable withholding taxes.

6.86% Increase in Investment Properties
Substantially due to acceleration of construction activities for leasing projects located in Ortigas Center and Filinvest Mimosa and the purchase of properties in Aklan and Bulacan intended to be used for leasing operations.

14.42% Increase in Property and Equipment
Major additions pertain to investment in a precast and concrete batching plant and related heavy equipment to provide stable ready-mixed concrete and precast concrete products to FLI's developments and the purchase of formworks and other construction equipment to be used primarily in residential developments aimed to accelerate construction completion.

14.81% Increase in Other Noncurrent Assets
Primarily due to additional construction costs of Filinvest Cebu Cyberzone (known as "BTO rights") covered by the BTO agreement with the Provincial Government of Cebu and an investment in a 5-year, non-interest bearing, Class A Senior Notes issued by a third party special purpose trust fund.

3.30% Overall Decrease in Accounts Payable and Accrued Expenses
1.79% increase in Accounts Payable and Accrued Expenses – current portion; 9.99% decrease in Accounts Payable and Accrued Expenses – net of current portion
Mainly due to the increased payments to contractors, vendors and suppliers

33.42% Overall Decrease in Contract Liabilities
13.58% decrease in contract liabilities – current portion; 63.44% decrease in contract liabilities – net of current portion
Mainly due to the accounts already qualified for revenue recognition.

269.16% Increase in Due to Related Parties
Mostly due to the remaining unpaid portion pertaining to the purchase of land In Boracay, Aklan, from FDC by FILRT as part of its asset infusion program.

129.44% Increase in Income Tax Payable
Primarily due to higher taxable income for the year

2.07% Increase in Loans Payable
71.96% increase in Loans Payable – current portion; 10.52% decrease in Loans Payable – net of current portion
Mainly due to newly availed loans of ₱12.81 billion offset by ₱12.16 billion repayments of existing loans.

13.35% Increase in Bonds payable
114.79% increase in Bonds Payable – current portion; 10.86% decrease in Bonds Payable – net of current portion
Mainly due to bond issuance amounting to ₱11.90 billion last June 2022. The proceeds were used to pay off maturing bonds in August 2022 amounting to ₱7.0 billion and refinance bank loans due for the rest of the year. Increase in current portion is to reclassify the bonds maturing in 2023.

6.16% Decrease in Retirement Liabilities
Mainly due to actuarial adjustments on the present value of defined benefit obligation.

5.79% Increase in Deferred Tax Liabilities - Net
The increase was mainly due to deferred tax assets on account of capitalized borrowing costs during the year.

521.71% Decrease on Remeasurement Losses on Retirement Plan
Mainly due to actuarial adjustments resulting from changes on actuarial assumptions.

5.74% Decrease in Non-controlling Interests
Largely due to higher dividends distributed over share in net earnings for the year.

Performance Indicators	2022	2021
Earnings per Share - Basic[1]	0.12	0.16
Earnings per Share - Diluted[2]	0.12	0.16
Price Earnings Ratio[3]	7.50	6.88
Interest-bearing Debt to Equity Ratio[4]	0.81	0.76
Debt Ratio[5]	0.54	0.54
EBITDA to Total Interest Paid [6]	2.12	2.08

[1] *Basic earnings per share amounts are calculated by dividing net income for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.*

[2] *Diluted earnings per share amounts are calculated by dividing the net income attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.*

[3] *Price Earnings Ratio is computed as closing price of the Parent Company's shares of stock divided by actual earnings per share for the years ended December 31, 2022 and 2021*

[4] *Interest-bearing debt-to-Equity Ratio is computed as the sum of consolidated loans payable and consolidated bonds payable divided by total equity.*

[5] *Debt Ratio is computed as total liabilities divided by total assets*

[6] *EBITDA to Total Interest Paid is computed as EBITDA (net income plus interest and other finance charges (including interest expense on financial liability on lease contract), provision for income tax, depreciation and amortization) divided by total interest paid.*

Seasonality

Except for the significant impact of COVID-19 pandemic to the Company's operations starting March 2020, there were no other trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from operations.

Significant Subsidiaries

1. Filinvest REIT Corp. (FILRT)

   Filinvest REIT Corp. (FILRT), formerly Cyberzone Properties, Inc. (CPI), is a real estate investment trust (REIT) company that was publicly listed on the Philippine Stock Exchange on August 12, 2021 as the Philippines' first sustainability-themed REIT. Its original portfolio consists of 17 Grade A office buildings which include green and sustainability-themed features. An addition to the portfolio is 2.9 hectares of land that is being leased to the owner and operator of Crimson Resort & Spa Boracay. Totaling over 330,000 square meters of gross leasable area, 16 of the buildings are in Northgate Cyberzone in Filinvest City in Alabang. Another building is Filinvest Cyberzone Cebu Tower 1 located in the gateway of Cebu IT Park in Lahug, Cebu City.

   FILRT's predecessor, CPI, was incorporated on January 14, 2000 and began commercial operations on May 1, 2001. CPI is registered with the PEZA as an Economic Zone Facilities Enterprise, which entitles CPI to certain tax benefits and non-fiscal incentives such as paying a 5% tax on its modified gross income in lieu of national and local taxes. CPI is also entitled to a zero percent value-added tax on sales made to other PEZA-registered enterprises. The change of name from CPI to Filinvest REIT Corp. was approved by the SEC on July 2, 2021. FILRT is traded in the Philippine Stock Exchange under the PSE ticker symbol FILRT.

   The table below presents FILRT's information on revenues and income, net income and financial soundness indicators, all before elimination of intercompany transactions, as of and for the years ended December 31, 2023, 2022, and 2021, and for the periods ended September 30, 2023, and 2024:

	For the years ended December 31,			**For the periods ended September 30,**	
	2021	**2022**	**2023**	**2023**	**2024**
		(millions)		(millions)	
Total Revenues	₱3,442.0	₱3,239.6	₱2,989.7	₱2,292.9	₱2,136.2
Net Income	1,855.1	1,305.3	1,744.8	1,058.7	893.7
As a % of FLI Group's					
Total Revenues	19.40%	16.24%	14.22%	14.96%	12.51%
Net Income	43.09%	37.07%	40.42%	43.29%	32.80%

	For the years ended December 31,			**For the periods ended September 30,**	
	2021	**2022**	**2023**	**2023**	**2024**
Current Ratio[1]	2.58	0.36	0.87	1.36	0.18
Debt Ratio[2]	0.57	0.63	0.17	0.63	0.17
Net Profit Margin[3]	0.54	0.40	0.44	0.32	0.56

Return on Equity[4]	0.31	0.25	0.03	0.19	0.03
Asset-to-Equity Ratio[5]	2.34	2.67	1.21	2.72	1.20

1. Current Ratio = Current Assets divided by Current Liabilities
2. Debt Ratio = Total Liabilities divided by Total Assets
3. Net Profit Margin = Net Income divided by Revenue
4. Return on Equity = Annualized Net Income divided by Total Equity.
5. Asset-to-Equity Ratio = Total Assets divided by Total Equity

Capital Expenditures

There are no material commitments for capital expenditures. The Company sets a capex budget each year allocated to identified projects, but this may be adjusted as necessary based on market conditions and the Company's cash position.

Other Disclosures

Aside from any probable material increase in interest rates on the outstanding long-term debt with floating rates, there are no known trends, events or uncertainties or any material commitments that may result in any cash flow or liquidity problems of the Company within the next 12 months. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments, or any significant amount of the Company's payables that have not been paid within the stated trade terms.

Except for income generated from retail leasing, there are no seasonal aspects that have a material effect on FLI's financial conditions or results of operations.

The operating activities of FLI are carried out uniformly over the calendar year; there are no significant elements of income or loss that did not arise from its continuing operations.

There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the Company.

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period other than those that were previously reported.

The Group does not have any contingent liability or borrowings wherein financial assets were pledged to secure payment nor does it have borrowings wherein properties were mortgaged to secure a loan.

Corporate History and Structure

HISTORY OF THE COMPANY

Filinvest Land, Inc. was incorporated in the Philippines on November 24, 1989 as Citation Homes, Inc. and later changed its name to FLI on July 12, 1993. It started commercial operations in August 1993 after Filinvest Development Corporation spun off most of its real estate operations and transferred all related assets and liabilities to FLI in exchange for shares of stock of FLI. FLI's shares were listed on the PSE on October 25, 1993. FDC remains FLI's largest shareholder. As of September 30, 2024, FDC beneficially owned approximately 65.93% of FLI's outstanding common shares and 100% of FLI's issued and outstanding preferred shares, such that FDC has an effective 73.43% voting ownership in FLI. FDC is the holding company for real estate and other business activities ofthe Gotianun Family. FDC traces its origin to the consumer finance business established by Mr. Andrew Gotianun Sr.and his family in 1955. The shares of FDC and FLI are both listed in the PSE. The ultimate parent company of FLI is A.L. Gotianun, Inc.

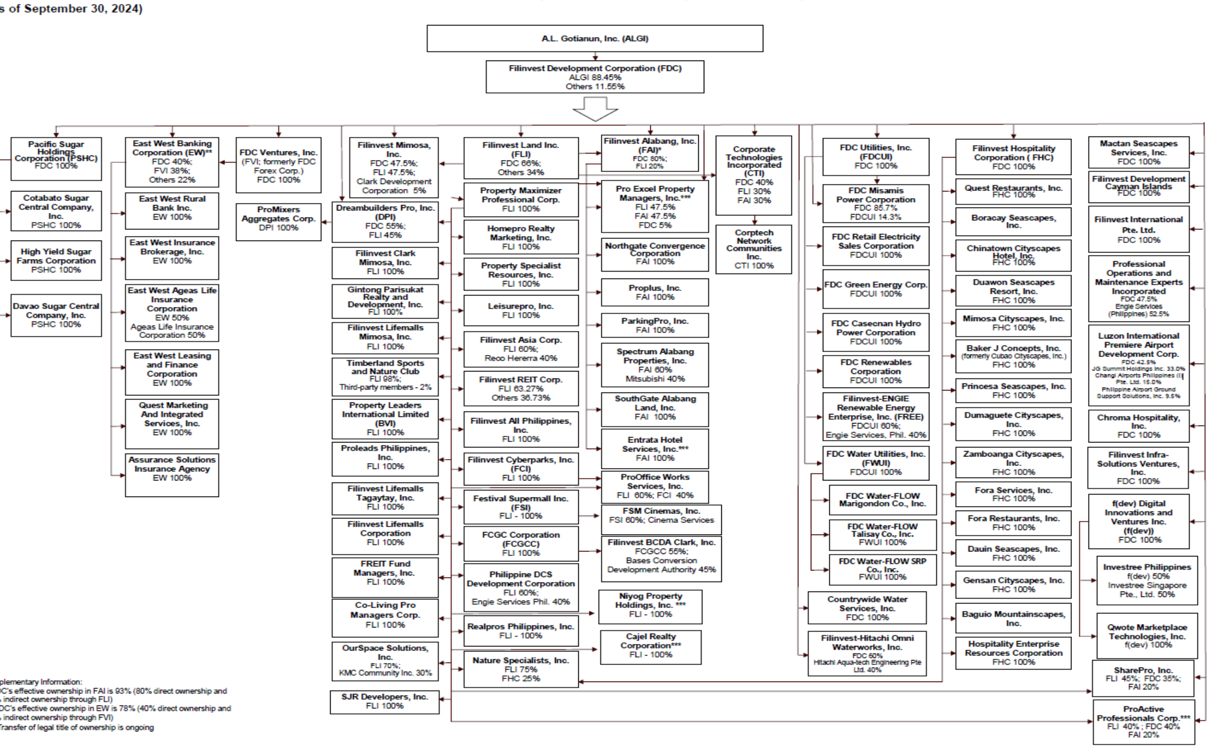
With over sixty (60) years of experience in the real estate industry—one highly sensitive to financial crises, market downturns, and political upheaval, FLI has emerged as one of the few survivors in the country's property sector. The Company has carefully built and nurtured a distinguished performance record in the real estate development, which was recognizedby international bankers, fund managers, other global institutional investors, and the international financial community.

FLI's principal corporate office is located at the Filinvest Building, 79 EDSA, Brgy. Highway Hills, 1550 Mandaluyong City, Philippines.

STRUCTURE

The chart illustrates the Company's corporate structure as of September 30, 2024.

A.L. GOTIANUN, INC.
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES
(As of September 30, 2024)



Supplementary Information:
* FDC's effective ownership in FAI is 93% (80% direct ownership and 13% indirect ownership through FLI)
** FDC's effective ownership in EW is 78% (40% direct ownership and 38% indirect ownership through FVI)
*** Transfer of legal title of ownership is ongoing

SUBSIDIARIES AND AFFILIATES

The following table sets out FLI's and its principal subsidiaries' and affiliates' direct ownership interests, organized by business segment as of September 30, 2024. The voting rights held by the Company in these entities are in proportion to their ownership interest.

Subsidiaries	Nature of Business	Ownership
Filinvest AII Philippines, Inc. (FAPI)	Real estate developer	100%
FCGC Corporation (FCGCC)	Real estate developer	100%
Filinvest BCDA Clark, Inc. (FBCI)[1]	Real estate developer	55%
Gintong Parisukat Realty and Development Inc. (GPRDI)	Real estate developer	100%
Homepro Realty Marketing, Inc. (Homepro)	Real estate developer	100%
SJR Developers, Inc. (SDI)	Real estate developer	100%
Niyog Property Holdings, Inc. (NPHI)[2]	Real estate developer	100%
Cajel Realty Corporation (CRC)[2]	Real estate developer	100%
Filinvest REIT Corp. (FILRT)	Real estate developer and lessor	63%
Filinvest Asia Corporation (FAC)	Real estate developer and lessor	60%
Filinvest Cyberparks, Inc. (FCI)	Real estate developer and lessor	100%
Filinvest Clark Mimosa, Inc. (FCMI)	Real estate developer and lessor	100%
Festival Supermall, Inc. (FSI)	Property manager	100%
Filinvest Lifemalls Corporation (FLC)	Real estate developer and lessor	100%
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Real estate developer and lessor	100%
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Real estate developer and lessor	100%
ProOffice Works Services, Inc. (ProOffice)	Property manager	100%
Property Specialist Resources, Inc. (Prosper)	Property manager	100%
Co-Living Pro Managers Corp. (CPMC)	Real estate developer and lessor	100%
FSM Cinemas, Inc. (FSM Cinemas)[3]	Theater operator	60%
Philippine DCS Development Corporation (PDDC)	District cooling systems, builder and operator	60%
Timberland Sports and Nature Club, Inc. (TSNC)	Recreational facilities developer and operator	98%
Nature Specialists, Inc. (NSI)	Property manager	75%
Leisurepro, Inc. (Leisurepro)	Marketing manager	100%
Proleads Philippines, Inc. (PPI)	Marketing manager	100%
Property Leaders International Limited (PLIL)	Marketing manager	100%
Property Maximizer Professional Corp. (Promax)	Marketing manager	100%
Realpros Philippines, Inc. (RPI)	Marketing manager	100%
FREIT Fund Managers, Inc.	Fund manager	100%
Cloverleaf Holdings Corporation (CHC)	Landbanking	100%
Crystal Ball Realty & Management Inc. (CBRMI)	Landbanking	100%
OurSpace Solutions, Inc. (OSI)	Coworking spaces operator	70%

Notes:
1. *FBCI is owned indirectly through FCGCC.*
2. *NPHI and CRC were acquired in 2023*
3. *FSM Cinemas is owned indirectly through FSI*
4. *On August 2, 2023, as Subscription Agreement was executed to issue the 30 million common shares of OSI to KCI resulting to FLI's 70% ownership in OSI (see Note 1).*

Detailed discussion of each subsidiary follows:

- FAPI was incorporated on September 25, 2006 to develop the Timberland Sports and Nature Club (TSNC) and Phase 2 of Timberland Heights.

- FCGCC was incorporated on February 11, 2016 to undertake the development of the Clark Green City (now New Clark City) Project under the Joint Venture Agreement with Bases Conversion and Development Authority (BCDA).

- Filinvest BCDA Clark, Inc. (FBCI) is a joint venture company with BCDA and was incorporated on March 16, 2016 to handle the development of the Clark Green City. FBCI is 55% owned by FCGCC and 45% owned by BCDA.

- On January 19, 2018, FLI entered into a Share Sale and Purchase Agreement to purchase 100% of the total outstanding shares of GPRDI for a total consideration of ₱1.71 billion. The primary purpose of GPRDI is to hold, purchase, lease, contract otherwise acquire any and all real and personal properties. GPRDI has not started its commercial operations as of December 31, 2022.

- Homepro was incorporated on March 25, 1997 and started commercial operations on January 1, 2004.

- CPI was incorporated on January 14, 2000 and began commercial operations on May 1, 2001. CPI is registered with the PEZA as an Economic Zone Facilities Enterprise, which entitles CPI to certain tax benefits and non-fiscal incentives such as paying a 5% tax on its modified gross income in lieu of national and local taxes. CPI is also entitled to zero percent value-added tax on sales made to other PEZA-registered enterprises. CPI owns and operates the IT buildings in Northgate Cyberzone, located in a 10-hectare parcel of land within Filinvest City owned by the parent Company, FLI. CPI also leases a parcel of land measuring 2,831 sq.m. located in EDSA on which CPI built a 5-storey BPO building with a total GLA of 7,358 sq.m. The change of name from CPI to Filinvest REIT Corp. was approved by the SEC on July 02, 2021. Filinvest REIT is listed and traded in the Philippine Stock Exchange on August 12, 2021 under the PSE ticker symbol FILRT.

- FAC was incorporated on January 22, 1997 and as at date of this report is 60%-owned by FLI and 40%-owned by Reco Herrera Pte. Ltd. (RHPL). RHPL is 100% beneficially owned by the Government of Singapore Investment Corporation Pte. Ltd (GIC). FAC owns 50% of the 52-storey PBCom Tower, which is strategically located at the corner of Ayala Avenue and V. A. Rufino Streets in the Makati City Central Business District. FAC owns 36,000 sq. m. of leasable office space. The remaining 50% of PBCom Tower is owned by the Philippine Bank of Communications (PBCom). The PBCom Tower is registered as an information technology building by PEZA. Consequently, tenants occupying space in PBCom Tower are entitled to avail of certain fiscal incentives, such as a 5% tax on modified gross income in lieu of the national and local taxes, income tax holidays and zero-rated vat in certain cases.

- FCI was incorporated on February 4, 2014. Its primary purpose is to acquire by purchase, lease, donate and/or to own, use, improve, develop, subdivide, sell, mortgage, exchange, hold for investment and deal with real estate of all kinds.

- FCMI was incorporated on January 23, 2017. Its primary purpose is to acquire by purchase, lease except financial leasing, donation or and hold for investment or otherwise deal in real estate of all kinds, nature, purpose and/or any interest or right therein. FCMI started its commercial operations in May 2018. FCMI is registered with CDC as a Clark Freeport Enterprise enjoying the incentives like PEZA such as zero percent VAT on its revenues and 5% income tax on modified gross income, in lieu of local and national taxes.

- FSI is the property manager of Festival Supermall and other commercial centers of the Company. FSI also owns 60% equity interest in FSM Cinemas, Inc. which is engaged in theater operations. The transaction was accounted for using the pooling of interest method wherein the assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts.

- FLC, formerly Whiluc Realty & Mgt., Inc., is organized to invest in, purchase, hold, use, develop, lease, sell, assign, transfer mortgage, enjoy or otherwise dispose of, as may be permitted by law, all properties of every kind, nature and description and wherever situated, of any corporation.

- FLMI was incorporated on January 23, 2017. Its primary purpose is to acquire by purchase, lease except financial leasing, donation, or otherwise, and/or to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop, and hold for investment or otherwise deal in real estate of all kinds, nature and purpose and/or any interest or right therein. FLMI has not started its commercial operations as of September 30, 2024.

- FLTI was incorporated on November 20, 2017. Its primary purpose is to acquire by purchase, lease (except financial leasing), donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop, and hold for investment or otherwise deal in real estate of all kinds in order to develop, conduct, operation, lease, and maintenance of retail and commercial space for rent, restaurants, function halls, amusement centers, movie or cinema theaters within the compound to premises of the shopping centers. FLTI started its commercial operations in March 2018.

- ProOffice was incorporated on March 18, 2019 to engage in the business of administration, maintenance and management of real estate developments and projects. ProOffice started commercial operations in August 2019.

- Prosper was incorporated on June 10, 2002 and started commercial operations on January 01, 2004. Prosper is engaged in the purchase, lease and management of hotel and resort properties, and is currently managing the condotel operations of a high-rise condominium (Grand Cenia) and hotel project (Quest Hotel) of the Parent Company. Prior to Prosper's condotel and hotel management business, Prosper was engaged in the business of real estate marketing.

- FSM Cinemas was incorporated on April 23, 1998 to engage in servicing, booking, and arranging of films, programs, shows, plays, and movies of all kinds, types, makes, and colors for movie houses, theaters, or cinemas and to exhibit, lease, rent, run or operate movie houses, theaters, cinemas, as well as supply equipment, machines and accessories needed in cinemas, theaters or movie houses. FSM Cinemas is owned indirectly through FSI.

- On April 15, 2015, FLI and Engie Services Philippines (ENGIE) entered into a joint venture agreement to establish PDDC. On July 31, 2015, PDDC was registered with the SEC to engage in the business of building and operating a district cooling system within existing and future buildings at Northgate Cyberzone Area, Filinvest City, Alabang, Muntinlupa City. PDDC is 60% owned by FLI and 40% owned by ENGIE.

- On July 18, 2018, the SEC approved TSNC's application on voluntary revocation of its secondary registration which allowed TSNC to proceed with the transition to its new business model. On November 15, 2018, the Board of Directors (BOD) approved the amendment to change the primary purpose of the Club from an exclusive recreational sports club to a for profit commercial facility. On July 24, 2019, TSNC submitted its Amended Articles of Incorporation to SEC. The amendments include (a) change of the primary purpose of TSNC from that of an exclusive recreational sports club to a real estate development Company; (b) change of TSNC's principal address from No. 173 P. Gomez Street, San Juan, Metro Manila to Timberland Heights, Barangay Malanday, San Mateo Rizal; (c) converting of TSNC's capital stock from no par value club shares to par value shares; (d) removal of provisions which characterizes TSNC as an exclusive nonprofit association; and (e) removal of paragraphs which relate to the operations of an exclusive recreational sports club. On August 1, 2019, the SEC approved TSNC's application for voluntary revocation of its secondary registration. On August 18, 2019, the SEC approved TSNC's Amended Articles of Incorporation. Leisurepro was incorporated on April 21, 2004 and started commercial operations on January 1, 2006. The company has been inactive since 2010.

- PPI was incorporated on March 29, 2017 to provide management, organizational, and other administrative services and training. PPI started its commercial operations in November 2017.

- PLIL, a company limited by shares, was registered at the territory of the British Virgin Islands on February 7, 2017. PLIL has not started its commercial operations as of December 31, 2022 and has transferred the franchise to Proleades Philippines.

- Promax was incorporated on October 3, 1997. It is engaged in real estate marketing business and handles the marketing and sale of socialized, affordable, middle income, high-end and farm estate property development projects of FLI.

- RPI was incorporated on August 3, 2017 to provide administrative support services and skills training primarily through the use of information technology, licensed software, and systems. RPI started its commercial operations in November 2017.

- NSI was incorporated on August 24, 2018 to conduct real estate activities primarily focusing on hotels, inns, resorts, lodging houses and all adjunct accessories thereto, including restaurants, cafes, bars, stores, offices, etc. NSI opened on March 14, 2021 but has not reached commercial level of operations as of December 31, 2021 due to restrictions as a result of COVID-19 pandemic.

- FFMI was incorporated on April 13, 2021 to engage in business of providing fund management services REIT companies. FFMI started its operations in August 2021.

- CPMC was incorporated on August 02, 2021 to engage in business of developing, operating, managing, and maintaining dormitels, lots and buildings whether owned or leased, to make such dormitels available for all clients for temporary stay as well as any and all services and facilities incidental thereto; and generally to do any and all things necessary and pertinent or convenient to the purpose herein stated; provided that the corporation shall not solicit, accept or take investments/placements from the public, and neither shall it issue investment contracts. As of September 30, 2024, CPMC is managing the Crib Clark.

- OSI was incorporated on May 26, 2022 with primary purpose of developing, operating, managing and maintaining commercial buildings to be used as coworking spaces. OSI is in the process of obtaining PEZA Accreditation and is expected to start commercial operations in November 2023.

- On December 14, 2022, FLI entered a Deed of Assignment to purchase 100% ownership in SDI. The primary purpose of SDI is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartment and other structures.

- On July 14, 2023, FLI entered into a Share Purchase Agreement with Rizal Commercial Banking Corporation (RCBC) to purchase all outstanding shares of stock of Niyog Property Holdings, Inc. (NPHI) and Cajel Realty Corporation (CRC) taking over the two companies' joint land development activities in Bacoor City, Cavite.

- CHC was incorporated on July 29, 2005 to invest or acquire interest in shares of stock, securities and all other properties of whatever kind or nature. CHC's activity since its incorporation is the acquisition of land as investment property.

- CBRMI was incorporated on July 20, 2006 to invest or acquire interest in shares of stock, securities and all other properties of whatever kind or nature. CBRMI's activity since its incorporation is the acquisition of land.

None of the foregoing subsidiaries has been a party to any bankruptcy, receivership or similar proceedings and has not undergone or entered into any material classification, merger, consolidation (except as disclosed elsewhere in thisOffer Supplement), purchased or sold a significant amount of assets outside the ordinary course of business.

SECURITIES ISSUANCES

On November 8, 2013, FLI issued to the public unsecured fixed rate retail bonds with aggregate principal amount of ₱7.0 billion comprised of ₱4.30 billion seven (7)-year fixed rate bonds due in 2020 and ₱2.7 billion ten (10) year fixed rate bonds due in 2023. The seven (7)-year bonds carry a fixed interest rate of 4.8562% per annum while the five-year bonds have a fixed interest rate of 5.4333% per annum. Actual net proceeds amounted to ₱6,917,093,003.36 after deducting fees. The Company utilized the net proceeds of the bonds to partially refinance the projects in the fourth quarter of 2013 and in 2014.

On December 4, 2014, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱ 7.0 billion comprising of ₱5.30 billion seven (7)-year fixed rate bonds due in 2021 and ₱1.70 billion ten (10)-year fixed rate bonds due in 2024. The seven (7)-year bonds carry a fixed rate of 5.4% per annum while the ten-year bonds have a fixed interest rate of 5.64% per annum. FLI raised net proceeds of ₱6,922,093,063. As of June 30, 2015, the Company has fully utilized the net proceeds from the said bond issue in accordance with its intended use of proceeds as per the prospectus submitted to the SEC.

On August 20, 2015, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.0 billion comprising of ₱7.0 billion seven (7)-year fixed rate bonds due in 2022 and ₱1.0 billion ten (10)-year fixed rate bonds due in 2025. Net proceeds from this issue is ₱7,913,188,532.00 the Company has fully utilized the net proceeds from the said bond issue in accordance with its intended use of proceeds as per the prospectus submitted to the SEC.

On July 2017, Filinvest REIT Corp. a subsidiary of FLI issued to the public ₱6.0 billion worth of unsecured fixed rate bonds due in 2023. The bonds carry a fixed interest rate of 5.05% per annum payable quarterly. The Company utilized the net proceeds of the bonds to partially finance the projects in the second half of 2017 and first half of 2018.

On November 18, 2020, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.1 billion comprising of ₱6.30 billion three (3)-year fixed rate bonds due in 2023 and ₱1.80 billion five and a half (5.5)-year fixed rate bonds due in 2026. The three (3) year bonds carry a fixed rate of 3.34% per annum while the five and a half-year bonds have a fixed interest rate of 4.18% per annum. FLI raised net proceeds of ₱7,934,549,452. As of June 30, 2021 the Company has fully utilized the net proceeds from the said bond issue in accordance with its intended use of proceeds as per the prospectus submitted to the SEC.

On August 12, 2021, Filinvest REIT Corp., the real estate investment trust (REIT) of Filinvest Land, Inc., was listed on the PSE with an offer price of ₱7.00 per share. At the offer price, the projected dividend yield as stated in the REIT Plan is 6.3% for FY2021 and 6.6% for FY2022. The base offer of the IPO was 1,634,187,850 common shares, with an overallotment option of up to 163,418,785 common shares.

On December 21, 2021, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱10 billion comprising of ₱5 billion four (4)-year fixed rate bonds due in 2025 and ₱5 billion six (6)-year fixed rate bonds due in 2027. The four (4) year bonds carry a fixed rate of 4.5030% per annum while the six (6)-year bonds have a fixed interest rate of 5.2579% per annum.

On June 23, 2022, FLI issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱11.90 billion comprising of ₱8.93 billion three (3) year fixed rate bonds due in 2025 and ₱2.98 billion five (5) year fixed rate bonds due in 2027. The three (3) year bonds carry a fixed rate of 5.3455% per annum while the five (5)-year bonds have a fixed interest rate of 6.4146% per annum.

On December 1, 2023, FLI issued to the public unsecured fixed rate bonds with a tenor of three and a half (3.5) years and an aggregate principal amount of ₱11.43 billion, maturing in 2027. The bonds carry a fixed rate of 6.9829% per annum.

Business

OVERVIEW

The Company is a leading real estate developer in the Philippines, providing real estate products to residential and commercial customers with a particular focus on the affordable and middle market housing segments. The Company has over 60 years of real estate expertise through the Filinvest brand. The Company has developed ~3,000 hectares of land and completed a large number of high-profile real estate projects. Having provided homes for more than 200,000 families, the Company believes that it has a reputation both in the real estate industry and among home buyers, including the significant OFW and expatriate Filipino markets, as a reliable developer that develops and delivers quality products in a timely manner conveniently located near major commercial centers. The Company believes it is able to offer customers one of the most diversified ranges of real estate products in the Philippine market. As of September 30, 2024, the Company's projects are situated across over fifty (55) cities and municipalities, and the Company believes that this product, market and geographic diversification mitigates construction, market and economic risks.

The Company's real estate operations remain a key driver of the Company's income, contributing ₱14.49 billion to the Company's total revenue and other income of ₱22.55 billion in 2023 and ₱11.89 billion to total revenue and other income of ₱18.44 billion in the first nine months of 2024. The Company develops and sells residential real estate to generate cashflow for their business operations and retain ownership of a significant portion of commercial and retail real estate for long-term investment to generate recurring income and realize potential capital appreciation. The Company is a pioneer and major player in office development and leasing in the Philippines with a stable and growing revenue stream fromrecurring income. The Company believes that its unblemished credit track record over its long history with the local banking community as well as local and international bond markets, especially during market downturns, such as the Asian Financial Crisis and Global Financial Crisis, have resulted in increased investor confidence, which allows the Company greater access to medium and low-cost funding. The Company believes that its strength in credit record and financial position enhances its ability to expand its business and capitalize on opportunities in the Philippine housingand land development market.

FLI focuses on the development of residential houses, lots, condotels, MRBs and high-rise buildings ("**HRBs**") projects throughout the Philippines, and the development of investment properties in the retail, office, co-living and industrial real estate sectors. As of end-September 2024, FLI has built more than 220 residential developments across the country and operates thirty-eight (38) office buildings, five (5) major malls, and twelve (12) other retail developments totaling over 951,000 sqm of GLA. Retail developments also fall under FLI's "Filinvest Malls" and "Filinvest Shoppes" brands while office developments are owned by FLI or Filinvest REIT Corp. and Filinvest Cyberparks, both subsidiaries of FLI. In addition, FLI owns 60% of Filinvest Asia Corp. whose sole project is PBCom Tower.

Few property developers can match Filinvest's broad reach, with projects spanning over 55 cities and towns across the Philippines. FLI has projects as far South as Koronadal in Central Mindanao, which has become an agro-industrial hub for the country's second largest island, and Dagupan, Pangasinan in North Luzon, an emerging hub for solar renewable energy.

For the years ended December 31, 2021, 2022, 2023, and in the first nine months of 2024, the Company recorded consolidated revenues and other income of ₱17,738.92 million, ₱19,944.35 million, ₱22,554.34 million, and ₱18,437.89 million, respectively; EBITDA of ₱7,420.45 million, ₱8,172.50 million, ₱8,969.16 million, and ₱8,243.24 million, respectively; and net income of ₱4,305.23 million, ₱3,521.14 million, ₱4,296.04 million, and ₱3,468.24 million, respectively. FLI's common shares were listed on the PSE on October 25, 1993 and, as of September 30, 2024, FLI had a market capitalization of ₱19,642.31 million.

	For the nine months ended September 30,			
	2023		2024	
	Millions	%	Millions	%
REVENUES AND OTHER INCOME				
Real estate sales	₱9,827.65	62.52%	₱11,892.13	64.50%
Rental and related services	5,356.37	34.07%	5,711.29	30.98%
EQUITIY IN NET EARNINGS OF ASSOCIATES	141.41	0.90%	250.50	1.36%
OTHER INCOME				
Interest income	192.17	1.22%	303.86	1.65%
Others - net	202.54	1.29%	280.11	1.51%
Total	**₱15,720.14**	**100.00%**	**₱18,437.89**	**100.00%**

	For the years ended December 31,					
	2021		2022		2023	
	Millions	%	Millions	%	Millions	%
REVENUES AND OTHER INCOME						
Real estate sales	₱11,274.51	63.56%	₱12,836.06	64.36%	₱14,486.51	64.23%
Rental and related services	5,591.80	31.52%	6,350.41	31.84%	7,200.95	31.93%
EQUITIY IN NET EARNINGS OF ASSOCIATES	112.02	0.63%	78.96	0.40%	242.01	1.07%
OTHER INCOME						
Interest income	409.61	2.31%	367.05	1.84%	283.98	1.26%
Others - net	350.98	1.98%	311.87	1.56%	340.89	1.51%
Total	**₱17,738.92**	**100.00%**	**₱19,944.35**	**100.00%**	**₱22,554.34**	**100.00%**

COVID-19 Impact on Company's Operations

By the end of September 2024, the effects of COVID-19 were no longer a directly significant factor in the Company's operational and financial results.

Filinvest Land's residential real estate revenues increased a significant 21% year-on-year to Php11.89 billion during the period. With percentages of completion ramping up and more accounts being recognized as revenue, the middle-income segment, which surged 39% year-on-year, drove the robust growth in Residential and remained the top contributor to residential revenues, at 76% of total.

Meanwhile, reservation sales for the period grew 5% to Php15.93 billion, driven by a significant double-digit year-on-year surge in sales from Visayas projects, in addition to growth from top-selling medium-rise condominiums in Metro Manila, Zamboanga, and Davao. Over the first nine months of the year, FLI launched 11 new projects worth Php20.35 billion, including The Levels – Catalina Tower in Filinvest City Alabang.

Leasing revenues, mostly from FLI's office and retail businesses, grew 7% to 5.71 billion pesos.

Retail leasing revenues rose 6% year-on-year to Php1.84 billion. Driving the increase were higher occupancy year-on-year and a stronger performance in net effective rents as we rationalized discounts, alongside growth in ancillary businesses such as parking, amusement, and cinemas. Filinvest Malls Dumaguete, located at our Marina Town complex, formally opened in September, elevating the retail experience in the area with global F&B chains and other major brands.

FLI's office portfolio, including listed company Filinvest REIT Corp. (FILRT), achieved Php3.50 billion in leasing revenues, up 3% year-on-year, with net effective rent and occupied GLA increasing year-on-year. Filinvest is able to attract major tenants across a diverse range of sectors: from IT-BPO firms to traditional corporates, government agencies, schools, and even religious groups. Some of the new tenants signing up during the year include the Ateneo de Manila Graduate School of Business at 2 Workplus Clark Mimosa+, Conceive IVF Manila and Maxicare at Northgate Cyberzone FILRT building in Filinvest City, Alabang.

COMPETITIVE STRENGTHS

The Company believes that its principal strengths are the following:

One of the market leaders in the affordable and middle-income residential real estate segment with an established reputation and brand name

The Company has been involved in the real estate development business through the "Filinvest" brand for more than 50 years through its parent and controlling shareholder, FDC, as well as through other Gotianun Family ventures. FLI has become one of the Philippine's leading real estate developers and has successfully developed a large number of high-profile real estate projects, with a particular focus on the affordable and middle market housing segments. The Company believes that it has developed a reputation within the real estate industry and among home buyers, including the significant OFW and expatriate Filipino markets, as a reliable developer that delivers quality products in a timely manner, and provides accessibility by conveniently locating its developments near major commercial population centers. The Company also has an extensive network of sales offices, in-house sales agents and independent brokers located throughout the Philippines, as well as accredited brokers in countries and regions with large OFW and expatriate Filipino populations. In April 2017, FLI entered into a partnership, as the master franchisee in the Philippines, with KW Realty Inc. ("**KW**"), the world's largest real estate franchise by agent count with 190,000 real estate agents, over 950 market centers with presence in 48 countries. KW, through its technology, provides the models, systems and tools that agents need to grow their business and make KW the real estate company of choice.

Diversified and innovative real estate development portfolio

The Company believes it is able to offer customers one of the most diversified ranges of real estate products among all developers in the Philippine real estate market. FLI focuses its business on the socialized, affordable and middle-income market segments, but at the same time it has designed projects that address demand from the lowest end of the real estate market to the highest. The Company has also expanded its portfolio to include new types of residential developments that cater to potentially high-growth niche markets, such as residential farm estate projects, entrepreneurial communities, medium-rise buildings, high-rise condominiums and township developments. The Company also introduced new products such as the dormitels to cater to the accommodation needs of workers, initially in Mimosa and the logistics and innovation park in New Clark City. The dormitels are branded as "The Crib" and the Company plans to build four (4) dormitel buildings with each offering around 800 beds. Expanding the logistics and industrial park development will address the growing need of logistics, light manufacturing, technology and e-commerce companies looking to support inventory management

Extensive and diversified land bank

Over the years, the Company has accumulated an extensive, low-cost land bank. As at September 30, 2024, the Company's land bank totaled approximately 1,864.1 hectares of raw land, including 196.5 hectares available for development pursuant to joint venture agreements. The bulk of the Company's land bank consists of land situated in regional centers primarily outside of Metro Manila that FLI believes are prime locations across the Philippines for existing and future property development projects, including land in the nearby provinces of Rizal, Bulacan, Batangas, Cavite and Laguna, as well as in growth areas such as Cebu, Davao and General Santos City in South Cotabato province. It recently expanded its geographic reach in North Luzon provinces with high growth potential such as Dagupan, Bataan, Mimosa and Clark. The Company believes that the diversity of its current projects and land bank will allow it to benefit from these areas' continued economic development. The Company also has land available for future developments located in central and southern Philippines, which it believes has allowed it to position itself as a leading residential project developer in these new and expanding markets. The Company also believes that its strong reputation and reliability as a developer allows it to attract joint venture partners with desirable land banks, allowing it to access additional land for future development.

Strong development and investment revenue streams

The Company has successfully shown its strong track record in growing its investment property revenue stream (rental and related services). It started in 2006 with just 151,470 sq.m. of gross leasable area, and as of December 31, 2021, it already had 776,650 sq.m., combining both retail and office spaces. This segment now accounts for 31% of the company's total revenues and other income. Moreover, the Company still has thirteen (13) buildings under construction. These projects are located in several high growth areas of the country, near the transport hubs and easily accessible to the public.

Strong credit record and financial position

The Company believes it is currently in sound financial condition, with strong debt service capabilities and a management team committed to maintaining and implementing a prudent financial management program. The Company's sound financial management allowed it to continue to meet its debt service obligations for its peso-denominated debts and to meet and exceed the debt service ratios required under its loan agreements even with the aftermath of several financial crises, notably the 1997-1998 Asian financial crisis, 2002 US stock market downturn and the 2008 Global Financial Crisis. The Company believes that its financial strength enhances its ability to expand its business and to capitalize on opportunities in the Philippine housing and land development market. The PhilRatings maintained the PRS Aaa for FLI's outstanding bonds as of September 30, 2024, (i) ₱1.70 billion bonds due in 2024, (ii) ₱1.76 billion bonds due in 2026, (iii) ₱1.0 billion bonds due in 2025, (iv) ₱5.0 billion bonds due in 2025, (v) ₱5.0 billion bonds due in 2027, (vi) ₱8.92 billion bonds due in 2025, (vii) ₱2.98 billion bonds due in 2027, and (viii) ₱11.43 billion bonds due in 2027 . PhilRatings also rated as PRS Aaa with Stable Outlook, the First Tranche of the ₱35.0 Billion shelf bonds amounting to ₱11.43 billion due in 2027. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. The rating reflects the following factors: sustained growth of FLI's real estate and leasing operations, resulting in strong income generation and improved cash flows; its conservative debt position and high financial flexibility; its established brand name andtrack record.

Benefits of Large-Scale Operations

The Company, as one of the Philippines' leading real estate developers and with one of the largest real estate operations and in-depth industry knowledge, believes it is well positioned to respond promptly to changes in market conditions and capture opportunities. Moreover, the Company's scale of real estate business operations enhances its position in negotiations with vendors and contractors, supply chain management, partnership with landowners, credible land purchases, and maintaining a balanced tenant mix, as well as strengthening its reputational and brand awareness in sales.

Experienced Management Team

The Company has an experienced management team with an average of more than thirty (30) years of operational and management experience in real estate development and who have also enjoyed long tenure with both the Company and FDC. The Company's management team has extensive experience in and in-depth knowledge of the Philippine real estate market and has also developed positive relationships with key market participants, including construction companies, regulatory agencies and local government officials in the areas where the Company's projects are located.

BUSINESS STRATEGY

FLI intends to further accelerate growth and improve its return on equity by aggressively developing its land bank while retaining its current focus on the high-growth affordable and middle market segments where the Company believes it has a competitive advantage based on its current strong position. The Company's business segments are not dependent upon a single or few customers, the loss of any or more of which would not have a material adverse effect on the registrant and its subsidiaries taken as a whole. It is also not dependent on any related party. FLI has the following strategies:

Continue product, market and geographic diversification to strengthen leadership position in the affordable and middle market segments.

In real estate trading, FLI capitalizes on its strong position in the affordable and middle market segments to increase its market share. With these segments representing the largest subset of house buyers in the Philippines, and with highly fragmented supply, FLI shall maintain its strong position by expanding its product offerings and geographic reach. New products are continuously being studied and offered to cater to the evolving needs of the market. In particular, FLI plans to offer more inner city mixed-used developments and MRB products to capture the growing demand for these types of products in greater Metro Manila, Cebu, and Davao. Meanwhile, the Company shall explore opportunities for expansion to new territories by acquiring land bank in selective regional markets for residential township and commercial development.

Continue to build up recurring income streams and capitalize on REIT opportunities.

In addition to retaining its position as one of the leading residential H&L and MRB developers in the Philippines, FLI has built its position as well as a reputable provider of office and commercial leasable spaces. FLI intends to continue to increase recurring rental income through the expansion of its commercial office and retail space leasing operations. The Company intends to achieve this by, among other things, increasing occupancy at its newer malls and other commercial projects, rolling out new leasing projects, introducing new leasing product types, enhancing its existing investment portfolio through proactive leasing and management, and capitalizing on its extensive real estate experience, scale and access to resources. Recently, to complement its core strengths in the affordable and middle-income residential segments, FLI is expanding recurring income through broadening its tenant bases in the office and retail leasing spaces, as well as attracting new locators for its industrial parks. The Company also believes that the development of REITs in the Philippines will provide the Company with new opportunities to unlock value and accelerate the growthof its recurring income portfolio. On August 12, 2021, FILRT was listed on the PSE. The Company is prepared to infuse more rental assets into FILRT.

Optimize existing assets

The Company intends to optimize its existing assets by ensuring maximum occupancy for its rental assets by marketing to different client types. For the mall business, FLI will explore new tenant formats such as exhibit halls, wellness centers and furniture/home stores. FLI encourages government offices to be in its malls for the convenience of its customers. For offices, FLI intends to have traditional offices as well as government offices aside from BPOs. FLI will also accelerate developments in its industrial parks and continue to market to manufacturers, logistics and e-commerce fulfillment centers.

Accelerate monetization of land bank.

FLI believes that there is currently significant unrealized value in its land bank based on the historical low-cost carrying value of such land bank on its balance sheet. The Company believes that it is now the opportune time to take advantage of the appreciation in value of such land bank and accelerate monetization through land sales, or establish vertical trading developments or developments to generate recurring income. Townships masterplans are consistently being revisited to ensure adaptability to the changing needs of the market and its existing residents or locators. In addition, given the current projects in their pipeline, the Company believes it can benefit from the country's strong economic fundamentals to accelerate the pace of new project launches. For their higher value raw land portfolio, the Company plans to develop higher density and higher value-added projects, such as residential buildings, office buildings and retail malls, with a view to optimizing the revenue per sq.m. generated from such land bank.

Targeted vertical operations integration and digitalization to improve cost efficiency.

The Company plans to continue initiatives to further integrate their operations. As an example, the Company had established in 2017 a separate construction company (DPI) to undertake construction of specific projects and products, such as MRBs, to improve its cost competitiveness. Moreover, the Company has embarked on targeted digitalization processes, such as the use of building information modeling for design, as well as the acquisition and implementation of other software for bidding and project management, all in an effort to improve both cost and process efficiencies. Online platforms are continuously being developed and enhanced to ensure efficient touchpoints to its business partners such as customers, contractors, sellers and brokers. The Company also has separate property management teams with digital customer service applications to focus on monitoring and delivering the services to its clients.

PROPERTIES

The Company does not have any real properties that is mortgaged or encumbered.

Land Bank

Since its incorporation, the Company has invested in properties situated in what the Company believes are prime locations across the Philippines for existing and future housing and land development projects. It is important for the Company to have access to a steady supply of land for future projects. In addition to directly acquiring land for future projects, the Company has also adopted a strategy of entering into joint venture arrangements with landowners for the development of raw land into future project sites for housing and land development projects. This allows FLI to reduce its capital expenditures for land and substantially reduces the financial holding costs resulting from owning land for development.

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 and marketing of the products. The joint venture partner is allocated either the developed lots or the proceeds from the sales of the units based on a pre-agreed distribution ratio.

Potential land acquisitions and participation in joint venture projects are evaluated against a number of criteria, including the attractiveness of the acquisition price relative to the market, the suitability or the technical feasibility of the planned development. The Company identifies land acquisitions and joint venture opportunities through active search and referrals.

As of September 30, 2024, the Company and its subsidiaries had approximately 1,864.1 hectares of raw land available for the development of its various projects, including approximately 196.5 hectares of land under joint venture agreements, which the Company's management believes is sufficient to sustain several years of development and sales.

Details of the Company's and its subsidiaries' raw land inventory as of September 30, 2024 are set out in the table below:

FLI LAND BANK as of SEPTEMBER 30, 2024

Location	Company Owned	Under Joint Venture	Total	% to Total
				Area in Hectares
Luzon				
Metro Manila	34.4	-	34.4	1.8%
Rizal	712.3	9.2	721.5	38.7%
Bulacan	252.4	-	252.4	13.5%
Bataan	12.3	-	12.3	0.7%
Pampanga	-	24.9	24.9	1.3%
Camarines Sur	0.8	-	0.8	0.0%
Pangasinan	3.5	-	3.5	0.2%
Cavite	298.9	58.8	357.7	19.3%
Laguna	229.8	0.7	230.5	12.4%
Batangas	45.6	42.1	87.7	4.7%
Sub-total	**1,589.8**	**135.7**	**1,725.5**	**92.6%**
Visayas				
Cebu	1.8	35.7	37.5	2.0%
Negros Oriental	0.2	-	0.2	0.0%

Sub-total	**2.0**	**35.7**	**37.7**	**2.0%**
Mindanao				
Davao	6.3	25.1	31.4	1.7%
South Cotabato	69.6	-	69.6	3.7%
Sub-total	**75.9**	**25.1**	**101.0**	**5.4%**
Total	**1,667.6**	**196.5**	**1,864.1**	**100.0%**

In addition to the above, FLI has the following landbank under a joint development or long-term leasing agreement, available to FLI for development and operations.

Location	Area in has.	Remarks
Filinvest Mimosa Plus	201.6	Being developed with FDC
New Clark City	288.0	Being developed with BCDA
Total	**489.6**	

The Company does not intend to acquire properties for the next twelve (12) months except as needed in the ordinary course of business.

Townships

City di Mare

Inspired by the world's best-loved coastal cities, City di Mare, or "City by the Sea", spans across 50.6 hectares at Cebu's South Road Properties.

In August 2010, FLI launched City di Mare, a 50.6-hectare property located at the South Road Properties in Cebu City. It is a master-planned development composed of different zones catering to a wide array of lifestyles and activities, namely Il Corso, the 10.6-hectare waterfront lifestyle mall; the 40-hectare residential clusters; and The Piazza, nestled at the heart of the residential enclaves puts lifestyle essentials such as school, church, shops, and restaurants within the neighborhood. City di Mare is envisioned to be a destination in itself, takes full advantage of the coastal ambience featuring seaside shopping, dining, beach and water sports and more, right by the water's edge.

The 10.6-hectare retail development known as Il Corso has a gross leasable area of approximately 32,000 square meters. City di Mare has four resort-themed residential enclaves inspired by world-class resorts, with each 10-hectare development flaunting a distinct architectural character. With over 65% of the property allocated for wide, open areas and landscaped greens, City di Mare provides the generous amenity of breathing space and a refreshing dose of nature throughout the site. Residences are spread out over the sprawling development, maximizing the abundant sunlight and allowing the invigorating sea air to circulate freely. In July 2015, FLI, Filinvest REIT Corp, ("FILRT") and Filinvest Alabang, Inc. ("FAI") (collectively referred to as "Filinvest Consortium") won the bidding for a 19.20-hectare lot in Cebu's South Road Properties ("SRP"). This property is referred to as SRP2.

SRP 2

In July 2015, FLI, Filinvest REIT Corp. Filinvest Alabang, Inc., and a third party (collectively referred to as "Filinvest Consortium") won the bidding for a 19.20 hectare lot in Cebu's SRP. Thereafter, on August 7, 2015, Filinvest Consortium entered into a Deed of Sale on Installment (DSI) with the Cebu City Government. In a letter dated January 6, 2017, the Cebu City Mayor questionedthe validity of the sale and gave the buyers the option to withdraw from the sale at buyer's discretion. In a letter to theCebu City Mayor dated February 7, 2017 (the Letter), Filinvest Consortium expressed its intention to rescind the DSI.Under the DSI, Cebu City undertook to comply with several covenants, undertakings and obligations no later than February 7, 2016 (or 180 days from execution of the DSI). The Letter pointed out that as of February 7, 2017, the said covenants, undertakings, and obligations have not been complied with and it does not appear that these will be complied with within a foreseeable reasonable period of time.

The rescission of the DSI shall only take effect upon return by Cebu City of the down payment and installment payments made to Cebu City by Filinvest Consortium, plus interests, within ninety (90) days from receipt of the Letter in accordance with Section 5.7 of the DSI. Pending receipt of such payments, the DSI shall remain valid and subsisting by and among the parties.

The 19.2-hectare property mentioned above is a separate property from the other two (2) properties within the SRP which were acquired from Cebu City: a) the 40-hectare property under a joint venture undertaking with Cebu City; and b) the 10-hectare property which was already paid in full by FLI to Cebu City.

On August 2, 2019, Filinvest Consortium informed Cebu City that the payments will be judicially consigned in accordance with law considering that to date, Cebu City has not yet returned the payments with interest, thus, the conditional rescission has already expired. In response, Cebu City issued a letter dated October 4, 2019 to Filinvest Consortium and insisted that the latter has no longer any debt to Filinvest Consortium as the DSI was effectively rescinded. Cebu City reiterates its willingness to restitute the Filinvest Consortium of the amount it has already paid prior the rescission.

The Cebu City Government and Filinvest Consortium came to a resolution on January 8, 2020 with the full payment and the signing of the Deed of Absolute Sale. The Filinvest Consortium paid on December 17, 2019 the full amount of the purchase price of the lot plus the accumulated interest for the unpaid installments since 2017. Accordingly, the matter has been resolved.

On October 7, 2020, Filinvest Consortium sold a portion of its property by reducing the area to 16.2 hectares. Prior to the sale, Filinvest Consortium secured a Letter of No Objection from the Executive Department of the City for the sale of the property.

Pampanga

Filinvest Mimosa, Inc. (FMI), a company formed in 2016 by the consortium of Filinvest Development Corporation (FDC) and FLI as the winning bidder in the privatization of the former Mimosa Leisure Estate, has a lease agreement with Clark Development Corporation (CDC) for a term of fifty (50) years, renewable for another twenty-five (25) years. Over this period, Filinvest Mimosa will develop, manage and operate the estate. FMI is owned by FDC (47.5%), FLI (47.5%) and CDC (5.0%). FMI is an associate of FLI. On February 20, 2017, FCMI, a subsidiary of FLI, entered into a sublease agreement with FMI whereby FCMI acquire the right to lease the 36.0352 hectare portion of the Mimosa Leisure Estate and develop it into a mixed use development with various components such as, but not limited to office spaces, retail, commercial and residential units. Monthly minimum guaranteed lease payment amounting to P6.42 million is subject to 10% increase starting June 1, 2021 and every three (3) years thereafter and until April 21, 2066, plus percentage of the gross revenue generated by the Company from the leased property, commencing after one (1) year from the signing of the agreement. In 2023, FCMI paid FMI P84.8 million minimum guaranteed and Php1.89 million variable lease payments.

Tarlac

FLI signed a Joint Venture Agreement with the Bases Conversion and Development Authority (BCDA) for the development of the 288-hectare Filinvest at New Clark City in Tarlac. New Clark City is envisioned to be developed as the country's newest sustainable urban community and globally-competitive investment center that is smart, green and disaster-resilient. The industrial and logistics park is now currently being developed and has welcomed its first locator in July 2023. The township will also have commercial and residential components.

Laguna

Ciudad de Calamba is a 350-hectare modern township development in Calamba City, Laguna. It is a master-planned affordable and middle-income township with an industrial component. On August 19, 2023, the second phase of the industrial park was inaugurated.

Rizal

Havila is master-planned as a mix of affordable, middle-income and high-end subdivisions in Rizal province overlooking Metro Manila. With its 306-hectare development, the township offered three major communities such as Mission Hills, Highlands Pointe and Forest Farm interconnected by link road of Antipolo, Taytay and Angono Rizal. New developments in Havila are Mira Valley, Amarilyo Crest and Amarilyo Residences.

Timberland Heights, a sprawling 677-hectare premier mountain suburban township development located in the highest peaks of San Mateo, Rizal. It captures the essence of a mountain hideaway, a sporting and leisure paradise and a luxurious country resort in a premier township development.

Manna East, a 60-hectare modern Filipino themed affordable and middle-income community in Teresa, Rizal. Housing construction is ongoing for New Fields Phase 1 (launched Jan 2018). The construction of all amenity areas for New Fields Phase 1 has been completed. Land development has been completed in in Futura Plains (launched July 2019). FLI is currently planning the expansion for New Fields.

Negros Occidental

Palm Estates, 51-hectare township development designed to be a city within Talisay City. The first residential project was launched in the last quarter of 2016. Land Development for the first phase is complete and house construction is already ongoing.

Wood Estates

A 94-hectare township located in Trece Martires, Cavite with easy access to schools, shopping centers and transportation hubs.

Iloilo Centrale

Iloilo Centrale is an 11.4-hectare mixed-use development in Leganes, Iloilo City where the highly anticipated Panay-Guimaras bridge will be located. Blending modern urban living with Iloilo’s timeless heritage and charm, Iloilo Centrale will be a vibrant community offering residential, commercial, retail, and recreational spaces, as well as a transport hub.

Recent Land Acquisitions

In 2017, FLI acquired from various third-party sellers parcels of land in Alabang Muntinlupa City, Cubao, Quezon City, Teresa, Cainta and Taytay, Rizal, Balanga, Bataan and Zamboanga City.

In 2018, FLI acquired from various third-party sellers parcels of land in Quezon City, Parañaque City, Dagupan City, Pangasinan, Bacoor City, Cavite, Calamba City, Laguna, Mandaluyong City, Dumaguete City and Zamboanga City.

In 2019, FLI acquired from various third-party sellers parcels of land in San Rafael, Bulacan, Cainta, Rizal, Bacoor City, Cavite, Dagupan City, Pangasinan, Naga City, Bicol, Davao City, Dumaguete City, General Santos City and Negros Oriental.

In 2020, FLI acquired from various third-party sellers parcels of land in Dagupan City, Pangasinan and Bacoor City, Cavite.

In 2021, FLI acquired from various third-party sellers parcels of land in Davao City, Dumaguete, Rizal and Taguig.

In 2022, FLI acquired from various third-party sellers the parcels of land in Mandaluyong City, Manila, Paranaque, Valenzuela, Dumaguete, Davao, Cavite, Rizal and Bulacan.

In 2024, FLI acquired a parcel of land in Rizal from a third-party seller.

Residential Developments

FLI will further grow its core residential real estate development business, which includes house and lots, MRBs, and high-rise condominium units. Currently, FLI has the following completed and on-going high-rise condominium projects:

The Linear

The Linear, a master-planned residential and commercial hub in Makati City. Two (2) L-shaped towers, each twenty-four (24) storeys high, comprise this dynamic condominium community that perfectly caters to the needs of young urban professionals.

Studio City

Studio City is a community composed of a five-tower residential condominium complex within the Filinvest City to serve the demand for housing of the growing number of professionals working within Filinvest City and in the nearby Madrigal Business Park.

Since it is located within Filinvest City, residents enjoy proximity to Festival Supermall, Westgate Center, Northgate Cyberzone, Asian Hospital and Medical Center, and other commercial, educational and medical institutions. The development consists of eighteen (18) storeys per building with commercial units at the ground floor. All residential floors have twenty-five (25) studio units per floor.

The Levels

Located at one of the highest points of Filinvest City at around 23 meters above sea level, The Levels is a one-block, four (4)-tower residential condominium development that features laidback suburban living inside a fast-paced business district. The residential development is set in a tropical landscape, with four (4) towers uniquely designed with terracing levels, giving it a castle-effect look. The high-rise sections will be set in lush greenery, providing residents with views of the gardens. The second tower is currently under construction.

Studio N

Studio N is a 25-Storey development and is the latest addition to the studio series portfolio of Filinvest. This is located at the main business hub of Filinvest City. This is currently under construction.

The Levels, Studio City and Studio N are located within the Filinvest City, residents will enjoy proximity to Festival Supermall, Westgate Center, Northgate Cyberzone, Asian Hospital and Medical Center, and other commercial, educational and medical institutions.

Vinia Residences

Vinia is a 25-storey condominium development located along EDSA in Quezon City, right across TriNoma and just steps away from the MRT-North Avenue station. With its coveted location, it offers a world of ease and convenience to yuppies and families looking for quality homes, as well as budding entrepreneurs who want to start a home-based business at the heart of the city. This is fully completed.

Studio Zen

Studio Zen is a 21-storey condominium development located along Taft Avenue in Metro Manila. Student-oriented amenities, Zen-inspired features, and functional building facilities makes it an ideal residence for students living independently and a great investment opportunity for entrepreneurs who want to take advantage of the ready rental market in the area. This is fully completed.

Studio A

Studio A is a single tower 34-storey hi-rise residential condominium located in Loyola Heights in Quezon City. A community conveniently situated near premier universities, the LRT 2 line and other commercial establishments. This is fully completed.

100 West

100 West is a single tower 38-storey high-rise commercial and residential condominium with office spaces located in Gen. Gil Puyat Avenue corner Washington St. in Makati City. 100 West is in the Makati Business District and accessible to both north and south of Metro Manila. This is fully completed.

Studio 7

Studio 7 is a mixed-use development that will have office and residential towers complemented with retail outlets, located in Quezon City along EDSA very close to the GMA-Kamuning MRT station. Studio 7 will have studios as well as one-bedroom residential units. This is under construction and about 95% complete.

Activa

Activa is a mixed-use development with residential, office, and retail components. It is entrenched in the heart of Quezon City's busiest and liveliest district, Cubao. Situated at the crossroads of two (2) of the metro's most vital thoroughfares. Activa connects to the north and south via EDSA, and to the east and west via Aurora Boulevard. It also has direct access to the MRT and LRT lines, and accessible by various modes of transportation like buses and jeepneys. The project was recognized and awarded by Dot Property as the best Mixed-Use Development for 2019 for its mixed-use concept which blends in key components such as convenience, flexibility, entertainment, and leisure. This is under construction

FLI expects to remain focused on core residential real estate development business which includes landed housing, medium-rise buildings (MRB) and high-rise condominium projects, residential farm estates, entrepreneurial communities, and leisure developments in response to the demands of the Philippine market.

Marina Town Dumaguete

A mixed-use development nestled against the backdrop of Dumaguete Bay. Marina Town is a 1.9-hectare integrated, metropolitan destination set to redefine the landscape of the progressive city.

The following are the most recently launched projects and projects with new phases and buildings:

PROJECT	LOCATION
HORIZONTAL	
Amarilyo Crest	Rizal
Pineview	Cavite
Sandia	Batangas
Tierra Vista	Bulacan
The Grove	Rizal
Savannah Place	Cavite
Futura Homes Palm Estates	Bacolod
Futura Homes Mactan	Cebu
Futura Homes Iloilo	Iloilo
Futura Homes Koronadal	South Cotabato
Anila Park Residences	Rizal

PROJECT	LOCATION
MRB	
One Oasis Cebu	Cebu
One Oasis Cagayan de Oro	Cagayan de Oro
Panglao Oasis	Taguig
One Spatial	Pasig
San Remo	Cebu
Centro Spatial	Davao
One Spatial Iloilo	Iloilo
Marina Spatial	Dumaguete
8 Spatial	Davao
Maui Oasis	Manila
Alta Spatial	Valenzuela City

Aria at Serra Monte	Rizal		Bali Oasis	Pasig
The Prominence	Quezon City		Maldives Oasis	Davao
Futura Homes Davao	Davao		Sorrento Oasis	Pasig
New Fields at Manna	Rizal		Veranda	Davao
Meridian Place	Cavite		Futura East	Cainta
Valle Dulce	Laguna		Centro Spatial	Manila
Ventura Real	Rizal		Belize	Muntinlupa
Claremont Expansion	Pampanga		Futura Vinta	Zamboanga
Southwinds	Laguna		Futura Monte	Naga City
Futura Zamboanga	Zamboanga		Futura Shores Sydney Oasis	Dumaguete Bacoor
Enclave	Muntinlupa		**HRB**	
New Leaf	Cavite		Activa	Quezon City
Mira Valley	Rizal		Levels	Alabang
Hampton Orchard	Pampanga		Studio City	Alabang
Futura Mira	Calamba		Studio N	Alabang
Futura Plains	Rizal		**Walkup**	
Tropics 4	Cainta		Futura Rise	Iloilo
Alta Vida 4&5	Bulacan			
Rosewood Place	Cavite			
The Arborage C	Laguna			
New Leaf Phase 2	Cavite			
Celestia	Rizal			

On-going developments of the abovementioned projects are expected to require additional funds, but FLI believes that it will have sufficient financial resources for these anticipated requirements, from the secondary issuance of shares from Filinvest REIT Corp., (formerly Cyberzone Properties, Inc.), debt financing and internal cash generation from operations.

FLI expects to remain focused on core residential real estate development business which includes landed housing, medium-rise buildings (MRB) and high-rise condominium projects, residential farm estates, entrepreneurial communities, and leisure developments in response to the demands of the Philippine market.

In 2024, FLI continued to retain its dominant position as the leader in MRB projects by launching 6 new such projects nationwide, including the Company's brand-new walkup, Futura Rise in Leganes, Iloilo. Aside from the MRBs, FLI has pipelined 14 horizontal residential projects. FLI projects are geographically diversified and can be found in 22 provinces across the country. FLI also focuses on projects that have short construction periods to minimize construction risks. Home buyers are typically first-time homeowners and ultimate end-users.

Leasing Segment

The Company has a significant leasing portfolio comprising mostly commercial office and retail developments, including thirty-eight (38) offices and BPO buildings, its flagship mall, the Festival Supermall in Filinvest City, and four (4) other community malls, in addition to retail spaces in mixed-use developments. The Company was a pioneer among Philippine landlords with the longest histories of focusing on the BPO industry as tenants. The Company believes this history and track record is a competitive advantage in gaining the continued confidence of BPO locators.

The following table sets forth the breakdown of revenue from rental and related services:

	For the nine months ended September 30,	
	2023	2024
	(in thousands)	
Real estate sales by market segment		
Medium income	₱6,498,779	**₱9,057,147**
Low affordable and affordable	2,458,939	**1,341,618**
High-end and others	604,141	**965,761**
Socialized	265,788	**527,599**
	9,827,647	**11,892,125**
Cinema operations by type of goods or services (included as part of rental and related services)		
Theater, snack bar, parking sales and amusement sales	162,285	**187,442**
	162,285	**187,442**
Tenant dues		
Office leasing	856,001	**845,258**
Mall and other leasing operations	293,371	**299,654**
	1,149,372	**1,144,912**
Total revenue from contracts with customers	11,139,304	**13,224,479**
Rental revenues		
Office leasing	2,547,257	**2,655,878**
Mall operations	1,285,538	**1,352,911**
Others	211,914	**370,148**
	4,044,709	**4,378,937**
Total Revenue	₱15,184,013	**₱17,603,416**

	For the years ended December 31,		
	2021	2022	**2023**
	(In thousands)		
Real estate sales by market segment			
Medium income	₱7,582,470	₱8,915,046	**₱9,835,600**
Low affordable and affordable	2,500,696	2,661,307	**3,367,527**
High-end and others	877,766	1,026,177	**855,169**
Socialized	313,577	233,526	**428,210**
	11,274,509	12,836,056	**14,486,506**
Cinema operations by type of goods or services (included as part of rental and related services)			
Theater and parking sales	₱63,021	₱163,853	**₱214,452**
Snack bar sales	10	8,871	**14,066**
	63,031	172,724	**228,518**
Tenant dues			
Office leasing	1,210,100	1,158,229	**1,149,383**
Mall and other leasing operations	282,993	344,514	**379,197**
	1,493,093	1,502,743	**1,528,580**
Total revenue from contracts with customers	12,830,633	14,511,523	**16,243,604**

	For the years ended December 31,		
Rental revenues			
Office leasing	3,585,598	3,425,457	**3,511,044**
Mall operations	450,079	1,161,326	**1,605,302**
Others	-	88,158	**327,506**
	4,035,677	4,674,941	**5,443,852**
Total Revenue	₱16,866,310	₱19,186,464	**₱21,687,456**

FLI has the following investment properties for lease:

Commercial Retail Leasing Properties

Festival Supermall

The landmark project, Festival Supermall, carries on its position as the prime destination for recreation and retail in southern Metro Manila. With more ‘firsts’ on its offerings and a better shopping ambiance, the mall has elevated the retail experience in the south. It is one of the country’s largest shopping malls with more than 1,000 shops.

Major improvements have been undertaken and continue to be undertaken for the existing mall and its facilities. New interiors give the mall a refreshed look and modern ambiance, complementing the recently completed 46,000 sq.m. expansion wing.

The introduction of new and unique food establishments has made Festival a gastronomic destination ushering in new traffic and strengthening its appeal to its core target market. The Water Garden, a new distinctly refreshing outdoor amenity and convergence zone in the expansion wing, continues to be favorite among mall patrons. Uniqlo opened its first ever roadside store in the country in Westgate, Festival’s affiliated lifestyle development in Filinvest City.

Fora Mall

Conveniently located right by Tagaytay Rotunda is Fora Mall, the first regional mall in the area. This prime retail destination provides about 26,000 sq. m of leasable space amidst nature, open spaces, and a beautifully landscaped amphitheater. It primarily serves the local market and Tagaytay bound tourists. A number of local and popular food concepts, along with national brands, have opened in the mall. Super Metro, a 24-hour hypermarket, serves as its anchor. The mall also has digital cinemas and several magnificent views, which have become the go-to place for Tagaytay City and surrounding towns for recreation.

Main Square

With a smaller format of over 18,000 sq. m leasable area, Main Square is the first and only mall along Bacoor Blvd, close to Bacoor City Hall and fronting Princeton Heights. Positioned as the reliable one-stop hub for neighboring gated villages of Bacoor, it provides basic shopping, wellness, service and convenience offerings from partner brandssuch as Anytime Fitness, Watson’s, Ace Hardware, Western Appliances, Japan Home, and DIY. The mall’s anchor for this development is Robinsons Supermarket, which has become the most convenient essentials shopping option inthe area.

Il Corso

Il Corso is a retail development with an estimated 34,000 sq. m of leasable area in the City di Mare estate development of Filinvest in the South Reclamation Area of Cebu City. Its opened restaurants facing the sea have become destinations in the southern edge of Cebu City. The cinema has also opened. A 10,000 sq.m. portion of the mall is being reconfigured to accommodate Business Process Outsourcing Companies.

Filinvest Malls Dumaguete

Filinvest Malls Dumaguete is a serene resort-style community mall, situated in Dumaguete's bayside community. It celebrates the city's cultural heritage and offers a diverse array of local and national favorites. Located at the corner of Flores Avenue and E. J. Blanco Street, the new destination sets a new standard for lifestyle offerings with its mix of global brands, local favorites, national chain stores, and a breathtaking bay-side view.

Other Filinvest Lifemalls

The following table sets out a summary of the Company's other major Filinvest Lifemalls:

Mall	**Location**	**GLA (sq.m.)**	**Features**
Fora Mall	Tagaytay Rotonda	~27,000	• 24-hour Super Metro anchor store • Four (4) digital cinemas • Open air amphitheater and forest features • Beside Quest Hotel
Main Square	Princeton Heights, Bacoor, Cavite	~18,000	• Robinsons Supermarket • Watsons, Ace Hardware, DIY • Anytime Fitness • Starbucks, Coffee Bean & Tea Leaf • Beside Bacoor City Hall
Il Corso	City di Mare, Cebu	~18,000	• Outlet stores of well-known global fashion brands • Seaside waterfront boardwalk with al fresco dining • Central piazza with dancing fountain • Fully-functional lighthouse and battleship playground for children • Cebuano homegrown food concepts
Filinvest Malls Dumaguete………..	Marina Town, Dumaguete	~3,800	• Spectacular views of Dumaguete Bay • First UCC café in Dumaguete City • National and regional store chains opening first stores in Dumaguete

Overall occupancy rate of all retail malls is at 68% of total retail GLA as of end-September 2024.

Retail Space Projects in the Pipeline

As of the date of this Offer Supplement, the Company has no plans to acquire any additional shopping malls, but intends to undertake commercial and retail projects to complement its residential developments in selected areas.

Mall Locators

In the Philippines, many major shopping malls have been developed by companies which also own large retail operations that to comprise a large chunk of the leasable area. The Company does not own any retail operations. Because the Company and its affiliates are focused primarily on real estate development and finance, the Company believes that this gives its Filinvest Malls the flexibility to sign up tenants who can best serve its target market. The Company has successfully attracted major retailers at the Filinvest Malls, such as Robinsons Retail Holdings, Inc., SM Retail, Inc., Stores Specialists, Inc. (SSI),Metro Retail Stores Group, H&M, Uniqlo and The Landmark.

The retail leasing business is not dependent upon a single customer or a few customers, the loss of any or more of which would not have a material adverse effect on the registrant and its subsidiaries taken as a whole. It is also not dependent on any related party.

Mall Leasing Policies

FLI manages its Filinvest Lifemalls with a view to maximizing and enhancing its value by ensuring that it has a mix of tenants that will allow it to cater to the widest possible range of market segments and to meet consumer demand in the communities which the mall serves.

Tenants enter into short to medium-term leases, typically for two (2) to five (5) years, with tenants requiredto make a security deposit equal to three (3) to six (6) months' rent and to pay rent on a monthly basis. Tenants pay rents that are either fixed or are comprised of a base rent plus a variable portion ranging from 1.5% to 15.0% of the tenants' sales revenues. Typically, tenants operating restaurants and other dining establishments are charged higher variable rates than tenants who operate apparel stores and other retail establishments. The combined rent of a base amount per sq.m. plus a variable rent factor based on a percentage of sales, is subject to a minimum rent computed atan amount per sq.m. per month. The base portions of rents are primarily determined by the specific location in the mall and size of space being leased and are typically subject to an annual escalation rate. Fixed rate leases are generally with tenants that provide services (such as banks and foreign exchange centers) or which sell high-priced goods (such as jewelry stores and computer stores) and which do not typically generate high turnover. Tenants are charged separately for common area-related costs, such as costs for security, janitorial and other maintenance servicesand for utilities.

Commercial Office Properties

As of September 30, 2024, the Company owns commercial office spaces for lease to several BPO and other office locators with total gross leasable space of 694,077 sq.m. Primarily, these are located in Northgate Cyberzone in Filinvest City, Alabang, Muntinlupa. Northgate is an 18.4-hectare IT-BPO campus-style hub accredited by the Philippine Economic Zone Authority (PEZA) that enjoys developer incentives. Among the Company'sportfolio is the PBCom tower where FLI owns 60.0% through FAC, which owns 50.0% of the 52-storey PBCom Tower in the Makati CBD. PBCom Tower is a Grade A, PEZA-registered, IT/office building located along Ayala Avenue, Makati City with a GLA of 35,148 sq.m.

The Company also owns several completed office developments, in Bay City, Pasay, at EDSA, Mandaluyong near Ortigas MRT station, at Gil Puyat, Makati City, at Clark Mimosa and at Cyberzone Cebu IT Park. A summary of the GLA is set forth below:

Location	Number of Buildings	GLA (sq.m.)
Northgate Cyberzone, Filinvest City	20	368,423
Metro Manila outside of Filinvest City	10	210,396
Outside Metro Manila	8	115,258
Total	**38**	**694,077**

Overall occupancy rate of the office developments as of September 30, 2024 is at 58%.

The office buildings of Filinvest are mainly located in business parks or in mixed-used complexes highly accessible to public transport. The Company believes its business park model, wherein the Company builds on areas specifically suitedfor business and industrial establishments supported, in certain cases, by incentives from the Government, gives it a competitive advantage as business parks are the preferred site of major BPO tenants. Being located in a major businesspark allows the tenants assurance of expansion options within close proximity thereby giving the Company an advantageover stand-alone developments.

- Northgate Cyberzone, an 18.7-hectare, PEZA-registered IT park located in Filinvest City in Alabang. The office buildings of the Company sit within the ten (10) hectare parcel of land in the Northgate district owned byFLI.

- Mimosa Workplus, an office campus type environment that is comprised of eight (8) buildings set amidst the lush natural environment of the Filinvest Mimosa+ Leisure City.

- Cyberzone Cebu and Filinvest IT Park are two (2) distinct developments on two (2) separate BTO arrangements with the Cebu Province having land area of 1.2 hectares and 2.9 hectares respectively. The said properties are in close proximity to the city center located along Salinas Avenue and Banilad, in Cebu City. Together they comprise seven office towers, a mall and a hotel development. The office and mall portions are pre-certified LEED Gold rating.

- Activa is a 1.37-hectare mixed use development at the corner of EDSA and Aurora Boulevard and lies in close proximity to the Cubao LRT and Cubao MRT Stations. The development will have the following: BPO office tower, a traditional office tower, residential tower, retail mall, and lease accommodation or WFH studios for lease. The designs for the BPO office and mall portions are pre-certified with LEED Gold rating.

- Studio 7 is a two (2)-tower mixed-use complex comprising of residential and office buildings on a retail and parking podium. Located along major thoroughfare EDSA in Quezon City, it is strategically located close to the GMA Kamuning Metro Rail Transit 3 Station and is a pre-certified LEED Silver rating.

- Filinvest Cyberzone Bay City is a four (4)-tower office complex in the bustling section of the Bay Area. The complex is also certified LEED Silver rating.

- Filinvest Buendia, a prime office address at the heart of Makati City, is a 14-storey development that complements the vibrant and fast-paced lifestyle of urbanites by offering state-of-the-art leasable office and retail spaces. As of September 30, 2024, it is fully leased out by the Philippine Department of Trade and Industry (DTI).

The following office leasing projects are in the pipeline and the Company targets to complete these projects in the next five (5) years:

	2024	2025	2026	2027	2028	2029	Total
Filinvest City	--	--	--	--	--	--	--
Other Metro Manila	--	10,604	--	--	--	--	10,604
Cebu	41,049	--	--	--	19,947	--	60,996
Clark Mimosa	--	--	--	--	--	--	--
Others	--	--	--	--	--	--	--
TOTAL	41,049	10,604	--	--	19,947	--	71,600

Lease Profiles

The Company’s office tenants are principally companies in the BPO sector with customer care, medical transcription, software development, graphic design and animation services. Firms that provide corporate backroom support operations, such as accounting and bookkeeping, account maintenance, accounts payable administration, payroll processing, expense and revenue reporting, legal, financial reporting and other finance-related services, have also established a growing presence in the Philippines. Aside from the BPO sector, there are Traditional HQ tenants and small database of POGO tenants.

Office space leases for FLI are typically for periods ranging from three (3) to five (5) years, although “built-to-suit” buildings are typically leased for ten years. The lease agreements generally require tenants to make a three-month security deposit and three (3) months advance rent. Rent is paid on a fixed per sq.m. basis, depending on unit size and location.

Leases with POGO tenants, which account for approximately 5% of total office space in aggregate, are usuallyfor terms of minimum three (3) to five (5) years with six (6) months deposit and six (6) months advance rent (to be applied at the end of the lease term but these are payable upfront upon handover) for such tenants.

The office leasing business is not dependent upon a single customer or a few customers, the loss of any or more of which would not have a material adverse effect on the registrant and its subsidiaries taken as a whole. It is also not dependent on any related party.

FLI's current tenants include Top Multinational BPO Companies - which are some of the most recognized players in the BPO space. FLI enjoys relatively high repeat business from its existing clients with about 90% of its current tenants being original tenants who have opted to either renew or extend their respective lease contracts, suggesting the company's strong ability to retain quality lessees.

New Leasing Formats

Dormitels - The Crib Clark located in the Clark Mimosa Leisure estate serves as temporary living accommodations for employees within the Clark Economic Zone.

Industrial Parks - Filinvest Innovation Parks in Filinvest New Clark City and Ciudad de Calamba targets industrial locators who will lease land or ready built factory buildings.

Trading Segment

The Company, develops and sells residential subdivisions, commercial lots, housing units, MRBs and HRBs across all income segments in the Philippines with an emphasis on the affordable and middle-income segments. The Company also develops central business districts ("**CBDs**"), and other mixed-use and residential projects such as various types of townships, residential farms, leisure estates and condotels. As of September 30, 2024, the Company hadover 220 developments under construction in 55 cities and municipalities located throughout the Philippines.

The following tables set forth the Company's trading real estate revenue for 2021, 2022 and 2023, and for the nine (9) months ended September 30 (in millions except for % figures):

	For the nine month period ended September 30,			
	2023		**2024**	
In thousands except %	(₱)	**(%)**	(₱)	**(%)**
Real estate sales by market segment				
Medium income	₱6,498,779	66%	₱9,057,147	76%
Low affordable and affordable	2,458,939	25%	1,341,618	11%
High-end and others	604,141	6%	965,761	8%
Socialized	265,788	3%	527,599	5%
	₱9,827,647	**100%**	₱11,892,125	**100%**

	For the year ended December 31,					
	2021		**2022**		**2023**	
In millions except %	(₱)	**(%)**	(₱)	**(%)**	(₱)	**(%)**
Real estate sales by market segment						
Medium income	₱7,582,470	67%	₱8,915,046	69%	₱9,835,600	68%
Low affordable and affordable	2,500,696	22%	2,661,307	21%	3,367,527	23%
High-end and others	877,766	8%	1,026,177	8%	855,169	6%
Socialized	313,577	3%	233,526	2%	428,210	3%
	₱11,274,509	**100%**	**₱12,836,056**	**100%**	**₱14,486,506**	**100%**

Residential Housing

Since it began commercial operations, FLI's core business has been developing and selling residential subdivisions and housing units in the Philippines. In the 1990s, FLI started developing affordable housing units in the Philippines. Since then, the Company has ventured into the development of other real estate products, such as MRBs and HRBs. The Company believes that its long-standing brands, built over a five (5)-decade history of success and innovation provides it with an advantage in the marketing and sales of its core affordable housing products nationwide.

The Company's residential projects include houses, lots, MRBs and HRBs, which are offered in the socialized, affordable, middle income and high-end housing segments. Except for FLI's socialized housing products, which are categorized based on criteria set by the Government, FLI's residential product lines are categorized based on criteria determined solely by the Company, taking into consideration factors such as the price points for each category and the target market for each project. The criteria set by the Company in determining which of its projects are affordable, middle-income and high-end may differ from those set by its competitors and by industry associations.

The Company's customer base consists of both domestic and overseas Filipinos. The Company believes the OFW population and expatriate Filipinos contribute a significant portion of the demand for FLI's affordable and middle-income housing by remitting funds to family members in the Philippines to purchase property and by purchasing properties from abroad. For the years ended December 31, 2020, 2021, 2022, and 2023, and the first nine months of 2024, sales attributable to OFWs accounted for approximately 20%, 22%, 20%, 24%, and 24% of the Company's total real estate option sales, respectively.

Landed Residential Housing

<u>Socialized Housing</u>

Socialized housing is marketed under FLI's "Pabahay" brand, with lots typically priced at up to ₱160,000 per lot and housing units typically priced at up to ₱850,000 per unit. FLI's socialized housing comprises large-scale, mass-housing projects that have historically ranged in size from approximately six to 55 hectares and have been developed in phases typically comprising 1,000 lots of 35 to 50 sq.m. each, organized in clusters of front-expandable row houses with supporting amenities and facilities. Government regulations generally require developers to allocate at least 5% to 20% of their subdivision development activities (by either area or cost) for socialized housing units, although this requirement can also be satisfied through alternative means. Buyers of socialized housing projects are eligible to obtain financing from the Government's Pag-IBIG Fund. Maximum sales prices for FLI's socialized housing products do not exceed the Government-mandated ceiling of ₱850,000 per unit, which was increased from ₱580,000 in October 2023, and income realized from the development and improvement of socialized housing sites are exempt from taxation. See "*Regulatory and Environmental Matters*."

<u>Affordable/Middle-Income Housing</u>

Affordable housing is marketed under FLI's "Futura by Filinvest" brand, with lot-only prices ranging from ₱160,000 to₱750,000 and per-unit prices for housing units ranging from ₱580,000 to ₱l,500,000. Affordable housing developments typically range from two (2) hectares to twenty-six (26) hectares and have been developed in phases typically comprising approximately 300 lots each. Houses typically have a floor area of approximately 40 sq.m., with a lot size generally between 80 to 150 sq.m. FLI designs and constructs homes in this sector with the capacity and structural strength to give the owner the option to place an additional storey, which can double the available floor area. Affordable housing projects are typically located in provinces bordering Metro Manila, including Bulacan, Laguna, Batangas and Cavite, and in key regional cities and provinces such as Tarlac, Cebu, Davao, Palawan, Bacolod and Koronadal. Construction of a house in this sector is usually completed approximately nine months from the completion of the required down payment.

The Company markets its middle-income housing under the "Aspire by Filinvest" brand, with lot-only prices ranging from ₱750,000 to ₱1,200,000 and per-unit prices for housing units ranging from ₱1,500,000 to ₱4,000,000. Historically, FLI's middle-income housing developments have ranged in size from approximately five (5) to forty-six (46) hectares and have been developed in phases typically comprising approximately 150 lots of 150 to 300 sq.m. each. Middle-income housing developments are typically located within Metro Manila, as well as nearby provinces such as Rizal, Cavite, Pampanga and Laguna, and major regional urban centers in Cebu, Davao, and Zamboanga.

A typical home in middle-income projects has two (2) stories. Houses in this sector are designed and constructed with the capacity and structural strength to allow the owner to add extensions to the existing structure. Construction of a house is usually completed approximately nine (9) to twelve (12) months from the receipt date of the final installment of the required down payment.

High-end Housing

The Company markets its high-end housing developments under the "Prestige by Filinvest" brand, with lots priced at above ₱1,200,000 each, and per-unit prices for housing units above ₱4,000,000. The Company also markets high-end housing projects under the "Filigree" brand for its more exclusive developments. Historically, the Company's high-end housing developments have ranged in size from approximately 5 to 25 hectares and have been developed in phases typically comprising approximately 35 to 300 lots of 250 to 1,000 sq.m. each. High-end housing developments are typically located within Metro Manila and in areas immediately outside Metro Manila and in major regional urban centers in Cebu. A typical home in a high-end housing project has two (2) stories. Homes in this sector are designed and constructed with the capacity and structural strength to allow the owner to add extensions to the existing structure. Construction of a house is usually completed approximately nine (9) to twelve (12) months from the receipt date of the final installment of the required downpayment.

Vertical Residential Housing

Medium-Rise Buildings or MRBs

MRB projects are designed in clusters of buildings that surround amenities with the intention of providing a quiet environment within an urban setting. MRBs are typically around five (5) stories with an elevator and include studio, one bedroom, and two (2) bedroom units. The Company's policy is to commence construction of an MRB building when at least 50.0% of the units in the building have been sold. From a developer's perspective, MRBs offer several benefits, compared to high-rise developments. MRBs can generally be constructed in less than one year once all approvals have been obtained, which reduces the risk borne by FLI between the launch and delivery of a project. The lower height of MRBs also reduces construction costs compared with high-rises, which require extra reinforcement to protect against earthquake damage.

MRBs are marketed under FLI's "Oasis" brand for the middle-income market and under FLI's "Spatial" brand for the affordable housing market. MRBs under the "Oasis" brand typically have per-unit prices ranging from ₱2,000,000.00 to ₱4,400,000.00 depending on the size of the unit, while MRBs under the "Spatial" brand typically have per-unit prices ranging from ₱1,700,000.00 to ₱3,600,000.00. MRBs offer low-density development and lower association dues comparedwith high-rise condominium buildings, in addition to a lower price per sq.m. MRBs are generally located in prime urban zones. Further, MRBs are developed to maximize open space, with buildings typically occupying 30% to 35%of the development's land area. In contrast with its other developments, which generally require the down payment to be paid within 12 months, FLI generally allows MRB purchasers to pay the down payment in installments overa 24-month period.

Walk-ups. A new sub-segment of products under MRBs is the Walk-up, a low-density three-story condominium project, typically in a compound of buildings with shared amenities. FLI's first such walk-up project is Futura Rise, located within the community-centric Iloilo Centrale development in Leganes, Iloilo. Futura Rise is designed to enable a holistic and wellness-centered lifestyle for the entire family, pets included—most high and mid-rise projects do not allow pets as these may suffocate in the confines of small units. The walk-up aims to offer buyers twin benefits: the convenience and affordability of a condominium unit with the freedom and amenities afforded by a house-and-lot subdivision

As of the date of this Offer Supplement, the Company has 2 MRB projects with more than 100 buildings throughout Luzon,Visayas and Mindanao.

High-Rise Buildings or HRBs

The Company develops HRBs in prime areas. HRBs are at least eighteen (18) stories, with various floor plans and designs depending upon the demographics of the target market for each building. FLI's policy is to commence construction of an HRB when at least 50% of the units in the building have been sold. From a development perspective, HRBs generally can be constructed in two (2) years once all government approvals have been obtained. As of December 2024, all of FLI’s HRBs are currently in the major urban population centers of Metro Manila, with the exception of one condotel project in Cebu.

Leisure Projects

The Company’s leisure projects consist of its condotels, residential farm estates, and residential resort developments.

Condotels

FLI developed the 25-storey Grand Cenia Hotel and Residences, which is strategically located across the Cebu Business Park, a joint venture project of FLI, as developer, and Gotianun Family-owned GCK Realty Corporation, as landowner. Under the terms of the joint venture agreement, GCK Realty Corporation contributed 4,211 sq.m. of land to be developed in accordance with a master development plan in exchange for an 8% interest in the joint venture. The condotel units are targeted to business travelers, returning OFWs and expatriate Filipinos. Owners of individual condotel units are required to place their units in a rental pool that will be operated as a business hotel. Owners are entitled to use the unit for 14 days annually. The units were handed over to the condotel buyers for preparation for hospitality operations. In 2012, the hotel started operating as the Quest Hotel and Conference Center, Cebu, a three-star hotel with business and conference facilities. The Company has also developed the Fora Hotel Tagaytay.

Residential Farm Estates

The Company began marketing its residential farm estate projects to customers in 2003, after FLI’s in-house market research indicated that there was demand among customers, such as retirees and farming enthusiasts, for leisure farms that can serve as alternative primary homes near Metro Manila. To help attract buyers, the Company maintains demonstration farms in its farm estate projects and also has personnel on site to provide buyers with technical advice on farming. Customers can purchase lots (with a minimum lot size of 750 sq.m.) on which they are allowed to build a residential unit (using up to 25.0% of the total lot area). The remaining lot area can be used for small-scale farming, such as fish farming or vegetable farming. Residential farm estates are sold on a lot-only basis, with buyers responsible for the construction of residential units on their lots.

As of the date of this Offer Supplement, the Company has three (3) residential farm estates under FLI, Nusa Dua Farm Estate,Mandala Residential Farm Estate and Forest Farms Residential Farm Estate. Nusa Dua Farm Estate is located in Cavite, just south of Metro Manila. Mandala Residential Farm Estate (“**Mandala**”) is located in Rizal province and integrated in FLI’s Timberland Heights township project. Forest Farms Residential Farm Estate (“**Forest Farms**”) is also located in Rizal province as part of FLI’s Havila township project. It is an exclusive mountain retreat and nature park, located between the hills of Antipolo and the forested area of Angono, Rizal.

Residential Resort Development

FLI entered the high-end residential resort market in 2007 with the launching of the Laeuna de Taal project located along Tagaytay Ridge, Batangas and the Kembali Coast project and Veranda Resort Condominium in Samal Island, Davao. The residential resorts capture the growing demand for second homes and leisure and retirement destinations of the high-end market segment. Laeuna de Taal, provides scenic views of the Taal Lake, and offers three (3) residential enclaves: Arista, Bahia, and Orilla. Located on the water from of Laeuna de Taal is the Lake Club, a lakeside amenity designed for wellness, recreation and events. Kembali Coast is an Asian-Balinese inspired beachfront residential development with a 1.8 kilometer beach, providing seaside resort-style living in the Mindanao area. Kembali has a total land area of 50 hectares while the Laeuna de Taal project has a total land area of 60 hectares.

Other Infrastructure

District Cooling System

FLI has also partnered with Engie Services Philippines pursuant to a 60:40 joint venture to develop the first and largest district cooling system in the Philippines, serving 16 buildings with a total cooling capacity of 12,000 tons of refrigeration. The project is located in Northgate Cyberzone, Filinvest City, commenced construction in 2015, and started operating in 2017. The district cooling system reduces energy consumption by at least 40% and avoids carbon emissions by 50%.

The joint venture entity, Philippine DCS Development Corporation ("**PDDC**"), was registered with the SEC on July 31, 2015 and started its commercial operations in September 2017. PDDC's primary purpose is to engage in the business of designing, financing, retrofitting, construction and operation of a district cooling system as well as the supply of chilled water as a utility.

Operations of the Company

Certain activities of the Company include land acquisition practice, project development, site development and construction, marketing, customer financing and customer service and warranties.

Land Acquisition

The Company acquires land for their projects either directly or through joint venture arrangements with land owners. The Company shares a policy that suitable land must be titled, located near areas with sufficient demand and topographically amenable to housing development based on accessibility and the availability of utility infrastructure. The Company also takes into consideration general economic conditions, anticipated demand, the overall competitive landscape, the neighboring environment and amenities and the feasibility of obtaining required governmental licenses, permits, authorizations and adding necessary improvements and infrastructure. Once the Company has decided to acquire specific parcels of land in a particular locale or to enter into a joint venture agreement with a landowner, an extensive due diligence exercise is undertaken.

Joint Ventures

In addition to growing their land bank through direct acquisitions, the Company has in some cases entered into joint venture agreements with land owners, such as its joint venture arrangement with the Cebu City Government for the development of a portion of land in the South Road Properties in Cebu. In Cebu, FLI has developed City di Mare, a master-planned aggregate 50.6-hectare development. The IL Corso Mall is situated on a 10.6-hectare company owned land portion of City di Mare, while FLI constructed MRBs known as San Remo Oasis and Amalfi Oasis on the remaining 40-hectare portion under a joint venture and profit-sharing arrangement with the Cebu City Government. In September 2015, FLI won the bid for the right to own 55.0% of a joint venture company with the BCDA tasked with the development, marketing, management, and leasing of the first phase of Clark Green City that covers 288 hectares of land adjoining Clark Freeport Zone and CIA in Northern Luzon. Further, in 2016, together with FLI, FDC and the Clark Development Corporation, FLI formed FMI which entered into a 50-year lease (renewable for another 25 years) with the Clark Development Corporation for the development of Mimosa Leisure Estate which theCompany has rebranded as Filinvest Mimosa+ Leisure City. The company also enters into Build-Transfer Operate (BTO agreements) when there are opportunities for it. Currently, Cyberzone Cebu and Filinvest IT Park are two (2) distinct developments on two (2) separate BTO arrangements with the Cebu Province, having land areas of 1.2 hectaresand 2.9 hectares respectively, are in close proximity to the city center located along Salinas Avenue and Banilad, CebuCity. Together they comprise of seven (7) office towers, a mall and a hotel development. As of September 30, 2024, there are two (2) operational buildings and two (2) more under construction.

The Company generally will not enter into joint venture development arrangements for less than a majority interest. For a discussion of certain risks associated with these joint venture arrangements see "*Risk Factors — Risks Relating to the Company's Businesses*" — The Company operates in competitive industries, which could limit the Company's ability to maintain or increase its market share and maintain profitability" and "*Risk Factors — Risks Relating to the Company's Businesses"* — The interests of the Company's joint venture partners may differ from those of the Company and such partners may take actions that adversely affect the Company."

The Company's joint venture arrangements typically require the joint venture partner to contribute the land to the project, with the Company bearing all costs related to land development and the construction of subdivision facilities. The joint venture partner is required to clear the land of tenants and squatters before the Company commences development work on the land. The Company and each of their joint venture partners then agree on which of the resulting subdivided saleable lots will be allocated to the Company and which lots will be allocated to the joint venture partner, in accordance with their respective joint venture interests. Sales and marketing costs are allocated to both the Company and the joint venture partner, with the joint venture agreement specifying a percentage of the contract price (typically 12.0% to 15%) for the lots allocated to the joint venture partner as the sales and marketing costs (including commissions to brokers) attributable to the sale of such lots. However, the Company is responsible for organizing and conducting actual sales and marketing activities.

Project Development

Project development involves obtaining the required Government regulatory approvals and planning the potential project. Typically, site development after land acquisition takes at least one year, during which time the Company prepares both the master plan for the entire project (which can take several months and may be revised over the course of the project) and detailed plans for each project phase (which can take up to two (2) months), obtain the necessary Government approvals and permits and conduct pre-marketing activities. For residential projects, once the project has received a development permit from the relevant LGU and a permit to sell from the DHSUD, pre-sales of the residential lot or unit can begin (often on an initial phase of the project), and initial development work on the project site may commence. Before the site development process can begin, the Company must obtain clearances from various Government departments, principally the DENR, the Philippine Department of Agriculture ("**DA**") and the DAR, as well as the local government. For more information, see "*Regulatory and Environmental Matters*" for a discussion of government regulations FLI must obtain in the course of developing its projects. See also "*Risk Factors — Risks Relating to the Company's Businesses"* — The Company's businesses are highly regulated and Government policies and regulations could adversely affect the Company's operations and profitability."

The Company generally utilizes its in-house design capabilities to plan potential developments but in some cases third parties are hired to design and plan projects. In particular, the Company hires third parties, including international firms, to design projects which are complex and require specific technical expertise and to design specific high-end projects. The Company finances the development of projects through a combination of pre-sales (primarily for residential projects) and internally-generated funds, particularly for the construction of common areas and facilities during the early stages of a project. From time to time, the Company also obtains medium- and long-term loans from financial institutions to help finance larger development projects. The Company expects this financing model to continue going forward.

Site Development and Construction

Site development and construction work for the Company's projects are contracted out to various qualified independent contractors taking into consideration each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments. For larger projects, such as site development work, contracts are awarded on the basis of competitive bidding. The Company maintains relationships with over 100 independent contractors and deal with each of them on an arm's-length basis. The Company does not enter into long-term arrangements with contractors and contracts typically cover the provision of contractor's services in relation to a particular project or particular housing units. The Company is not and does not expect to be dependent upon one or a limited number of suppliers or contractors.

The Company has a team of project engineers who perform the following functions:

- directly managing site development and construction activities;
- coordinating the activities of contractors and suppliers;
- overseeing quality and cost controls; and
- ensuring compliance with zoning and building codes and other regulatory requirements.

Typically, the Company enters into fixed-price contracts with their contractors, with the cost of materials included as part of the price. Site development work or housing unit construction will typically take eight (8) to twelve (12) months to complete. Most construction materials are provided by the contractors themselves in accordance with the terms of their contracts with the Company. In certain cases, the Company supplies some of the major materials such as cement and steel or guarantee payment to their specified suppliers for purchases by contractors of construction materials. In such cases, the Company makes direct payments to such suppliers, with the amounts paid by the Company for construction materials deducted from payments to the contractors. Progress payments are made to contractors during the term of the contract upon the accomplishment of pre-determined project performance milestones. The Company usually retains 10.0% of each progress payment in the form of a guaranteed bond or cash for up to one year from the date the contracted work is completed and accepted by the Company. The amounts retained are used to meet contingency costs, such as addressing claims from purchasers.

In 2017, the Company also created its own construction corporation, DPI. DPI is currently constructing eight MRB projects (17 buildings), two HRB projects and has orders for more than 3,000 housing units.

Marketing for Trading Sales

The Company develops customer awareness through marketing and promotion efforts as well as referrals from satisfied customers. As of September 30, 2024, the Company had a real estate marketing team and a network of sales offices located in the Philippines, Italy, Canada, UAE, and Japan, as well as accredited agents in other parts of Europe, Hong Kong, Singapore and the Middle East. The Company conducts advertising and promotional campaigns principally through print and broadcast media, including billboards, fliers and targeted brochures. Advertising and promotional campaignsare conceptualized and conducted by the Company's marketing personnel and by third-party advertising companies. These campaigns are complemented with additional advertising efforts, including booths at shopping centers, such asFestival Supermall, Fora Mall, Main Square and other high traffic areas, to promote open houses and other events.

The Company also believes that the OFW population, as well as expatriate Filipinos, constitute a significant portion of the demand for FLI's affordable and middle-income housing and the Company's land development projects generally, either directly or indirectly by remitting funds to family members in the Philippines to purchase property. To this end, the Company has appointed and accredited independent brokers in countries and regions with large concentrations of OFWs and expatriate Filipinos, such as Italy, Japan, the United Kingdom and the Middle East. These brokers act as the Company's marketing and promotion agents in these territories to promote the Company andits products. The Company also sponsors road shows to promote their projects, targeting the OFW and Filipino expatriate markets. FLI also markets its properties on the Internet. In April 2017, FLI entered into a partnership, as the master franchisee in the Philippines, with KW, the world's largest real estate franchise by agent count with 190,000 real estate agents, 950+ market centers with presence in 48 countries. KW, through its technology, provides the models, systems and tools that agents need to grow their business and make KW the real estate companyof choice.

Marketing and Management for Leasing Segment

To attract call center and BPO firms, FLI has historically relied primarily on professional, multinational commercial real estate leasing agents (including, but not limited to, CB Richard Ellis, Jones Lang LaSalle and Colliers) to find tenants for its office buildings. These brokers work on a non-exclusive basis and earn commissions based on the term of the lease. FLI also maintains, through its subsidiaries, an in-house sales team to market its office and commercial spaces.

With the exception of PBCom Tower, which is managed by a third-party facilities management company, day-to-day operations for FLI's office leasing properties are currently handled by ProOffice Works, a subsidiary of FLI. The management services provided by ProOffice Works include: construction-related services, general management services, accounting services, operations, legal review and documentation, office rental services, recruitment and training services, and property management and tenant relations.

Day-to-day operations at Filinvest Lifemalls are currently managed by Festival Supermall, Inc. ("**FSI**"), a wholly owned subsidiary of FLI. As of December 31, 2021, FSI had approximately 167 personnel responsible for the day-to-day operations of Filinvest Lifemalls, many of whom have prior experience in shopping center operations. Engineering, maintenance, security and janitorial services for the mall are outsourced to third-party service providers on an annual basis. These third-party contracts can be terminated by FSI at any time in certain circumstances, such as if the contractor fails to perform at an acceptable level.

Leasing Policies

FLI manages its Filinvest Lifemalls with a view to maximizing and enhancing its value by ensuring that it has a mix of tenants that will allow it to cater to the widest possible range of market segments and to meet consumer demand in the communities which the mall serves. Overall occupancy of all malls as of September 30, 2024 was at 68%.

Tenants enter into short- to medium-term leases, typically for periods of two (2) to five (5) years, with tenants required to make a security deposit equal to three (3) to six (6) months' rent and to pay rent on a monthly basis. Tenants pay rents that are either fixed or are comprised of a base rent plus a variable portion ranging from 1.5% to 15.0% of the tenants' sales revenues. Typically, tenants operating restaurants and other dining establishments are charged higher variable rates than tenants who operate apparel stores and other retail establishments. The base portions of rents are primarily determined by the specific location in the mall and size of space being leased and are typically subject to an annual escalation rate. Fixed rate leases are generally with tenants that provide services (such as banks and foreign exchange centers) or which sell high-priced goods (such as jewelry stores and computer stores) and which do not typically generate high turnover. Tenants are charged separately for common area-related costs, such as costs for security, janitorial and other maintenance services and for utilities.

Sales

Sales for FLI's housing and land development projects and Filinvest Alabang, Inc.'s residential projects are made through an extensive network of sales channels composed of an in-house sales force, independent local brokers located throughout the Philippines, property portals as well as international service providers. The Company in-house sales agents and independent brokers are compensated through commissions on sales at market rates. In-house sellers also receive a monthly allowance and are provided administrative support by the Company, including office space and expense allowances. The Company believes that its extensive sales network gives the Company the breadth and depth of saleschannels needed to expand its property business.

In addition to in-house sellers and independent brokers, the Company also employs representatives who staff their sales offices and provide customers with information about the Company's products, including financing and technical development characteristics. The Company also assigns each project a sales and operations coordinator who provides customers with assistance throughout the whole sales process, starting with the sales reservation, obtaining financing and the final steps of establishing title on their new home. The Company also has personnel who are able to advise customers on financing options, documentation and the loan application process. The Company design down payment plans for low-cost housing customers that are tailored to each customer's economic situation. Further, once a house is sold and delivered, the Company has customer service personnel who are available to respond to technical questions or problems that may occur after delivery of the property.

The Company typically sells residential units on a pre-sale basis, where sales are made before development is completed but after a permit to sell has been issued by the DHSUD. Sales of residential units are made before construction on the house commences. Buyers are required to pay a sales reservation fee and, in most cases, complete the required down payment before construction work on the house begins. Purchasers are required to make a reservation payment ranging from ₱3,000 to ₱100,000 and are also required to make a down payment. The amount of the down payment depends on the type of project, with buyers for socialized and affordable housing projects normally required to provide a down payment of 10.0% to 20.0% of the total contract price and buyers for middle-income and high-end housing projects required to provide a down payment of 20.0% to 30.0% of the total contract price. The down payment is typically payable over a period ranging from one month up to 12 months, depending on the terms of the purchase agreement, however the Company generally permits purchasers to pay the down payment over a period of twenty-four (24) months for MRBs and up to 36 months for HRBs, considering the construction period. Because of the higher down payment requirements for middle-income and high-end housing units, as well as the longer construction periods for these types of houses, the Company sometimes begins constructing these housing units before the down payment has been fully paid, although typically at least 5.0% of the total contract price should have already been paid by the buyer.

For sales of residential units, the balance of the purchase price is due upon the turnover to the buyer of the property being purchased. For residential horizontal housing unit sales, the balance of the purchase price is due upon handover of the H&L, which typically takes from six (6) to twelve (12) months upon reservation. This construction period usually coincideswith the down-payment period. For accounts under bank financing, the full balance of the purchase price is received by the Company from the banks upon completion of the unit and submission of the required documents. The reservation fee and any down payments already made can be forfeited at the option of the developer if a buyer does not pay the full down payment within the required period. Cancellation and refund of accounts are governed by the Maceda Law, when applicable, to which the Company abides. See "*Risk Factors — Risks Relating to the Company's Real Estate and Hospitality Businesses*" — The Company's portfolio of residential property development projects exposes the Company to sector specific risks."

Customer Financing

The ability of customers to obtain financing for purchases of subdivision lots or housing units is a critical element in the success of the Company's residential projects. Customer financing is particularly important in relation to sales of FLI's socialized housing projects, where most prospective buyers require financing for up to 100.0% of the purchase price. FLI therefore assists qualified homebuyers in obtaining mortgage financing from government-sponsored mortgage lenders, particularly for its socialized housing projects, and from commercial banks. The Company overall also provide a significant amount of in-house financing to qualified buyers. Government-subsidized loans still continue to be the largest source of purchaser financing and refinancing for FLI's socialized housing. See "*Risk Factors — Risks Relating to the Company's Real Estate and Hospitality Businesses"* — Fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company and their customers' ability to obtain financing."

In-house Financing

The Company offers its buyers, who choose not to avail of Government-sponsored or bank financing, the option to obtain in-house financing. In-house financing may appeal to certain buyers who do not qualify for, or chose not to incur, Government or bank financing, primarily because of the associated stringent documentary requirements. For example, OFWs often have difficulty obtaining bank financing because they are not required by the Government to file Philippine income tax returns, which are typically required by banks before approving a loan application. The Company has established screening processes and procedures including background and credit checks on prospective buyers using national credit databases and, where feasible, physical verification of claims regarding residences and properties owned. FLI typically requires a 20.0% down payment and finances the remaining 80.0% of the total purchase price, which is secured primarily by a first mortgage over the property being sold. The loans are then repaid through equal monthly installments over periods ranging from five (5) to ten (10) years. The interest rates charged by the Company for in-house financing typically range from 11.5% per annum to 19.0% per annum, depending on the term of the loan, with the financing agreement providing for an escalation of the interest rate in the event of a general rise in interest rates charged by the banks and other financial institutions.

Where a buyer has obtained in-house financing for a purchase, the Company typically will retain title to the property for a period of twenty-four (24) months after the date of the sale. During this period, if the buyer defaults on the payment of the monthly installments due, the Company has the right to cancel the sale and retain payments already made by the buyer. Once the buyer has complied with his/her payment obligations for twenty-four (24) months, title is issued in the buyer's name and the Company takes a first mortgage over the property. If the buyer defaults on his/her payment obligations after title has been issued, subject to compliance with applicable laws, the Company canforeclose on the mortgage. See "*Risk Factors — Risks Relating to the Company's Real Estate Business"* — The Company faces certain risks related to the cancellation of sales involving their residential real estateprojects and if the Company were to experience a material number of sales cancellations, the Company's historical revenues from real estate operations would be overstated" and "*Regulatory and Environmental Matters*."

Pag-IBIG Fund

A substantial number of buyers of FLI's socialized housing units, as well as some affordable housing units, finance their purchases through the Home Development Mutual Fund, or Pag-IBIG Fund. Established in 1978, the Pag-IBIG Fund extends provident and retail housing loans to its members and development loans and credit facilities to private housing developers. By law, all Government and private-sector employees are required to be members of the Pag-IBIG Fund, and employee and employer contributions to the fund are mandatory. To provide a liquidity mechanism to private developers, the Pag-IBIG Fund has instituted a take-out mechanism for conditional sales, installment contract receivables and mortgages and repurchases receivables from housing loans of its members.

Mortgage Loans

Mortgage loans from commercial banks are usually available to individuals who meet the credit risk criteria set by the relevant bank and who are able to comply with such bank's documentary requirements. In addition to taking security over the property, a bank may also seek repayment guarantees from the Philippine Guarantee Corporation ("**Philguarantee**"). The Philguarantee is a Government-owned and controlled corporation and operates a credit guaranty program in support of the Government's efforts to promote home ownership. It provides risk guarantees and fiscal incentives for loans and creditfacilities for residential purposes provided by banks and financial institutions. In the event a buyer defaults in connection with a Philguarantee-registered loan or credit facility, the Philguarantee guarantees the payment to the extent of the outstanding balance and portion of interest. The interest and yield on loans and credits guaranteed by the Philguarantee is exempt from taxation. The Company also assists prospective buyers to obtain mortgage financing from several commercial banks such as Banco de Oro, Bank of the Philippine Islands, China Banking Corporation, EastWest, Maybank Philippines, Inc., Philippine Savings Bank, Rizal Commercial Banking Corporation, Security Bank Corporation, Union Bank of the Philippines, among others.

Deferred Cash Purchases

In recent years, in addition to the financing arrangements discussed above, the Company has offered so-called "deferred cash" purchases, particularly for its high-end and leisure developments. Under this arrangement, the entire purchase price is amortized and paid in equal installments over a fixed period, which is typically twenty-four (24) months, and title to the property passes to the buyer only when the contract price is paid in full or when the buyer executes a real estate mortgage in favor of the Company which can be annotated on the title to the property.

Sales Cancellations

Default, cancellation and foreclosure rates are subject to a variety of factors beyond the Company's control. See "*Risk Factors — Risks Relating to the Company's Real Estate Business"* — The Company faces certain risks related to the cancellation of sales involving their residential real estate projects and if the Company were to experience a material number of sales cancellations, the Company's historical revenues from real estate operations would be overstated" and "*Regulatory and Environmental Matters — Real estate sales on installments*."

Customer Service and Warranties

The Company's customer service employees oversee pre-delivery quality control inspections and respond to post-delivery customer needs. The Company responds to customer requests during the construction phase and coordinates the legal requirements that customers must comply with when making a purchase, including signing deeds, obtaining permits, and securing funding.

Under the terms of the Company's sales contracts, buyers may seek repairs for patent (i.e., observable) defects in new homes prior to their acceptance from the Company of the residential unit. If the defect is latent (i.e., non-observable), customers may seek repairs within one year from the date the housing unit was turned over to them for occupancy. Buyers of housing units obtained through financial assistance from the Pag-IBIG Fund are also given one month from full payment of the contract price for the housing unit to bring repair claims for any defects. For middle-income and high-end projects, buyers can seek repairs for all types of defects within one year from turnover of the housing unit, subject to evaluation of the defect by the Company's engineers.

In addition to the foregoing contractual warranties, the Company may be subject to additional liabilities arising from construction defects under Philippine law. However, the Company has historically spent immaterial amounts on claims from customers for construction or other defects. See "*— Site Development and Construction*" and "*Risk Factors — Risks Relating to the Company's Real Estate Business* — Construction defects and other building-related claims may be asserted against the Company, and the Company may be subject to liability for such claims."

Competition

The residential development market in the Philippines is intensely competitive. Success in this market depends on acquiring well-located land at attractive prices, often in anticipation of the direction and rate of urban growth. On the basis of publicly available information and its own market knowledge, the Company believes that it is among the leading housing and land project developers in the Philippines, particularly in the affordable to middle-income housing sectors. Approximately 87% of sales of the Company are in the affordable and middle-income segments. The affordable and middle-income market segments are the most stable and approximately 50% of the housing demand is in this segment. The housing backlog is seen to continue given that demand grows faster than supply. The Company believes that demand in the sector will continue to grow. The Company also believes that it is able to offer competitive commissions and incentives for brokers, and that it is able to compete on the basis of the pricing of its products, which encompasses products for different market sectors, as well as its brand name and its track record of successful completed quality projects.

The Company believes that there are significant barriers that a new entrant must overcome to viably compete in the commercial real estate and high-rise residential building markets, such as having industry-specific technological know-how and the financial capacity to incur the considerable capital expenditure involved. As such, the Company believes that it will be able to compete in this market segment for the foreseeable future. Being a pioneer in providing BPO space, the Company has an advantage because of its multinational client base, which usually has large office space requirements. FLI office buildings are preferred especially by existing clients who are expanding. The Company also believes that as the available space in traditional business centers such as Makati City declines, competition for office space will be determined principally on the basis of price and quality. Furthermore, the Company believes that the trend will be for BPO firms to diversify locations for risk management and labor pool access reasons. The Company expects to be able to continue to compete in this market because it believes the locations of its leasable office spaces allow BPO firms to tap the labor pool in nearby residential developments and the provinces to the southof Metro Manila and on the basis of competitive rental prices of office space in its buildings, particularly in Northgate Cyberzone.

The Company faces significant competition in obtaining land in the Philippine property market. In particular, the Company competes with other developers in locating and acquiring, or entering into joint venture arrangements to develop, parcels of land of suitable size, in appropriate locations and at attractive prices. This is particularly emphasized for land located in Metro Manila, its surrounding areas, and urbanized areas throughout the Philippines. The Company believes that it has sufficient land reserves for its planned developments for the next several years. If the Philippine economy continues on its growth trajectory and if demand for residential properties remain buoyant, the Company expects that competition among developers for land reserves that are suitable for property development (whether through acquisition or joint venture arrangements) will intensify and will lead to higher land acquisition costs.

The Company competes in the residential segment with other major real estate companies positioned either as a full range developer or with subsidiary companies focused on specific segments of the market or geographic coverage. These companies include Ayala Land, Inc., Vista Land, Robinsons Land, Inc., DMCI Homes and SM Development Corporation. In terms of January to September 2024 residential real estate revenues, FLI is among the top 7 property developers in the Philippines capturing approximately 5% of the market. The Company intends to focus on the affordable and middle income markets across the country which is the Company's core strength. It will also focus on the end-user market and first-time homeowners.

With respect to the Company's assets dedicated to office space leasing and shopping mall operations, the Company faces competition from other shopping malls located in the same area as Festival Supermall, Fora Mall, and Main Square, principally malls operated by Ayala Land, Inc., Robinsons Land Corporation, and SM Prime Holdings Inc., which are among the leading shopping mall operators in the Philippines. In office space leasing, particularly call centers and other BPO operators, the Company competes with companies such as Robinsons Land, Inc., Ayala Land, Inc., Eton Properties Philippines and Megaworld Corporation.

For further discussion of certain risks associated with competition, see "*Risk Factors — Risks Relating to the Company's Businesses"* — The Company operates in competitive industries, which could limit the Company's ability to maintain or increase its market share and maintain profitability."

Real Estate Sales Segment

Real estate development and selling are very competitive. FLI believes it is strongly positioned in the affordable to middle-income residential market segments. Success in these market segments depends on acquiring well-located land at attractive prices often in anticipation of the direction of urban growth.

The Parent Company believes that the name and reputation it has built in the Philippine property market contributes to its competitive edge over the other market players. On the basis of publicly available information and its own market knowledge, FLI's management believes that it is among the leading housing and land / project developers in the Philippines. FLI's management also believes that FLI is able to offer competitive commissions and incentives for brokers, and that FLI is able to compete on the basis of the pricing of its products, offering a wider range of product types for different market sectors. Its brand name and its track record of successfully completing quality projects also give credibility to our products.

FLI directly competes with other major real estate companies positioned either as a full range developer or with subsidiary companies focused on a specific market segment and geographic coverage. Its direct competitors include Ayala Land Inc., Vista Land, Robinsons Land, SMPHI and DMCI Homes.

The Parent Company faces significant competition in the Philippine property development market including land acquisition. This is particularly true for land located in Metro Manila and its surrounding areas, as well as in urbanized areas throughout the Philippines.

FLI's continued growth also depends in large part on its ability either to acquire quality land at attractive prices or to enter into joint venture agreements with land-owning partners under terms that can yield reasonable returns. Based on the Parent Company's current development plans, the Parent Company believes that it has sufficient land reserves for property developments for the next several years. If the Philippine economy continues to grow and if demand for residential properties remains relatively strong, the Parent Company expects that competition among developers for land reserves that are suitable for property development (whether through acquisitions or joint venture agreements) will intensify and that land acquisition costs, and its cost of sales, will increase as a result.

Leasing Segment

With regard to the Parent Company's assets dedicated to office space leasing and shopping mall operations, the Parent Company competes with property companies such as Ayala Land Inc., Robinsons Land Corp. and SM Prime Holdings in retail space leasing. In office space leasing, particularly to call centers and other BPO operators, the Parent Company competes with companies such as Robinsons Land, Inc., Ayala Land, Inc., Eton Corporation, SM Prime, and Megaworld Corporation.

Insurance

The Company's real estate properties maintain operational all risk insurance, commercial liability insurance and business interruption insurance in line with the industry standards.

REINVESTMENT PLAN

As sponsor of FILRT, the REIT Law requires the Company to reinvest (a) any proceeds realized by it from the sale of FILRT shares or other securities issued in exchange for income-generating real estate transferred to the FILRT and (b) any money raised by the Company from the sale of any of its income generating real estate to FILRT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines within one (1) year of receipt of the proceeds.

Following current regulations, Filinvest Land intends to invest its net proceeds in the construction and development of its various office, retail and residential projects. Filinvest Land plans to invest the net proceeds in nine (9) office buildings, three (3) retail projects, five (5) MRBs as well as industrial lots. It also plans to use the funds for the purchase of land parcels for residential and commercial purposes and to expand the capacity of the District Cooling System in the Northgate Cyberzone. All disbursements for such projects are intended to be distributed within one year upon receipt of the proceeds from the secondary offer of FILRT shares. All of the projects for which the proceeds will be spent are located within the Philippines and none are to be spent outside of the Philippines. Filinvest Land does not intend to reinvest the net proceeds from the Offer Shares in any infrastructure project.

Filinvest Land shall monitor the actual disbursements of projects proposed in the Reinvestment Plan on a quarterly basis. For purposes of monitoring, Filinvest Land prepares quarterly progress reports of actual disbursements on the projects covered by the Reinvestment Plan. In the event of changes in the actual disbursements of projects proposed in the Reinvestment Plan, Filinvest Land, shall inform the SEC, PSE, BIR or the appropriate government agency, by sending a written notice to that effect

As of August 11, 2022, FLI already disbursed the total net proceeds amounting to Twelve Billion Two Hundred Sixty Four Million Nineteen Thousand Three Hundred Thirty Nine Pesos (₱12,264,019,339). Details of the disbursements are as follows:

Gross Proceeds from IPO	**₱ 12,583,246,445**
Purchase of shares during the stabilization period	2,282,800
Underwriters and IPO-related fees	316,945,306
Net proceeds	**12,264,019,339**
Disbursements for Transaction Costs, Aug 12 to Sep 30, 2021	132,542,601
Disbursements for Transactions Costs, Oct 1 to Dec 31, 2021	1,571,600
Available for Reinvestment	**12,129,905,139**
Disbursements for Reinvestment Aug 12 to Sep 30, 2201	1,566,787,667
Disbursements for Reinvestment Oct 1 to Dec 31, 2021	872,662,139
Disbursements for Reinvestment Jan 1 to Mar 31, 2022	2,016,678,604
Disbursements for Reinvestment Apr 1 to Jun 30, 2022	2,725,572,490
Disbursements for Reinvestment Jul 1 to Aug 11, 2022	4,984,244,239
Balance of IPO proceeds as of August 11, 2022	**-**

DEVELOPMENT COSTS

The Company has spent the following amounts for development in the past three (3) years and for the first half of 2023:

	For the years ended December 31,				For the nine months ended Sept. 30,
	2020	**2021**	**2022**	**2023**	**2024**
DEVELOPMENT COST					
Residential	₱4,068	₱7,038	₱6,354	₱7,319	₱7,104
Office	5,085	6,426	5,103	2,024	2,598
Retail	678	918	1,005	984	320
Land Acquisition	2,034	2,754	3,970	1,128	43
Others	-	-	65	1,502	751
Total Development Cost	**₱11,865**	**₱17,136**	**₱16,497**	**12,957**	**10,816**
Revenue [1]	**₱18,626**	**₱17,739**	**₱19,944**	**22,554**	**18.438**
Total Development Cost / Revenue	**64%**	**97%**	**83%**	**57%**	**59%**

Notes:
(1) *Includes total revenue, equity in net earnings of associates, and other income (interest income, and others – net).*

EMPLOYEES

As of September 30, 2024, FLI had a total of 1,012 employees. Management believes that FLI's current relationship with its employeesis generally good and neither FLI nor any of its subsidiaries have experienced a work stoppage or any labor related disturbance as a result of labor disagreements. None of FLI's employees or any of its subsidiaries belong to a union.FLI currently does not have an employee stock option plan.

FLI anticipates that there will be no significant change in the number of its employees for the next twelve (12) months.

FLI 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. FLI has also provided a mechanism through which managers and staff are given feedback on their job performance, which FLI believes will help to ensure continuous development of its employees. FLI also offers employees benefits and salary packages that it believes are in line with industry standards in the Philippines and which are designed to help it compete in the marketplace for quality employees.

As of September 30, 2024, the following is the breakdown of FLI employees.

EMPLOYMENT STATUS	Head Count as of September 30, 2024
Contractual/ Indirect	**28**
Project Contract	28
Permanent	**980**
Regular	853
Probationary	127
Consultant	**4**
Total	**1,012**

The Company 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 employeesfor future assignments. The Company has also provided a mechanism through which managers and staff are given feedback on their job performance, which the Company believes will help to ensure continuous development of its employees' knowledge base. The Company also offers employee benefits and salary packages that it believes are in line with industry standards in the Philippines and which are designed to help it compete in the marketplace for qualityemployees. It is The Company's goal to position itself as an employer of choice in the Philippines.

MATERIAL PERMITS AND LICENSES

Our Compliance department is responsible for ensuring continued compliance with applicable laws and regulations that may adversely affect our operations. As of the date of this Offer Supplement, we have secured, applied for, or are in the process of renewing all material permits and licenses required to conduct our business.

The Company believes that the Company and its subsidiaries have secured all the mandated permits and licenses which are material and necessary to operate its businesses as currently conducted. As confirmed by Atty. Katrina Clemente O. Lua in her certification dated December 18, 2024, such permits and licenses are valid and subsisting as of the date of the certification and the Company will apply for the renewal of such permits and licenses with the appropriate government body or agency prior to its expiration.

We hold various permits for our business operations, which include but are not limited to the following:

Business Permits

LICENSE / PERMIT	REGULATORY BODY	ISSUE DATE / PAYMENT DATE	VALIDITY PERIOD	EXPIRY DATE
Business Permit	LGU Mandaluyong	21-Jan-25	2025	31-Dec-25
Barangay Clearance	Barangay Highway Hills	21-Jan-25	2025	31-Dec-25

In compliance with the Republic Act No. 11976, the "Ease of Paying Taxes Act" effective January 22, 2024, the Bureau of Internal Revenue will cease the collection of the Annual Registration Fee from business taxpayers.

Environmental Compliance Certificates (ECC)

Environmental Compliance Certificates	PROJECT NAME	LOCATION	DATE ISSUED	ECC NO.
1	Futura Monte	Along Roxas Avenue, Diversion Road, Barangay Triangulo, Naga City, Camarines Sur	25-Nov-21	ECC-OL-R05-2021-0319
2	Futura Bay	Honorio Arriola Street, Barangay Lagao, Gen. Santos City, South Cotabato	8-Nov-21	ECC-OL-R12-2021-0323
3	Filinvest Innovation Park Calamba	Barangays Bubuyan and Punta, Calamba City, Laguna	14-Jan-22	ECC-OL-R4A-2022-0013
4	Filinvest Technology Park (Admin Building and Fire Station)	Barangay Punta, Calamba, Laguna	26-Aug-22	CNC-OL-R4A-2022-08-06374
5	Filinvest Technology Park (Ready Built Factory Building (Type-1/Lease 1)	Barangay Punta, Calamba, Laguna,	12-Sep-22	CNC-OL-R4A-2022-09-06790
6	Filinvest Technology Park (Ready Built Factory Building (Type-1/Lease 2)	Barangay Punta, Calamba, Laguna,	28-Sep-22	CNC-OL-R4A-2022-09-07115
7	Filinvest Technology Park (Ready Built Factory Building (Type-1/Lease 3)	Barangay Punta, Calamba, Laguna,	28-Sep-22	CNC-OL-R4A-2022-09-07116
8	Filinvest Technology Park (Ready Built Factory Building (Type-1/Lease 4)	Barangay Punta, Calamba, Laguna,	28-Sep-22	CNC-OL-R4A-2022-09-07117
9	Kembali Coast 3B	Barangay San Isidro, Kaputian District, Island Garden City of Samal, Davao del Norte	22-Sep-22	ECC-OL-R11-2022-0431
10	Futura Shores (Bldg. A)	Barangay Mangnao-Canal, Dumaguete City, Negros Oriental	15-Nov-22	ECC-OL-R07-2022-0367
11	Filinvest Innovation Park (Ready Built Factory Building (5-Unit Cluster 1, Rowhouse Type)	New Clark City, Clark Special Economic Zone, Capas, Tarlac	14-Dec-22	ECC-OL-RO3-2022-0758
12	Filinvest Innovation Park Calamba (Expansion)	Barangays Bubuyan and Punta, Calamba City, Laguna	3-Feb-23	ECC-R4A-2023-02-0015
13	The Veranda Resort Condos Project	Barangay San Isidro, Kaputian District, IGaCOS, Davao del Norte	17-May-23	ECC-OL-R11-2023-0125
14	Stello Centrale (Showroom (Parcel C)	Barangay Vergara Mandaluyong City, Metro Manila	5-Jul-23	CNC-OL-NCR-2023-07-02674
15	New Leaf 2	Brgy. Hugo Perez, Trece Martires City, Cavite	5-Oct-23	ECC-OL-R4A-2023-0671
16	Sydney Oasis	Emilio Aguinaldo Highway, Brgy. Talaba VI, Bacoor City, Cavite	22-Nov-23	ECC-OL-R4A-2023-0791
17	Celestia at Timberland Heights Project	Brgy. Guitnang Bayan II, Malanday and Guinayang, Timberland Heights, San Mateo, Rizal	28-Nov-23	ECC-R4A-2023-12-0168
18	Filinvest Innovation Park Project (ECC Change Project Name)	Brgy. Bubuyan and Punta, Calamba City, Laguna	17-Apr-24	ECC-R4A-2023-02-0015
19	Futura Strides Iloilo Centrale (Marketing Office)	National Highway, Brgy. Cagamutan Sur, Leganes, Iloilo Province	23-Apr-24	CNC-OL-R06-2024-04-00792
20	Futura Strides Iloilo Centrale	National Highway, Brgy. Cagamutan Sur, Leganes, Iloilo Province	25-Apr-24	ECC-OL-R06-2024-0133
21	Filinvest Innovation Park Project (LLDA Amendment)	Brgy. Bubuyan and Punta, Calamba City, Laguna	14-Jun-24	LA-19a-2024-00645

The ECC does not have a validity period except that it will be deemed expired if the project was not implemented within five (5) years from the date of issuance. The Company was able to implement these projects within the five (5)-year period.

Licenses to Sell

No.	Name of Project	Phase/Building	Location	LTS No.	Date Granted	Issuing Entity
1	Mission Hills (Sta. Barbara & Sta. Monica)		Brgy. Colaique, Antipolo City	91-04-1726	4-Apr-91	HLURB- Quezon City
2	Mission Hills- Sta. Monica III & Sta. Catalina		Brgy. Muzon, Angono, Rizal	92-02-1980	6-Feb-92	HLURB- Quezon City
3	Highlands Pointe	Phase 1	Dolores Taytay, Rizal	93-072384	30-Jul-93	HLURB- Quezon City
4	Mission Hills-Sta. Clara		Brgy. Dalig, Antipolo Rizal	29	5-Nov-94	HLURB-ENCRFO
5	Punta Altezza	Phase 1	Brgy. Punta, Calamba City Laguna	04835-R4-02-03	18-Mar-02	HLURB-Region IV
6	Nusa Dua Farm Estate	Phase 1	Brgy. Paradahan, Tanza, Cavite	06554-R4-03-01	7-Jan-03	HLURB-Region IV
7	Nusa Dua Farm Estate	Phase 2	Brgy. Paradahan, Tanza, Cavite	07287-R4A-03-07	21-Jul-03	HLURB-Region IV-A
8	Mandala Residential Farm Estate	West	Brgy. Malanday, San Mateo Rizal	9088	9-Feb-04	HLURB-ENCRFO
9	Laeuna De Taal Subdivision		Brgy. Banga, Talisay Batangas	10173-R4A-04-03	23-Mar-04	HLURB-Region IV-A
10	Mandala Residential Farm Estate	North	Brgy. Malanday, San Mateo Rizal	10476	4-Nov-04	HLURB-ENCRFO
11	Nusa Dua Farm Estate	Phase 3	Brgy. Paradahan, Tanza, Cavite	12291-R4A-05-01	14-Jan-05	HLURB-Region IV-A
12	Mandala Residential Farm Estate	South	Brgy. Malanday, San Mateo Rizal	12012	17-Mar-05	HLURB-ENCRFO
13	Forest Farm		Brgy. Mahabang Parang, Angono Rizal	12043	11-May-05	HLURB-ENCRFO
14	Mandala Residential Farm Estate	East	Brgy. Malanday, San Mateo Rizal	12050	7-Jun-05	HLURB-ENCRFO
15	Montebello Subdivision		Brgy. Punta Calamba, Laguna	14215	12-Jan-06	HLURB-Region IV-A
16	The Ranch		Brgy. Gitnang Bayan I, San Mateo, Rizal	14578	16-Jan-06	HLURB-ENCRFO
17	Highlands Pointe	Phase II	Dolores Taytay, Rizal	14720	1-Jul-06	HLURB-ENCRFO
18	The Villas at Highland Pointe	Phase II	Brgy. Dolores, Taytay Rizal	16641	1-Sep-06	HLURB-ENCRFO
19	Aldea Real	Phase 1	Brgy Bubuyan &Punta, Calamba City Laguna	16261-R4A-06-09	8-Sep-06	HLURB-Region IV-A
20	Mission Hills - Sta. Cecilia	3	Brgy. San Roque, Antipolo City	20213	13-Oct-08	HLURB-ENCRFO
21	Mission Hills - Sta. Cecilia	2	Brgy. San Roque, Antipolo City	21934	10-Dec-08	HLURB-ENCRFO
22	Banyan Ridge	Phase II	Brgy. Malanday, San Mateo Rizal	18627	11-Oct-09	HLURB-ENCRFO
23	Nusa Dua Farm Estate	Phase 5	Brgy. Paradahan, Tanza, Cavite	22993	18-Dec-09	HLURB-Region IV-A
24	La Brisa Townhomes		Brgy. Punta, Calamba City Laguna	23984	2-Dec-10	HLURB-Region IV-STR
25	The Linear		Mayapis, Yakal, and Malugay Sts., San Antonio Village, Makati City	24662	5-Apr-11	HLURB-ENCRFO
26	Asenso Village Calamba(MSME Business Park - Calamba)		Brgy. Bubuyan Calamba City	24618	9-May-11	HLURB-Region IV -STR

27	La Arista		Brgy. Banga, Talisay City. Batangas	24915	4-Jul-11	HLURB-Region IV -STR
28	Studio City	Tower 1	Alabang, Muntinlupa City	26144	4-Jul-12	HLURB-ENCRFO
29	Studio Zen		1811 Taft Ave., Pasay City	26344	29-Oct-12	HLURB-ENCRFO
30	La Orilla @ Laeuna De Taal	Phase 2	Brgy. Banga, Talisay Batangas	27511	25-Nov-13	HLURB-Region IV -STR
31	Studio City	Tower 2	Alabang, Muntinlupa City	28594	20-Mar-14	HLURB-ENCRFO
32	Vinia Residences + Versaflats		EDSA, Brgy. Philam, Quezon City	28615	7-May-14	HLURB-ENCRFO
33	Mission Hills - Sta. Sofia		Brgy. Mahabang Parang, Angono, Rizal	29197	4-Jun-14	HLURB-ENCRFO
34	The Glades		Brgy. Malanday, San Mateo Rizal	29231	26-Aug-14	HLURB-ENCRFO
35	Villa Montserrat	3B	Brgy. San Juan, Taytay, Rizal	29237	20-Sep-14	HLURB-ENCRFO
36	The Villas	2	Brgy. San Juan, Taytay, Rizal	29286	11-Nov-14	HLURB-ENCRFO
37	Villa Montserrat	1D	Brgy. San Juan, Taytay, Rizal	29321	25-Jan-15	HLURB-ENCRFO
38	Studio A		99 Xavierville Ave., Loyola Heights, Quezon City	29883	16-Feb-15	HLURB-ENCRFO
39	The Peak 1		Brgy. San Juan, Taytay, Rizal	29916	24-Mar-15	HLURB-ENCRFO
40	Villa Montserrat 3 Expansion		Brgy. San Juan, Taytay, Rizal	29921	8-Apr-15	HLURB-ENCRFO
41	100 West		100 Sen. Gil Puyat Ave. cor Washington St. Makati City	29967	25-Jun-15	HLURB-ENCRFO
42	Amalfi, City Di Mare	Bldg. 1	Southroad Properties, Cebu City	30350	17-Sep-15	HLURB-Central Visayas
43	Amalfi, City Di Mare	Bldg. 2	Southroad Properties, Cebu City	30351	17-Sep-15	HLURB-Central Visayas
44	Amalfi, City Di Mare	Bldg. 3	Southroad Properties, Cebu City	30347	17-Sep-15	HLURB-Central Visayas
45	San Remo	Bldg. 2	South Road Properties, Cebu City	30348	17-Sep-15	HLURB-Central Visayas
46	Anila Park Town Homes		So. Colaique, Brgy. San Roque, Antipolo City	30710	30-Sep-15	HLURB-ENCRFO
47	San Remo	Bldg. 3	South Road Properties, Cebu City	30361	6-Oct-15	HLURB-Central Visayas
48	San Remo	Bldg. 4	South Road Properties, Cebu City	30360	6-Oct-15	HLURB-Central Visayas
49	San Remo	Bldg. 6	South Road Properties, Cebu City	30359	6-Oct-15	HLURB-Central Visayas
50	San Remo	Bldg. 7	South Road Properties, Cebu City	30358	6-Oct-15	HLURB-Central Visayas
51	Studio City	Tower 3	Alabang, Muntinlupa City	30737	2-Nov-15	HLURB-ENCRFO
52	Amarilyo Crest		Brgy. San Juan, Taytay, Rizal	31519	6-May-16	HLURB-ENCRFO

53	Amarilyo Crest Residences		Brgy. San Juan, Taytay Rizal	31598	18-Aug-16	HLURB-ENCRFO
54	San Remo	Bldg. 5	South Road Properties, Cebu City	30349	17-Sep-16	HLURB-Central Visayas
55	Studio City	Tower 5	Alabang, Muntinlupa City	32428	21-Jul-17	HLURB-ENCRFO
56	Studio 7		#807 EDSA South Triangle, Quezon City	32459	11-Sep-17	HLURB-ENCRFO
57	New Field at Manna Estate		Brgy. Dalig & May-iba, Teresa, Rizal	33324	19-Jan-18	HLURB-ENCRFO
58	Studio City	Tower 4	Alabang, Muntinlupa City	33361	23-Mar-18	HLURB-ENCRFO
59	San Remo Oasis	Bldg. 1	South Road Properties, Cebu City	33616	6-Apr-18	HLURB-Central Visayas
60	Kembali Samal Island	Phase 2	San Isidro, Kaputian Island Garden City of Samal	34021	24-Jun-18	HLURB- SMR
61	Futura Homes Palm Estate	Phase 1	Talisay City, Negros Occidental	33512	2-Jul-18	HLURB-Western Visayas
62	The Levels Burbank Tower		Alabang, Muntinlupa City	33407	2-Jul-18	HLURB-ENCRFO
63	Activa	Flex	Edsa Cor. Aurora Blvd. Cubao, Quezon City	33454	23-Oct-18	HLURB-ENCRFO
64	Mira Valley		Brgy. San Roque, Antipolo City	35101	25-Jul-19	HLURB-ENCRFO
65	The Veranda Resort Condos Bldg. 10	Bldg. 10	Brgy. San Isidro, Kaputian District, Island Garden City of Samal	34075	8-Aug-19	HLURB-SMR
66	The Veranda Resort Condos Bldg. 9	Bldg. 9	Brgy. San Isidro, Kaputian District, Island Garden City of Samal	34074	15-Aug-19	HLURB-SMR
67	Activa Flats		Edsa Cor. Aurora Blvd. Cubao, Quezon City	37	4-Mar-20	DSHUD- NCR
68	Studio N		Northgate Cyberzone, Fillinvest City Alabang, Muntinlupa City	111	28-Dec-20	DSHUD- NCR
69	Alto @ Fileast		Brgy. San Isidro, Cainta, Rizal	307	31-May-21	DSHUD- Region IV-A
70	Rosewood Place	Phases 1A, 1B, 1C and 1D (BP 220)	Brgy. Hugo Perez, Trece Martirez City, Cavite	447	30-Jul-21	DSHUD- Region IV-A
71	Rosewood Place	Ph1A and 1B (PD957)	Brgy. Hugo Perez, Trece Martirez City, Cavite	448	30-Jul-21	DSHUD- Region IV-A
72	Southwind (formerly Southpeak III-B)		Brgy. San Antonio, San Pedro, Laguna	306	30-Jul-21	DSHUD- Region IV-A
73	Futura One For a-Dagupan	Bldg. A	Brgy. Lucao, Dagupan City	2021-029	21-Sep-21	DSHUD- Region 1
74	Asiana Oasis	Bldg. Chi	Ephesus St., Multinational Village, Parañaque City	211	12-Nov-21	DSHUD- NCR
75	Futura Centro	Bldg. A & B	Anonas St., Sta. Mesa, Manila	213/316	12-Nov-21/ 14-Mar-22	DSHUD- NCR
76	Belize Oasis	Bldg. Azul	East Service Road, Brgy.	212	12-Nov-21	DSHUD- NCR

			Alabang, Muntinlupa City			
77	Panglao Oasis	Bldg. Daloy	Mariano Levi Ave., Brgy. Ususan, Taguig City	217	23-Nov-21	DSHUD- NCR
78	Pangalo Oasis	Bldg. Cabana	Mariano Levi Ave., Brgy. Ususan, Taguig City	225	14-Dec-21	DSHUD- NCR
79	Futura East	Bldg. A	Imelda Ave., Cainta, Rizal	579	2-May-22	DSHUD- Region IV-A
80	Futura Monte - Naga	Bldg. A	Roxas Ave. Brgy. Triangulo, Naga City	56	18-May-22	DSHUD-Region 5
81	Centro Spatial	B	Brgy. 39-D, Bolton Extension, Davao City	2022-005	23-May-22	DSHUD-Region 11
82	New Fields	2	Brgy. Dalig, Teresa, Rizal	637	13-Jun-22	DSHUD- Region IV-A
83	Alta Spatial	Acacia	Brgy. Karuhatan, Valenzuela City	452	13-Jul-22	DSHUD- NCR
84	Alta Spatial	Banyan	Brgy. Karuhatan, Valenzuela City	453	13-Jul-22	DSHUD- NCR
85	Alta Spatial	Cedar	Brgy. Karuhatan, Valenzuela City	454	13-Jul-22	DSHUD- NCR
86	Alta Spatial	Elm	Brgy. Karuhatan, Valenzuela City	455	15-Jul-22	DSHUD- NCR
87	One Oasis Cebu	8	Brgy. Kasambagan, Cebu City	LS-R07-22-064	20-Sep-22	DSHUD-Region 7
88	Bali Oasis 2	Malang	Marcos Highway, Brgy. Santolan, Pasig City	475	29-Sep-22	DSHUD- NCR
89	Asenso Village 1 (LTS amended MSME Business Park)	1	Brgy. Bubuyan Calamba City	853	17-Oct-22	DSHUD- Region IV-A
90	Asenso Village 2 (LTS amended MSME Business Park)	2	Brgy. Bubuyan Calamba City	854	17-Oct-22	DSHUD- Region IV-A
91	Futura East	C	Cainta, Rizal	636	17-Oct-22	DSHUD- Region IV-A
92	Futura East	B	Cainta, Rizal	635	24-Oct-22	DSHUD- Region IV-A
93	Maldives Oasis	D	Brgy. 76-A, Bucana, Davao City	RXI-2022-042	20-Dec-22	DSHUD-Region 11
94	Sanremo Oasis	8	Brgy. Kasmbagan, Cebu City	LS-R07-22-090	27-Dec-22	DSHUD- Region 7
95	Montebello	3	Calamba, Laguna	442	30-Jan-23	DSHUD- Region IV-A
96	The Grove	2	Angono, Rizal	452	13-Feb-23	DSHUD- Region IV-A
97	Alta Spatial	Dita	Brgy. Karuhatan, Valenzuela City	67	22-Jun-23	DSHUD- NCR
98	Futura One Fora Dagupan	Bldg. B	Brgy. Lucao, Dagupan City, Pangasinan	0000173	1-Sep-23	DSHUD
99	Kembali Coast	Phase 3B	Brgy. San Isidro, Kaputian District, Island Garden City of Samal, Davao del Norte	0002397	28-Sep-23	DSHUD
100	The Veranda Resort Condos	Bldg. 3	Brgy. San Isidro, Kaputian District, Island Garden City of Samal, Davao del Norte	RXI-2023-007	28-Sep-23	DSHUD
101	The Veranda Resort Condos	Bldg. 4	Brgy. San Isidro, Kaputian District, Island Garden	RXI-2023-008	28-Sep-23	DSHUD

			City of Samal, Davao del Norte			
102	Futura Shores	Bldg. A	Brgy. Mangnao, Dumaguete City, Negros Oriental	030	10-Oct-23	DSHUD
103	Futura Bay Gensan	Bldg. A	Honorio Arriola Street, Brgy. Lagao, General Santos City	0004385	12-Jan-24	DSHUD
104	Amarilyo Crest Residences	Phase 1A	Havila, Brgy. San Juan, Taytay, Rizal	0001851	15-Mar-24	DSHUD
105	Futura Monte - Naga	Bldg. B	Brgy. Triangulo, Naga City	0001978	7-May-24	DSHUD
106	Forest Farms 2		Brgy. Mahabang Parang, Angono, Rizal	0001918	8-May-24	DSHUD
107	Futura Monte - Naga	Bldg. A	Roxas Ave., Brgy. Triangulo, Naga City	0001979	18-May-24	DSHUD
108	Futura Rise		Brgy. Cagamutan Sur, Leganes, Iloilo	R6-013	24-Jun-24	DSHUD
109	Sydney Oasis Bacoor	Bldg. A	Emilio Aguinaldo Highway, Brgy. Talaba VI, Bacoor, Cavite	0000621	26-Jul-24	DSHUD

A License to Sell remains valid and subsisting, unless suspended or revoked by the DHSUD.

INTELLECTUAL PROPERTY

Real Estate Operations

The “Filinvest” trademark was registered with the IPO on September 15, 2011. “Filinvest” is the brand FLI uses for the names of certain real estate products and for trademarks relating to the “FLI” brand. FLI also has several service marks registered with the IPO such as “One Oasis”, “The Linear Makati”, “Citi di Mare”, “Havila”, “Filinvest REIT Corp., among others. FLI also continues to apply for registration of its trademarks and has several pendingapplications with the IPO.

FLI

	Mark	Application No./ Registration No.	Date Filed	Date Registered	Expiration Of Registration /Renewal
1	THE LINEAR MAKATI & DESIGN	04-2009-008519	26-Aug-09	12-Aug-10	12-Aug-30
2	ONE OASIS ORTIGAS & DESIGN	04-2009-004756	14-May-09	10-Dec-09	10-Dec-29
3	WE BUILD THE FILIPINO DREAM	04-2009-004753	14-May-09	10-Dec-09	10-Dec-29
4	ONE OASIS	04-2009-004755	9-Feb-11	10-Dec-09	10-Dec-29
5	FILINVEST (NEW LOGO)	04-2011-001424	9-Feb-11	15-Sep-11	15-Sep-31
6	STUDIO A	04-2012-010088	17-Aug-12	20-Dec-12	20-Dec-32
7	THE SIGNATURE	04-2013-011241	18-Sep-13	17-Apr-14	Application for renewal filed. Awaiting approval of IPO.
8	FORA ROTUNDA TAGAYTAY	04-2014-000333	26-Jan-14	14-Aug-14	Application for renewal filed. Awaiting approval of IPO
9	THE GLADES	04-2014-00005203	30-Apr-14	9-Jul-15	9-Jul-25
10	100 WEST	04-2014-005204	30-Apr-14	23-Jul-15	23-Jul-25
11	TIMBERLAND HEIGHTS (Horizontal Orientation)	04-2014-007561	17-Jun-14	14-May-15	14-May-25
12	TIMBERLAND HEIGHTS (Stacked Orientation)	04-2014-007562	17-Jun-14	14-May-15	14-May-25

	Mark	Application No./ Registration No.	Date Filed	Date Registered	Expiration Of Registration /Renewal
13	ONE BINONDO	04-2014-007563	17-Jun-14	12-Feb-15	12-Feb-25
15	VINIA	04-2014-008117	26-Jun-14	20-Nov-14	Application for renewal fled.. Awaiting approval of IPO.
16	SERULYAN MACTAN	04-2014-008507	8-Jul-14	26-Feb-15	26-Feb-25
17	CITY DI MARE (Logo and Tagline)	04-2014-008508	8-Jul-14	26-Feb-15	26-Feb-25
18	BALI OASIS	04-2014-008509	8-Jul-14	26-Feb-15	26-Feb-25
19	CAPRI OASIS	04-2014-008510	8-Jul-14	5-Mar-15	5-Mar-25
20	BALI OASIS 2	04-2014-008511	8-Jul-14	26-Feb-15	26-Feb-25
21	ONE SPATIAL	04-2014-008513	8-Jul-14	26-Feb-15	26-Feb-25
22	I-GO	04-2014-009299	25-Jul-14	20-Feb-15	20-Feb-25
24	KEMBALI (Reversed Logo)	04-2014-012698	14-Oct-14	June 25,2015	25-Jun-25
25	KEMBALI	04-2014-012699	14-Oct-14	26-Feb-15	26-Feb-25
26	THE VERANDA	04-2015-00001930	23-Feb-15	27-Aug-15	27-Aug-25
27	THE ENCLAVE ALABANG	04-2015-003649	6-Apr-15	11-Feb-16	11-Feb-26
28	UMI GARDEN SUITES	04-2015-003650	6-Apr-15	11-Feb-16	11-Feb-26
29	ACTIVA	04-2015-004207	20-Apr-15	13-Aug-15	13-Aug-25
30	STUDIO 7	04-2015-007534	7-Jul-15	12-Nov-15	12-Nov-25
31	FILINVEST (REVERSED)	04-2015-010976	22-Sep-15	24-Mar-16	24-Mar-26
32	FUTURA	04-2015-010994	22-Sep-15	24-Mar-16	24-Mar-26
33	FILINVEST PREMIERE	04-2015-010995	22-Sep-15	24-Mar-16	24-Mar-26
34	PANGLAO OASIS	04-2015-00013755	2-Dec-15	14-Jul-16	14-Jul-26
35	THE RANCH	04-2015-013989	9-Dec-15	12-May-16	12-May-26
36	THE PROMINENCE	04-2016-000931	28-Jan-16	26-May-16	26-May-26
37	VISTA HILLS	04-2016-00001971	24-Feb-16	7-Jul-16	7-Jul-26
38	WOODVILLE	04-2016-00001980	24-Feb-16	7-Jul-16	7-Jul-26
39	SPRINGFIELD VIEW	04-2016-00001975	24-Feb-16	7-Jul-16	7-Jul-26
40	PUNTA ALTEZZA	04-2016-00001973	24-Feb-16	7-Jul-16	7-Jul-26
41	ALDEA REAL	04-2016-00001974	24-Feb-16	7-Jul-16	7-Jul-26
42	ASHTON FIELDS	04-2016-00001984	24-Feb-16	3-Nov-16	3-Nov-26
43	FILINVEST TECHNOLOGY PARK	04-2016-00001982	24-Feb-16	7-Jul-16	7-Jul-26
44	ASENSO VILLAGE	04-2016-00001969	24-Feb-16	29-Dec-16	29-Dec-26
45	THE GLENS	04-2016-00001981	24-Feb-16	7-Jul-16	7-Jul-26
46	LA BRISA TOWNHOMES	04-2016-00001977	24-Feb-16	7-Jul-16	7-Jul-26
47	MONTEBELLO	04-2016-00001979	24-Feb-16	7-Jul-16	7-Jul-26
48	PALMRIDGE	04-2016-00002908	17-Mar-16	19-Jan-17	19-Jan-27
49	VALLE DULCE	04-2016-00002909	17-Mar-16	24-Nov-16	24-Nov-26
50	MAUI OASIS	04-2016-00006707	14-Jun-16	20-Oct-16	20-Oct-26
51	BLUE ISLE	04-2016-00002910	17-Mar-16	19-Jan-17	19-Jan-27
52	SANDIA HOMES	04-2016-00002907	17-Mar-16	24-Nov-16	24-Nov-26
53	VALLE ALEGRE	04-2016-00002906	17-Mar-16	24-Nov-16	24-Nov-26
54	NUSA DUA	04-2016-00003093	22-Mar-16	4-Aug-16	4-Aug-26
55	8 SPATIAL	04-2017-00002733	28-Feb-17	22-Jun-17	22-Jun-27
56	ALTA SPATIAL	04-2016-00005326	16-May-16	30-Sep-16	30-Sep-26
57	SANTOSO VILLAS	04-2016-00003097	22-Mar-16	4-Aug-16	4-Aug-26
58	PUEBLO SOLANA	04-2016-00003257	29-Mar-16	11-Aug-16	11-Aug-26
59	BLUEGRASS COUNTY	04-2016-00003256	29-Mar-16	11-Aug-16	11-Aug-26
60	SUMMERBREEZE	04-2016-00003253	29-Mar-16	11-Aug-16	11-Aug-26
61	BLUE PALM ESTATE	04-2016-00003255	29-Mar-16	11-Aug-16	11-Aug-26
62	AMARE HOMES	04-2016-00003254	29-Mar-16	4-Aug-16	11-Aug-26
63	PINEVIEW	04-2016-00003096	22-Mar-16	4-Aug-16	4-Aug-26
64	SAVANNAH FIELDS	04-2016-005325	16-May-16	1-Sep-16	1-Sep-26
65	PARK SPRING	04-2017-00007246	12-May-17	2-Nov-17	2-Nov-27
66	MERIDIAN PLACE	04-2016-00004080	19-Apr-16	8-Sep-16	8-Sep-26
67	PRINCETON HEIGHTS	04-2016-00004079	19-Apr-16	8-Dec-16	8-Dec-26
68	MARINA SPATIAL	04-2017-00004278	22-Mar-17	10-Aug-17	10-Aug-27
69	SANREMO OASIS	04-2017-00004277	22-Mar-17	17-Aug-17	17-Aug-27
70	CYBERZONE PROPERTIES, INC.~~FILINVEST REIT CORP.~~	04-2016-00008917	27-Jul-16	16-Feb-17	16-Feb-27
71	THE TROPICS	04-2016-006705	14-Jun-16	30-Sep-16	30-Sep-26

	Mark	Application No./ Registration No.	Date Filed	Date Registered	Expiration Of Registration /Renewal
72	KEMBALI	04-2016-007203	23-Jun-16	30-Sep-16	30-Sep-26
73	GRAND CENIA RESIDENCES	04-2017-00004276	22-Mar-17	17-Aug-17	17-Aug-27
74	HAVILA	04-2016-010352	26-Aug-16	8-Dec-16	8-Dec-26
75	MARINA TOWN	04-2017-00004279	22-Mar-17	30-Jul-17	30-Jul-27
76	TIERRA VISTA	04-2016-012594	14-Oct-16	29-Dec-16	29-Dec-26
77	HAMPTON ORCHARDS	04-2016-012593	14-Oct-16	29-Dec-16	29-Dec-26
78	AUSTINE HOMES	04-2016-012592	14-Oct-16	14-Sep-17	14-Sep-27
79	EASTBAY PALAWAN	04-2017-00004634	28-Mar-17	7-Mar-20	7-Mar-30
80	THE ENCLAVE AT FILINVEST HEIGHTS	04-2016-015037	12-Dec-16	27-Apr-17	27-Apr-27
81	SPRING HEIGHTS	04-2016-015036	12-Dec-16	27-Apr-17	27-Apr-27
82	FILINVEST INTERNATIONAL	04-2016-015257	15-Dec-16	4-May-17	4-May-27
83	PALM ESTATES	04-2017-00007417	16-May-17	14-Sep-17	14-Sep-27
84	CIUDAD DE CALAMBA	04-2017-00003425	9-Mar-17	6-Jul-17	6-Jul-27
85	The Filinvest IT Zone (TN)	04-2017-001667	8-Feb-17	11-May-17	11-May-27
86	PHUKET OASIS (TN)	04-2017-00006146	21-Apr-17	24-Aug-17	24-Aug-27
87	ONE FILINVEST	04-2017-00004282	22-Mar-17	14-Jul-17	14-Jul-27
88	EAST SPATIAL (TN)	04-2017-00006144	21-Apr-17	24-Aug-17	24-Aug-27
89	STUDIO ZEN (New Application)	04-2017-00006284	25-Apr-17	24-Aug-17	24-Aug-27
90	VERDE SPATIAL	04-2017-00003423	9-Mar-17	6-Jul-17	6-Jul-27
91	THE LEVELS	04-2017-00004870	31-Mar-17	30-Jul-17	30-Jul-27
92	STUDIO CITY	04-2017-00004870	31-Mar-17	29-Dec-19	29-Dec-29
93	ASIANA OASIS	04-2017-00007247	12-May-17	15-Feb-18	15-Feb-28
94	CENTRO SPATIAL	04-2018-004647	13-Mar-18	2-Sep-18	2-Sep-28
95	AMALFI CITY DI MARE	04-2017-00010593	6-Jul-17	14-Feb-19	14-Feb-29
96	LAEUNA DE TAAL	04-2017-00010594	6-Jul-17	14-Feb-19	14-Feb-29
97	SORRENTO OASIS	04-2017-00006145	21-Apr-17	24-Aug-17	24-Aug-27
98	BRENTVILLE INTERNATIONAL COMMUNITY	04-2017-00012270	2-Aug-17	17-Dec-17	17-Dec-27
99	THE WOOD ESTATES	04-2017-00013102	16-Aug-17	18-Jan-18	18-Jan-28
100	NEW LEAF	04-2017-00012692	8-Aug-17	4-Jan-18	4-Jan-28
101	VENTURA REAL	04-2017-00014074	31-Aug-17	29-Mar-18	29-Mar-28
102	FILINVEST ASPIRE (TN)	04-2017-00013108	16-Aug-17	7-Dec-17	7-Dec-27
103	ASPIRE BY FILINVEST (TN)	04-2017-00013106	16-Aug-17	7-Dec-17	7-Dec-27
104	FILINVEST PRESTIGE (TN)	04-2017-00013109	16-Aug-17	7-Dec-17	7-Dec-27
105	PRESTIGE BY FILINVEST (TN)	04-2017-00013107	16-Aug-17	7-Dec-17	7-Dec-27
106	FILINVEST FUTURA (TN)	04-2017-00013110	16-Aug-17	7-Dec-17	7-Dec-27
107	FUTURA BY FILINVEST (TN)	04-2017-00013103	16-Aug-17	7-Dec-17	7-Dec-27
108	NATURE GROVE	04-2017-00019957	12-Dec-17	19-Apr-18	19-Apr-28
109	BELIZE ASPIRE	04-2017-00019956	12-Dec-17	19-Apr-18	19-Apr-28
110	SOUTHWIND	04-2018-00003090	19-Feb-18	12-Jul-18	12-Jul-28
111	FUTURA EAST	04-2018-00002770	13-Feb-18	2-Sep-18	2-Sep-28
112	FUTURA TIERRA	04-2018-00002772	13-Feb-18	2-Sep-18	2-Sep-28
113	MANNA EAST BY FILINVEST	04-2018-00006834	23-Apr-18	4-Oct-18	4-Oct-28
114	FUTURA VINTA	04-2018-00018616	16-Oct-18	2-Jun-19	2-Jun-29
115	BELIZE OASIS	04-2018-00018617	16-Oct-18	2-Jun-19	2-Jun-29
116	FUTURA CENTRO	04-2019-00000729	15-Jan-19	16-May-19	16-May-29
117	Venti-lite	04-2019-00006073	11-Sep-19	8-Feb-20	
118	Filinvest Gaia New Clark City	04-2019-00008389	22-May-19	13-Oct-19	13-Oct-29
119	Columna Offices by Filinvest	04-2019-00015685	5-Sep-19	20-Nov-20	20-Nov-30
120	STUDIO N ™	04-2019-00018389	21-Oct-19	11-Sep-20	11-Sep-20
121	STUDIO N (word mark)	04-2019-00020861	29-Nov-21	11-Sep-20	11-Sep-20
122	PERTH OASIS	04-2020-00003904	12-Mar-20	10-Jan-21	10-Jan-31
123	FUTURA ONE	04-2020-00005188	9-Jul-20	10-Jan-21	10-Jan-31
124	BRENTVILLE INTERNATIONAL COMMUNITY (New Logo)	04-2020-00005932	25-Aug-20	18-May-21	18-May-31
125	SUNRISE PLACE	04-2021-00513424	8-Jun-21	27-Aug-21	27-Aug-31
126	FUTURA MIRA	04-2021-00513437	8-Jun-21	18-Nov-21	18-Nov-31
127	TIMBERLAND HEIGHTS (New Logo)	04-2021-00520106	24-Aug-21	26-May-22	26-May-32
128	FUTURA PRIMO BATAAN	04-2021-00523836	6-Oct-21	7-Mar-22	7-Mar-32
129	FILINVEST INNOVATION PARK CIUDAD DE CALAMBA	04-2021-00527408	18-Nov-21	10-Feb-22	10-Feb-32

	Mark	Application No./ Registration No.	Date Filed	Date Registered	Expiration Of Registration /Renewal
130	FUTURA MONTE NAGA	04-2022-512549	25-May-22	1-Sep-22	1-Sep-32
131	FUTURA BAY GENERAL SANTOS	04-2022-513302	2-Jun-22	17-Oct-22	17-Oct-32
132	SYDNEY OASIS	04-2022-520348	15-Aug-22	6-May-23	6-May-33
133	STELLO CENTRALE	04-2023-511189	15-May-2023	30-Sep-2023	30-Sep-2033
134	FUTURA SHORES DUMAGUETE	04-2023-527162	18-Oct-2023	25-Mar-2024	25-Mar-2034
135	STRIDES	04-2023-525746	3-Oct-2023	15-Feb-2024	15-Feb-2034
136	FILINVEST LAND, INC.	04-2024-505170	26-Feb-2024	15-Jun-2024	15-Jun-2034
137	FILINVEST INSTAHOMES	04-2024-509384	6-Apr-2024	19-Aug-2024	19-Aug-2034
138	ILOILO CENTRALE	04-2024-515592	5-June-2024	5-Oct-2024	5-Oct-2034

Filinvest Mimosa, Inc.

	Mark	Application No./ Registration No.	Date Filed	Date Registered	Expiration Of Registration /Renewal
1	FILINVEST MIMOSA+ LEISURE CITY (word mark)	04-2017-00007244	12-May-17	10-Oct-19	10-Oct-29
2	MIMOSA+	04-2017-00007243	12-May-17	14-Sep-17	14-Sep-27
3	FILINVEST MIMOSA+ LEISURE CITY (trademark)	04-2019-00014901	23-Aug-19	29-Dec-19	29-Dec-29

Filinvest Clark Mimosa, Inc. (formerly, Filinvest Cyberzone Mimosa, Inc.)

	Mark	Application No./ Registration No.	Date Filed	Date Registered	Expiration Of Registration /Renewal
1	GOLF RIDGE (tradename)	04-2019-017968	15-Oct-19	5-Mar-20	5-Mar-30
2	GOLF RIDGEPRIVATE ESTATE	04-2019-020214	21-Nov-19	11-Apr-20	11-Apr-30

Filinvest REIT Corp.

	Mark	Application No./ Registration No.	Date Filed	Date Registered	Expiration Of Registration /Renewal
1	FILREIT	04-2021-512915	2-Jun-21	1-Aug-21	1-Aug-31
2	FILRT	04-2021-512917	2-Jun-21	1-Aug-21	1-Aug-31
3	FILINVEST REIT CORP.	04-2021-512912	2-Jun-21	8-Oct-21	8-Oct-31
4	FILINVEST REIT CORPORATION	04-2021-512913	2-Jun-21	8-Oct-21	8-Oct-31
5	FILINVEST REIT	04-2021-512916	2-Jun-21	12-Nov-21	12-Nov-31

FLI and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. Typical cases in the real estate development segment include adverse claims against FLI's title over parcels of land and claims brought by buyers seeking the return of deposits or cancellations of sales. From time to time, FLI also disputes taxes that have been assessed against it by the BIR. In the opinion of FLI's management, none of the lawsuits or legal actions to which it or any of its subsidiaries is currently subject will materially affect the daily operations of its business nor will they have a material adverse effect on FLI's consolidated financial position and results of operations. Noteworthy are the following cases involving the Company, among others.

a) FLI vs. Abdul Backy Ngilay, et al.,
G.R. No. 174715
Supreme Court

This is a civil action for the declaration of nullity of deeds of conditional and absolute sale of certain real properties located in Tambler, General Santos City, covered by free patents and executed between FLI and the plaintiff's patriarch, Hadiji Gulam Ngilay, instituted in 1998. The Regional Trial Court ("RTC") of Las Piñas City (Br. 253) decided the case in favor of FLI and upheld the sale of the properties. On appeal, the Court of Appeals ("CA") rendered a decision partly favorable to FLI but nullified the sale of some properties involved. FLI filed a petition for review on *certiorari* to question that portion of the decision declaring as void the deeds of sale of properties covered by patents issued in 1991. The Supreme Court ("SC") affirmed the decision of the CA but declared with finality that FLI's purchase of sales patents issued in 1991 was void and ordered the Ngilays to return ₱l4,000,000.00 to FLI. The RTC issued a Writ of Execution dated 16 February 2015. To satisfy the monetary judgment in favor of FLI, four (4) parcels of land owned by the Ngilays and covered by Transfer Certificates of Title ("TCT") Nos. P-6886, 147-201005034, 147-2014000465, and 147-2014000468, were levied on execution and sold at public auction to FLI as the highest bidder. The Sheriff's Certificate of Sale over the properties was registered with the Registry of Deeds of General Santos City. FLI filed a motion for the surrender of the certificates of titles of the Ngilays so that FLI's affidavit of consolidation of ownership can be annotated on the titles and new certificates of title will be issued in FLI's name. This motion was partially granted; 3 titles, namely TCT Nos. 147-2014005034, 147-2014000465, and 147- 2014000468, are surrendered to the Register of Deeds of General Santos City. But the sale by the Sheriff of the property covered by TCT No. P-6886 was declared invalid, because the sale of the property covered by said title was not one of the sales previously declared by the SC as invalid. The Sheriff was ordered to look for another property of Ngilay for execution and to issue an amended certificate of sale for the 3 Ngilay properties in favor of FLI. We are awaiting the Court's issuance of an order approving the amended certificate of sale along with resolution of the Court on Moner Ngilay's Motion to Exclude his property from execution, with FLI's opposition already filed. The court granted FLI's motions and ordered the Deputy Sheriff of the Regional Trial Court, Branch 253 of Las Piñas City, to amend the Certificate of Sale in accordance with the Order dated June 1, 2018 while Money Ngilay's Motion to Exclude his property from execution was denied.

b) Republic of the Philippines vs. Rolando Pascual, et al.
Civil Case No. 7059
RTC General Santos Branch 36 (On appeal by the Republic to the Court of Appeals)

The Republic through the Office of the Solicitor General (OSG) filed suit against Rolando Pascual, Rogelio Pascual, and FLI for cancellation of title and reversion in favor of the Government of properties subject of a joint venture agreement between the said individuals and FLI. The Government claims that the subject properties covering about 73.33 hectares are not alienable and disposable for being forest land. The case was dismissed by the RTC Branch 36 of General Santos City on November 16, 2007 for lack of merit. On appeal by the Republic, the Court of Appeals reversed the Decision of the RTC and ordered the case to be remanded for a full-blown trial on the merits. FLI filed its Petition for Review with the SC, but the latter also affirmed the Decision of the CA remanding the case to the RTC for further proceedings.

When the case was remanded in the trial court, the RTC set the case for Judicial Dispute Resolution which was eventually terminated after the parties failed to arrive at an amicable settlement. After several re-settings that spanned over a decade in addition to the pandemic, the pre-trial originally set on April 14, 2020 was held on May 17, 2022 at 8:30am. Representatives and counsel of the Republic, particularly from the Department of Environment and Natural Resources (DENR) and the Office of the Solicitor General, still failed to attend. Hence, the RTC of General Santos City dismissed the case with prejudice upon motion of the defendants during the proceedings. The Republic filed its Motion for

Reconsideration but the same was denied by the RTC which affirmed the dismissal of the case as stated in its Order dated 17 May 2022.

On January 23, 2023, the Republic filed a Notice of Appeal. On July 30, 2024, the Court of Appeals issued a Resolution acknowledging receipt of the transmittal of records of the RTC, with directive to cure the defects therein within ten (10) days from notice. On August 30, 2024, the RTC replied to the directive of the Court of Appeals and explained the deficiencies in the transmittal of records. On October 8, 2024, the Court of Appeals issued its Resolution noting the explanation of the RTC, directing the parties to comment and manifest to the court fi they are willing to dispense with the deficiencies in the records, and decide the case only on the available records, and forward the rollo of the case to the records division of the Court of Appeals to determine its completeness, and if so, issue the notice to file brief to the parties.

Regulatory and Environmental Matters

REAL ESTATE

Regulation of Real Estate Development in the Philippines

PD 957, Batas Pambansa Bilang 220 ("**BP 220**"), RA 4726 and RA 7279 are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957, BP 220, RA 4726 and RA 7279 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes.

On 14 February 2019, Republic Act No. 11201, otherwise known as "Department of Human Settlements and Urban Development Act" was signed into law by the President. Consequently, the Implementing Rules and Regulations of the Act was approved on 19 July 2019. The Housing and Urban Development Coordinating Council ("**HUDCC**") and the Housing and Land Use Regulatory Board ("**HLURB**") were consolidated to create the Department of Human Settlements and Urban Development ("**DHSUD**"). Simultaneously, the HLURB was reconstituted into the Human Settlement Adjudication Commission ("**HSAC**"). The functions of the HUDCC and the planning and regulatory functions of HLURB were transferred to and consolidated in the DHSUD, while the HSAC shall assume and continue to perform the adjudication functions of HLURB. Now, DHSUD is the administrative agency of the Government which, together with local government units ("**LGUs**"), enforces these decrees and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are required to be filed with and approved by the DHSUD and the relevant LGU of the area where the project is situated. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government body or agency.

The development of subdivision and condominium projects can commence only after the relevant government body has issued the required development permit. The issuance of a development permit is dependent on, among other things: (i) compliance with required project standards and technical requirements which may differ depending on the nature of the project and (ii) issuance of the barangay clearance, the locational clearance, DENR permits and DAR conversion or exemption orders, as discussed below.

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the DHSUD. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the DHSUD and the written conformity or consent of the duly organized homeowners' association, or in the absence of the latter, by the majority of the lot buyers in the subdivision. Owners of, or dealers in, real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the DHSUD.

Project permits and licenses to sell may be suspended, cancelled or revoked by the HSAC, by itself or upon a verified complaint from an interested party, for reasons such as involvement in fraudulent transactions, misrepresentation about the subdivision project or condominium project in any literature which has been distributed to prospective buyer. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HSAC's rules of procedure and other applicable laws.

Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the DHSUD. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance by the owner or dealer with the applicable laws and regulations.

Real estate dealers, brokers and salesmen are also required to register and secure a certificate of registration with the DHSUD before they can sell lots or units in a registered subdivision or condominium project. The certificate of registration will expire on the first day of December of each year.

There are essentially two (2) different types of residential subdivision developments, which are distinguished by different development standards issued by the DHSUD. The first type of subdivision, aimed at low-cost housing, must comply with BP 220, a Philippine statute regulating the development and sale of real property as part of a condominium project or subdivision, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with PD 957, which sets out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision, with an area of one hectare or more and covered by P.D. 957, is required to reserve at least 30.0% of the gross land area of such subdivision, which shall be non-saleable, for open space for common uses, which include roads, parks, playgrounds and recreational facilities.

Further, RA 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15.0% of the total subdivision area or total subdivision project cost, or total subdivision project cost and at least 5% of condominium area or project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standards set by the DHSUD and other existing laws. To comply with this requirement, the developers may choose to develop for socialized housing an area equal to 15% of the total area of the main subdivision project or allocate and invest an amount equal to 15% of the main subdivision total project cost, which shall include the cost of the land and its development as well as the cost of housing structures therein, in development of a new settlement through purchase of socialized housing bonds, participation in a community mortgage program, the undertaking of joint-venture projects and the building of a large socialized housing project to build a credit balance.

Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects are eligible for government incentives subject to certain policies and guidelines.

The Company has benefited from providing low-income housing or projects of such types which are financially assisted by the Government. These policies and programs may be modified or discontinued in the future. The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under current law, income derived by domestic corporations from the development and sale of socialized housing which currently, among other things, must have a basic selling price of no more than ₱400,000.00, is exempt from project related income taxes. Sale of residential lots with a gross selling price of ₱1,919,500.00 or less, or residential houses, lots and other residential dwellings with a gross selling price of ₱3,199,200.00 or less, where the instrument of sale, transfer, disposition was executed and notarized on or after January 1, 2012 are exempt from VAT.However, for instruments of sales executed and notarized on or after November 1, 2005 but prior to January 1, 2012, the threshold amounts are ₱l.5 million and ₱2.5 million, respectively, and excess thereof is subject to 12% output VAT starting February 1, 2006. Sale, transfer or disposal of two (2) or more adjacent residential lots or dwellings by the same seller to the same buyer within a 12-month period, even if covered by separatetitles or tax declarations, will be considered as one residential area for purposes of computing the threshold levels forVAT purposes. Under the 2022 Strategic Investment Priority Plan issued by the BOI and approved by the President via Memorandum Order No. 50 on May 24, 2022, mass housing projects including development and fabrication of housing components, are still eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by the Company, any changes in the tax treatment of income derived from the sale of socialized housing units may affect the effective rate of taxation of the Company.

EO 45, series of 2001, prescribes specific period for a government agency and the LGUs to act on application for certifications, clearances and permits for housing projects. It also provides an option for the applicant-developer where the government agency or LGU refuses or fails to dispose an application for said housing permit, in which case an affidavitmay be submitted with supporting technical studies and documents, in lieu of the certification, clearance or permit. Administrative Order No. 219, issued in 2008, introduced the concept of One-Stop-Shops (**"OSS"**) for

Housing Permits, with the primary objective of streamlining the application process and providing comprehensive support to housing developers in obtaining the essential licenses required for their development projects. The OSS brings together various government agencies responsible for issuing housing-related permits, clearances, certifications, and licenses. Notable among these agencies are the Housing and Land Use Regulatory Board, the Department of Agrarian Reform, the Department of Agriculture, the Department of Environment and Natural Resources, and the Department of the Interior and Local Government. However, it is noteworthy that, as of the present date, the government has yet to establish these OSS processing centers in each region. The implementation of such centers is critical for expediting the permitting process for housing projects and fulfilling the initial vision of Administrative Order No. 219.

Real Estate Sales on Installments

The provisions of Republic Act No. 6552, or the Maceda Law, apply to all transactions or contracts involving the sale or financing of real estate on instalment payments (including residential condominium units but excluding industrial lots and commercial buildings and sales to tenants under RA 3844). Under the provisions of the Maceda Law, where a buyer of real estate has paid at least two (2) years of instalments, the buyer is entitled to the following rights in case of a default in the payment of succeeding instalments:

- To pay, without additional interest, the unpaid instalments due within the total grace period earned by him, which is fixed at the rate of one month for every one year of instalment payments made. However, this right may be exercised by the buyer only once every five (5) years during the term of the contract and its extensions, if any.

- If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50.0% of the total payments made, and in cases where five (5) years of instalments have been paid, an additional 5.0% every year (but with a total not to exceed 90.0% of the total payments). However, the actual cancellation of the contract shall take place after thirty (30) days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

The computation of the total number of installment payments made includes down payments, deposits, or options on the contract.

In the event that the buyer has paid less than two (2) years of installments, the seller shall give the buyer a grace period of not less than 60 days from the date the installment became due. If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Notably, the buyer has the right to sell or assign his or her rights to another person or to reinstate the contract by updating the account during the grace period and before actual cancellation of the contract. The deed of sale or assignment shall be done by notarial act.

Shopping Malls

Shopping mall centers are regulated by the LGU of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of RA 9514, otherwise known as the "Fire Code" and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial wastewater to apply for a wastewater discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Philippine Department of Tourism ("**DOT**"). A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the DOT. Commercial establishments located within the geographical jurisdiction of the Laguna Lake Development Authority, such as but not limited to Muntinlupa City, are likewise required to secure clearances prior to commencement of operations.

Zoning and Land Use

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may be also limited by zoning ordinances enacted by LGUs. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant LGU. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Special Economic Zone

The PEZA is a government corporation that operates, administers and manages Ecozones around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the Government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA-registered enterprises located in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty free importation of equipment, machinery and raw materials.

Tenants of properties located in Ecozones may register with PEZA to avail themselves of certain benefits under Republic Act No. 7916 and its Implementing Rules and Regulations, such as income tax holidays or a preferential rate of 5% with respect to gross income taxation, thereby making tenancy in such properties potentially more attractive.

Enterprises offering IT services (such as call centers and other BPO firms using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

Certain of the Company's investment properties are registered with PEZA, and this provides significant benefits to the Company's tenants. PEZA registration provides significant tax incentives to those of the Company's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or a 5.0% gross income taxation), thereby making tenancy in the Company's PEZA-registered buildings potentially more attractive to them. As of August 31, 2023, PBCom Tower is a PEZA-registered IT building while the Filinvest Technology Park-Calamba, Northgate Cyberzone and New Clark City are PEZA-accredited Ecozones. Meanwhile, FCMI and FMI who develop the Mimosa Plus estate are registered with the CDC as Clark Freeport Enterprises in the Clark Freeport Zone.

Contractor's License Law

In 1965, Republic Act No. 4566 ("**R.A. No. 4566**" or the Contractor's License Law) was enacted to regulate the business of construction in the Philippines through the Philippine Licensing Board for Contractors. R.A. No. 4566 was thereafter amended by Presidential Decree No. 1746 on November 28, 1980, transferring the powers of the Philippine Licensing Board for Contractors to PCAB, which is currently the government agency responsible for regulating and licensing contractors in the Philippines.

A contractor is defined as any person who undertakes or offers to undertake or purports to have the capacity to undertake or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, railroad, excavation or other structure, project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures of works in connection therewith.

All contractors are required to secure either a regular or special license from PCAB.

a) A regular license is issued to a domestic construction firm (a Filipino sole proprietorship or a partnership/corporation with at least 60% Filipino equity) and is renewed annually, on or before June 30 of each year. PCAB has issued Resolution No. 333, Series of 2013 allowing foreign construction firms with more than 40% foreign equity to qualify for a regular AAAA license provided that such firms comply with the following requirements:

   - ₱1.0 billion minimum capitalization;
   - Compliance with SEC Registration and Equity Requirements;
   - Engagement is limited to private domestic construction projects with contract cost of at least ₱1.0 billion;
   - Procurement of civil liability insurance;
   - Compliance with Philippine laws; and
   - Provided there is compliance with the PCAB qualification standards for a Filipino Authorized Managing Officer, such firms may hire a Foreign Authorized Managing Officer.

   A foreign contractor who is not able to meet the ₱1.0 billion capitalization may be granted a special license to engage in the construction of a specific project or undertaking with a project cost of at least ₱1.0 billion if there is limited local capability in technology as determined by the Philippine Domestic Construction Board.

   Furthermore, on March 27, 2017, PCAB issued Resolution No. 079, Series of 2017 which categorizes a regular AAAA license into two (2) types:

   - AAAA Platinum – This may be granted to locally-owned contractors with at least ₱1.0 billion minimum capitalization; and
   - AAAA Gold – This may be granted to foreign-owned domestic corporations with at least ₱1.0 billion minimum capitalization.

   AAAA Gold contractors may undertake private projects under the following contract costs: (1) minimum contract cost of ₱5.0 billion for vertical projects; and (2) minimum contract cost of ₱3.0 billion for horizontal projects.

   AAAA Platinum contractors may undertake government and private projects of any contract cost.

b) A special license is issued to a joint venture, a consortium, or a project owner who authorizes the licensee to engage only in the construction of a single, specific project or undertaking, and is cancelled by PCAB upon completion of the single specific undertaking or project authorized by the license.

A contractor may be classified as engaged in general engineering contracting, general building contracting or specialty contracting. The contractor's license shall indicate the limit and scope of the contractor's operations. The licensed contractor may operate under more than one classification, provided that it meets the qualifications prescribed by PCAB for the additional classification.

For the purpose of a more accurate evaluation of a contractor's capability, regular licensees are further classified as those engaged in (a) general engineering construction, (b) general building construction and (c) specialty construction and the classification of a contractor shall be determined by the training and experience of the contractor or of his sustaining technical employee. A contractor may apply for, and be issued, more than one classification, provided that one classification shall be designated by the applicant as its principal classification. The rest shall be considered as other classification(s). A licensed contractor shall operate within the classification(s) that it is authorized under its license to engage in. A regular license contractor shall, however, be allowed to undertake extra classification work, if the work is incidental and/or supplementary to a project under its contract and to be undertaken in conjunction with the implementation of such project.

In addition to classification, every contractor shall be graded and assigned a category as an adjunct to its licensing. Evaluation of category for a contractor shall be based on the following criteria quantified by equivalent credit points in scales as determined by PCAB:

- its financial capacity measured in terms of net worth;
- its equipment capacity in terms of book value;
- its experience in terms of aggregate number of years in which it has actively engaged in construction contracting and operations, and the average annual value of work completed during the past three (3) years; and
- experience of its technical personnel

General Engineering and General Building contractors shall be categorized based on a scale of seven (7) grades, namely: AAAA (Platinum)/AAAA (Gold), AAA, AA, A, B, C, and D.

To qualify for a license, the applicant is required to show at least two (2) years of experience in the construction industry and needs to have knowledge of national building, safety, health and lien laws and all other principles applicable to the contracting business that PCAB deems necessary.

PCAB is authorized to institute proper action in court and secure a writ of injunction without bond, restraining any person or firm not licensed, or whose license is under suspension or has expired or been revoked, from engaging or attempting to engage in the business of construction contracting. All duly constituted law enforcement officers of the national, provincial, city and municipal government or any political subdivision thereof must enforce provisions of relevant laws and report to PCAB any violation of the same.

Referral to Arbitration

Executive Order No. 1008 vests the Construction Industry Arbitration Commission ("**CIAC**") with original and exclusive jurisdiction over disputes arising from, or connected with, contracts entered into by parties involved in construction in the Philippines, whether the dispute arises before or after the completion of the contract, or after the abandonment or breach thereof. These disputes may involve government or private contracts. The jurisdiction of the CIAC may include, but is not limited, to violation of specifications for materials and workmanship, violation of the terms of agreement interpretation and/or application of contractual time and delays, maintenance and defects, payment, default of employer or contractor and changes in contract cost.

CIAC may acquire jurisdiction in two (2) ways, either by providing an arbitration clause in the contract between the parties, or by agreement of the parties to submit the dispute to CIAC. Thus, the fact that the parties incorporated an arbitration clause in their contract is sufficient to vest the CIAC with jurisdiction over any construction controversy, notwithstanding any reference made to another arbitral body. CIAC's jurisdiction over construction disputes is conferred by law, and thus, cannot be waived by mere agreement of the parties.

Liability of Engineers, Architects and Contractors

Under the Philippine Civil Code, the engineer or architect who drew up the plans and specifications for a building is liable for damages if, within 15 years from the completion of the structure, the same should collapse by reason of a defect in those plans and specifications, or due to defects in the ground. The contractor is likewise responsible for the damages if the edifice falls, within the same period, on account of construction defects or the use of materials of inferior quality, or due to any violation of the terms of the construction contract. If the engineer or architect supervises the construction, he shall be solidarily liable with the contractor. The acceptance of the building after completion does not imply waiver of any of the causes of action by reason of any of the aforementioned defects. The action arising therefrom must be brought within 10 years following the collapse of the building.

Nationality Restrictions

As provided in the Twelfth Regular Foreign Investment Negative List promulgated on June 27, 2022 procurement of infrastructure projects pursuant to Section 23.4.2.1(b), (c) and (e) of the Implementing Rules and Regulations of RA No. 9184 otherwise known as the Government Procurement Reform Act is limited up to forty percent (40%) foreign equity. The IRR provides that only the following Philippine corporations shall be allowed to bid for infrastructure projects, subject to the relevant exceptions:

1. Partnerships duly organized under the laws of the Philippines and of which at least 60% of the interest belongs to citizens of the Philippines;
2. Corporations duly organized under the laws of the Philippines, and of which at least 60% of the outstanding capital stock belongs to citizens of the Philippines;
3. Persons/entities forming themselves into a joint venture, i.e., a group of two (2) or more persons/entities that intend to be jointly and severally responsible or liable for a particular contract; Provided, however, that in accordance with Executive Order No. 65, s. 2018, Filipino ownership or interest of the joint venture concerned shall be at least 60%; provided, further, that joint ventures in which Filipino ownership or interest is less than 60% may be eligible where the structures to be built require the application of techniques and/or technologies which are not adequately possessed by a person/entity meeting the 60% Filipino ownership requirement; Provided, finally, that in the latter case, Filipino ownership or interest shall not be less than 25%. For this purpose, Filipino ownership or interest shall be based on the contributions of each of the members of the joint venture as specified in their joint venture agreement.

Property Registration and Nationality Restrictions

The Philippines has adopted the Torrens System of land registration which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land becomes indefeasible after one year from the date of entry of the decree of registration except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper surveying, application, publication, service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment to the Court of Appeals within 15 days from receiving notice of judgment. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents (i.e. homestead, sales and free patent) must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer of encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the purchase price. Any mortgage existing thereon must be released within six months from the delivery of title. To evidence ownership of condominium units, a Condominium Certificate of Title is issued by the Register of Deeds.

While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%.

The ownership of private lands in the Philippines is reserved for Philippine citizens and Philippine corporations at least 60% of whose capital stock is owned by Philippine citizens. The prohibition is rooted in Sections 2, 3 and 7 of Article XII of the 1987 Philippine Constitution, which states that, save in cases of hereditary succession, no private lands shall be transferred or conveyed except to individuals, corporations or associations qualified to acquire or hold lands of the public domain. In turn, the nationality restriction on the ownership of private lands is further underscored by Commonwealth Act No. 141 which provides that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

While aliens or foreign nationals are prohibited from owning private lands and lands of public domain, they are allowed to lease private lands (but not lands of public domain). A foreigner may acquire private land in the Philippines through hereditary succession if he or she is a legal or natural heir.

Any natural born Filipino citizen who has lost his or her Philippine citizenship and who has the legal capacity to enter into a contract under Philippine Laws may be a transferee of a private land up to a maximum area of 5,000 sq.m. in case of urban land or three (3) hectares in case of rural land to be used by him for business or other purposes. In case the transferee already owns urban or rural land for business or other purposes, he or she is entitled to be a transferee of additional urban or rural land for business or other purposes which when added to those already owned by him or her must not exceed the maximum area fixed by law.

A transferee may acquire not more than two (2) lots which should be situated in different municipalities or cities anywhere in the Philippines, but the total land area thereof must not exceed 5,000 sq.m. in case of urban land or three (3) hectares in case of rural land for use by him or her for business or other purposes. A transferee who has already acquired urban land will be disqualified from acquiring rural land and vice versa.

Any corporation that is owned 100% by a foreign firm may establish a condominium corporation under Republic Act No. 4726, or the Condominium Act, provided that land on which the building is erected is held only under lease arrangement. The Condominium Act defines a condominium as an interest in real property consisting of separate interest in a unit in a residential, industrial or commercial building and an undivided interest in common, directly or indirectly, in the land on which it is located and in other common areas of the building. A condominium may include, in addition, a separate interest in other portions of such real property. Title to the common areas, including the land, or the appurtenant interests in such areas, may be held by a corporation specially formed for the purpose (condominium corporation) in which the holders of separate interest shall automatically be members or shareholders, to the exclusion of others, in proportion to the appurtenant interest of their respective units in the common areas.

Any transfer or conveyance of a unit or an apartment, office or store or other space therein, shall include the transfer or conveyance of the undivided interests in the common areas or, in a proper case, the membership or shareholdings in the condominium corporation. Where the common areas in the condominium project are owned by the owners of separate units as co-owners thereof, no condominium unit may be transferred to foreigners or corporations with foreign ownership of more than 40% of the capital stock. T he transfer to aliens of units in a condominium project may be made only up to the point where the concomitant transfer of membership or stockholding in the condominium corporation would not cause the alien interest in such corporation to exceed 40% of its entire capital stock.

A foreign national or corporation may enter into a lease agreement with Filipino landowners for an initial period of up to 50 years, and renewable for another 25 years. Ownership of houses or buildings is allowed, provided that the foreigner does not own the land on which the house is built.

Property Taxation

Real property taxes are payable annually or quarterly based on the property's assessed value. Assessed values are determined by applying the assessment levels (fixed by ordinances of the concerned Sanggunian) against the fair market values of real property. The assessed value of property and improvements vary depending on the location, use and nature of the property. Land is ordinarily assessed at 20.0% to 50.0% of its fair market value; buildings may be assessed at up to 80.0% of their fair market value; and machinery may be assessed at 40.0% to 80.0% of its fair market value. Real property taxes may not exceed 2.0% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1.0% in all other areas. A province or city, or a municipality within Metro Manila may also levy and collect an annual tax of 1.0% on the assessed value of real property which shall be in addition to the basic real property tax to accrue exclusively to the Special Education Fund of the LGU where the property is located.

In the event there are unpaid real property taxes relating to real property, such taxes constitute a lien on the property which shall be superior to any other lien, mortgage, or encumbrance of any kind whatsoever and shall be extinguished only upon payment of the delinquent taxes and penalties. Failure to pay the real property tax will result in the payment of interest at the rate of 2% per month on the unpaid amount or a fraction thereof, until the delinquent tax shall have been fully paid; provided, however, that in no case shall the total interest on the unpaid tax or portion thereof exceed 36 months.

Anti-Money Laundering

Republic Act No. 9160 or The Anti-Money Laundering Act of 2001 (AMLA) was recently amended by Republic Act No. 11521 ("**RA No. 11521**") to include real estate brokers and developers as covered persons ("**CP**s") who are now required to report covered and suspicious transactions to the Anti-Money Laundering Council ("**AMLC**"). RA No. 11521 likewise provides for the definition of 'covered transaction' for real estate developers which is any single cash transaction involving an amount exceeding PhP7.5 million, or its equivalent in any other currency.

In compliance with the AMLA, as amended, the Company has applied for its registration with the AMLC. The latest Certificate of Registration of FLI was issued by AMLC on May 22, 2024.

ENVIRONMENTAL LAWS

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an ECC prior to commencement. The DENR through its regional offices or through the Environmental Management Bureau ("**EMB**"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("**EIS**") to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("**IEE**") to the proper DENR regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandatory.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("**EGF**") when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The EGF is intended to meet any damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund ("**EMF**") when an ECC is eventually issued. In any case, the establishment of an EMF must not be later than the initial construction phase of the project. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

FLI believes that it has complied with all applicable Philippine environmental laws and regulations. FLI's compliance with environmental laws is dictated by and in accordance with the environmental laws and regulations applicable to specific and individual projects. Compliance with such laws, in FLI's opinion, is not expected to have a material effect on FLI's capital expenditures, earning or competitive position. The cost of such compliance is not significant and FLI does not keep a separate account thereof.

Legal Framework of Hazardous Waste Management

Presidential Decree No. 1152, also known as "the Philippine Environmental Code," ("**PD 1152**") took effect in 1977, and provides a basis for an integrated waste management regulation starting from waste source to methods of disposal. PD 1152 has further mandated specific guidelines to manage municipal wastes (solid and liquid), sanitary landfill and incineration, and disposal sites in the Philippines.

In 1990, the Philippine Congress enacted the Toxic Substances, Hazardous and Nuclear Wastes Control Act, commonly known as RA 6969, a law designed to respond to increasing problems associated with toxic chemicals and hazardous and nuclear wastes. RA 6969 mandates control and management of import, manufacture, process, distribution, use, transport, treatment, and disposal of toxic substances and hazardous and nuclear wastes in the Philippines. RA 6969 seeks to protect public health and the environment from unreasonable risks posed by these substances in the Philippines.

Apart from the basic policy rules and regulations of RA 6969, hazardous waste management must also comply with the requirements of other specific environmental laws, such as Presidential Decree No. 984 (National Pollution Control Decree of 1976), Presidential Decree No. 1586 (Environmental Impact Statement System Law), RA 8749 (Philippine Clean Air Act of 1999) and RA 9003 (Ecological Solid Waste Management Act of 2000) and their implementing rules and regulations.

Hazardous waste generators are required to register with and pay a registration fee to the EMB Regional Office having jurisdiction over the location of the waste generator.

Waste generators are required to perform the following activities: (1) notify the DENR of the type and quantity of wastes generated in accordance with the form and in a manner approved by the DENR and pay the prescribed fee; (2) provide the DENR, on a quarterly basis, with information to include the type and quantity of the hazardous waste generated, produced or transported outside in a form approved by the DENR; (3) continue to own and be responsible for the hazardous waste generated or produced in the premises until the hazardous waste has been certified by the waste treater as adequately treated, recycled, reprocessed or disposed of; (4) prepare and submit to the DENR comprehensive emergency contingency plans to mitigate spills and accidents involving hazardous wastes. These plans must conform to the guidelines issued by the DENR; (5) train/inform personnel and staff on: (a) the implementationof the plan, and (b) the hazards posed by the improper handling, storage, transport, and use of hazardous wastes and their containers.

Philippine Clean Water Act of 2004

RA 9275 applies to water quality management in all water bodies in the Philippines particularly to the abatement and control of pollution from land-based sources. It provides for water quality standards and regulations and civil and criminal penalties for violations thereof. The DENR, in coordination with the National Water Resources Board ("**NWRB**") must designate certain areas as water quality management areas ("**Management Areas**") which have similar hydrological, hydrogeological, meteorological or geographic conditions which affect the physicochemical, biological and bacteriological reactions and diffusions of pollutants in the water bodies, or otherwise share common interest or face similar development programs, prospects, or problems.

The DENR implements a wastewater charge system in all Management Areas through the collection of wastewater charges/fees. The system is established on the basis of payment to the government for discharging wastewater into the water bodies. Wastewater charges is established taking into consideration the following: (a) to provide strong economic inducement for polluters to modify the production or management processes or to invest in pollution control technology in order to reduce the amount of water pollutants generated; (b) to cover the cost of administering water quality management or improvement programs; (c) reflect damages caused by water pollution on the surrounding environment, including the cost of rehabilitation; (d) type of pollutant; (e) classification of the receiving water body, and (f) other special attributes of the water body.

The DENR requires owners or operators of facilities that discharge regulated effluents pursuant to the law to secure a permit to discharge. The discharge permit is the legal authorization granted by the DENR to discharge wastewater, provided, that the discharge permit must specify, among others, the quantity and quality of effluent that said facilities are allowed to discharge into a particular water body, compliance schedule and monitoring requirement.

As part of the permitting procedure, the DENR must encourage the adoption of waste minimization and waste treatment technologies when such technologies are deemed cost effective. The DENR must also develop procedures to relate the current water quality guideline or the projected water quality guideline of the receiving water body with total pollution loadings from various sources, so that effluent quotas can be properly allocated in the discharge permits. Effluent trading may be allowed per management area.

Fiscal and non-fiscal incentives are provided for compliance with RA 9275 such as: (1) inclusion in the Investment Priorities Plan; and (2) tax and duty exemption of donations, legacies and gifts for the support of the waste management program.

Philippine Clean Air Act of 1999

RA 8749 was enacted to provide for a comprehensive management program for air pollution and enforce a system of accountability for short and long-term adverse environmental impact of a project, program or activity. This includes the setting up of a funding or guarantee mechanism for clean-up and environmental rehabilitation and compensation for personal damages. The DENR, in case of industrial dischargers, and the Department of Transportation and Communications, in case of motor vehicle dischargers, designs, imposes and collects, based on environmental techniques, regular emission fees from said dischargers as part of the emission permitting system or vehicleregistration renewal system, as the case may be. The system encourages the industries, and motor vehicles to abate, reduce, or prevent pollution. The basis of the fees includes, but is not limited to, the volume and toxicity of any emittedpollutant. Industries, which must install pollution control devices or retrofit their existing facilities with mechanisms that reduce pollution are entitled to tax incentives such as but not limited to tax credits and/or accelerated depreciationdeductions. The DENR has the authority to issue permits as it may determine necessary for the prevention and abatement of air pollution. Said permits cover emission limitations for the regulated air pollutants to help attain and maintain the ambient air quality standards. These permits serve as management tools for the LGUs in the developmentof their action plan. The DENR or its duly accredited entity must, after proper consultation and notice, require any person who owns or operates any emission source or who is subject to any requirement of RA 8749 to: (a) establish and maintain relevant records; (b) make relevant reports; (c) install, use and maintain monitoring equipment or methods; (d) sample emission, in accordance with the methods, locations, intervals, and manner prescribed by the DENR; (e) keep records on control equipment parameters, production variables or other indirect data when direct monitoring of emissions is impractical; and (f) provide such other information as the DENR may reasonably require.The DENR, through its authorized representatives, has the right to (a) enter or access any premises including documents and relevant materials; (b) inspect any pollution or waste source, control device, monitoring equipment ormethod required; and (c) test any emission. Any record, report or information obtained under RA 8749 must be made available to the public, except upon a satisfactory showing to the DENR by the entity concerned that the record, report, or information, or parts thereof, if made public, would divulge secret methods or processes entitled to protection as intellectual property. Such record, report or information must likewise be incorporated in the DENR’s industrial ratingsystem. RA 8749 provides for civil and criminal penalties for violations thereof.

ANTI-TRUST LAWS

The Philippine Competition Act

RA No. 10667, or the Philippine Competition Act ("**PCA**") was signed into law on July 21, 2015 and took effect on August 8, 2015. This is the first anti-trust statute in the Philippines and it provides the competition framework in the Philippines. The PCA was enacted to enhance economic efficiency and promote free and fair competition in trade, industry and all commercial economic activities. To implement its objectives, the PCA provides for the creation of a Philippine Competition Commission (the "**PCC**"), an independent quasi-judicial agency with five (5) commissioners. Among its powers are to: conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties. To conduct a search and seizure, however, the PCC must still apply for a warrant with the relevant court.

The PCA prohibits and imposes sanctions on: (a) anti-competitive agreements between or among competitions, mergers and acquisitions which have the object or effect of substantially preventing, restricting or lessening competition, and (c) practices which are regarded as abuse of dominant position, by engaging in conduct that would substantially prevent, restrict or lessen competition, such as selling goods or services below cost to drive out competition, imposing barriers to entry or prevent competitors from growing, and setting prices or terms that discriminate unreasonably between customers or sellers or the same goods, subject to certain exceptions.

On June 3, 2016, the PCC issued the implementing rules and regulations of the PCA ("**IRR**"). Under the IRR, as a general rule, parties to a merger or acquisition are required to notify the PCC when: (a) the aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity of the acquiring or the acquired entities exceed ₱1 billion; and (b) the value of the transaction exceeds ₱1 billion, as determined in the IRR; while parties to a joint venture transaction shall be subject to the notification requirement if either (a) the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱1 billion, or (b) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱1 billion.

On March 10, 2018, the PCC issued Memorandum Circular No. 1-001 ("**MC No. 18-001**") to amend Section 3, Rule 4 of the IRR to increase the initial thresholds. Under MC No. 18-001, parties to a merger or acquisition are required to provide notification when: (a) the aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity of at least one of the acquiring or acquired entities, including that of all entities that the ultimate parent entity controls, directly or indirectly, exceed ₱5 billion; and (b) the value of the transaction exceeds ₱2 billion, as determined in the IRR; while parties to a joint venture transaction shall be subject to the notification requirement if either (a) the aggregate value of the assets will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱2 billion; or (b) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱2 billion. As provided in MC No. 18-001, the thresholds shall be automatically adjusted commencing on March 1, 2019 and on March 1st of every succeeding year, using as index the Philippine Statistics Authority's official estimate of the nominal gross domestic product growth of the previous calendar year rounded up to the nearest hundred million. Therevised thresholds, however, shall not apply to mergers or acquisitions pending review by the PCC; notifiable transactions consummated before the effectivity of the memorandum circular; and transactions already subject of a decision by the PCC.

On 16 February 2023, the notification thresholds were further adjusted by PCC Commission Resolution No. 04-2023 such that effective 01 March 2023, parties to a merger or acquisition are required to provide notification when: (a) the aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity of at least one of the acquiring or acquired entities, including that of all entities that the ultimate parent entity controls, directly or indirectly, exceed ₱7 billion; and (b) the value of the transaction exceeds ₱2.9 billion, as determined in the IRR; while parties to a joint venture transaction shall be subject to the notification requirement if either (a) the aggregate value of the assets will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱2.9 billion; or (b) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱2.9 billion.

On 1 March 2024, the PCC announced in a press release that the further adjustment of the notification thresholds, such that effective 01 March 2024, parties to a merger or acquisition are required to provide notification when: (a) the aggregate annual gross revenues in, into or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity of at least one of the acquiring or acquired entities, including that of all entities that the ultimate parent entity controls, directly or indirectly, exceed ₱7.8 billion; and (b) the value of the transaction exceeds ₱3.2 billion, as determined in the IRR; while parties to a joint venture transaction shall be subject to the notification requirement if either (a) the aggregate value of the assets will be combined in the Philippines or contributed into the proposed joint venture exceeds ₱3.2 billion; or (b) the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed ₱3.2 billion.

Violations of the PCA and the IRR have severe consequences. Under the PCA and the IRR, a transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of one percent (1%) to five percent (5%) of the value of the transaction. Criminal penalties for entities that enter into anti-competitive agreements, as defined, include: (a) a fine of not less than ₱50 million but not more than ₱250 million; and (b) imprisonment for two (2) to seven (7) years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱100 million to ₱250 million may be imposed on entities found violating prohibitions against anti-competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.

On September 15, 2017, the PCC published the 2017 Rules of Procedure ("**Rules**") which apply to investigations, hearings, and proceedings of the PCC, except to matters involving mergers and acquisitions unless otherwise provided. It prescribes procedures for fact-finding or preliminary inquiry and full administrative investigations by the PCC. The Rules also include non-adversarial remedies such as the issuance of binding rulings, show cause orders, and consent orders.

On November 23, 2017, the PCC published the 2017 Rules on Merger Procedures which provides the procedure for the review or investigation of mergers and acquisition pursuant to the IRR. The 2017 Rules on Merger Procedures provides, among others, that parties to a merger that meets the thresholds in Section 3 of Rule 4 of the IRR are required to notify the PCC within thirty (30) days from the signing of definitive agreements relating to the notifiable merger.

DATA PRIVACY LAWS

Data Privacy Act

RA No. 10173, otherwise known as the Data Privacy Act of 2012 ("**Data Privacy Act**"), was signed into law on August 15, 2012, to govern the processing of all types of personal information (i.e., personal, sensitive, and privileged information) in the hands of the government or private natural or juridical person through the use of Information and Communications System ("**ICT**"), which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. While the law expressly provides that it does not apply to certain types of information, including those necessary for banks and other financial institutions under the jurisdiction of BSP to comply with the AMLA and other applicable laws, the said law applies to all other personal information obtained by banks for other purposes. It mandated the creation of a National Privacy Commission, which shall administer and implement the provisions of the Data Privacy Act and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to ensure that personal information in ICT in the government and in the private sector are secured and protected.

The Data Privacy Act seeks to protect the confidentiality of "personal information", which is defined as "any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual." The law provides for certain rights of a data subject or an individual whose personal information is being processed. The law imposes certain obligations on "personal information controllers" and "personal information processors". It also provides for penal and monetary sanctions for violations of its provision.

GENERAL BUSINESS REGULATORY FRAMEWORK

Republic Act No. 11232, also known as the Revised Corporation Code, was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the notable amendments in the Revised Corporation Code are as follows: (i) corporations are now generally granted perpetual existence; (ii) a new section on one-person corporation was added; (iii) the requirement that at least 25% of the authorized capital stock must be subscribed, and at least 25% of the subscribed shares must be paid-up upon incorporation was removed; (iv) stockholders can now vote *in absentia*; (v) incorporators now include any person, partnership, association or corporation; and (vi) the powers of the SEC to prosecute and investigate offenses under the Revised Corporation Code has been expanded.

The Revised Corporation Code refers to the Philippine Competition Act in cases of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

Board of Directors and Senior Management

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The overall management and supervision of the Company is undertaken by its Board. The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Currently, the Board consists of nine (9) members, of which three (3) are independent directors.

The table below sets forth the members of the Company's Board and its senior management officers as of the date of this Offer Supplement.

Jonathan T. Gotianun *Chairman of the Board*	Mr. Gotianun, 71, Filipino, was first elected as a Director of FLI on 17 June 1994. He also serves as the Chairman of the Board of Directors of Filinvest Development Corporation ("FDC") and East West Banking Corporation ("EWBC"), both publicly-listed companies. He is also the Chairman of the Board of Davao Sugar Central Co., Inc. ("DSCC"), Cotabato Sugar Central Co. Inc. ("CSCC") and FDC Utilities, Inc. ("FDCUI") and their subsidiary power companies. He served as a Director and Senior Vice President of Family Bank & Trust Co. until 1984. He obtained his Master's Degree in Business Administration from Northwestern University in 1976.
Lourdes Josephine Gotianun Yap *Vice-Chairperson of the Board*	Mrs. Yap, 69, Filipino, was first elected as a Director of FLI on 24 November 1989. Mrs. Yap was elected as the Vice-Chairperson of the Board of FLI on 24 April 2023. She served as the CEO of FLI from October 2012 to April 2023 and as its President from October 2012 to April 2022. She is also the Vice-Chairperson of the Board of FDC, and EWBC, all publicly-listed companies. She is the Chairperson of Filinvest Alabang, Inc. ("FAI"), a Director of FDCUI and in other companies within the Filinvest Group. She obtained her Master's Degree in Business Administration from the University of Chicago in 1977.
Tristaneil D. Las Marias *Director, President and Chief Executive Officer*	Mr. Las Marias, 50, Filipino, is the President and Chief Executive Officer of FLI. He also serves as a Director of FILRT, a publicly-listed company. He started in 1997 as the Head of Regional Projects and went on to hold a higher position as a Senior Vice-President and Cluster Head for Visayas and Mindanao projects, as well as Southwest and Central Luzon. He was appointed as President and Chief Strategy Officer of FLI in April 2022 before his concurrent appointment as CEO in April 2023. He obtained his Bachelor of Arts, Major in Management Economics degree from Ateneo de Manila University. He also obtained his Certificate from the Advanced Management Program of the Harvard Business School in 2022.
Michael Edward T. Gotianun *Director*	Mr. Gotianun, 67, Filipino, was first elected as a Director of FLI on 08 May 2015. He is also a Director of FDC, a publicly-listed company. He served as the general manager of Filinvest Technical Industries from 1987 to 1990 and as loans officer at Family Bank from 1979 to 1984. He obtained his Bachelor's Degree in Business Management from the University of San Francisco in 1979.
Francis Nathaniel C. Gotianun *Director*	Mr. Gotianun, 41, Filipino, was first elected as a Director of FLI on 22 April 2016. He is the First Senior Vice-President of Filinvest Hospitality Corporation, a subsidiary of FDC, the primary role of which is to evaluate, plan, develop and optimize potential and current hospitality investments of the Filinvest Group. He serves as Chairman of ProOffice Work Services,

	Inc. (PWSI), a Director of Filinvest Mimosa, Inc. and as the President and CEO of The Palms County Club, Inc. (“TPCCI”). He obtained his Bachelor’s Degree in Commerce from the University of Virginia in 2005 and his Master’s in Business Administration degree in IESE Business School – University of Navarra in 2010.
Rhoda A. Huang *Director*	Ms. Huang, 62, Filipino, is currently a Director and the President and CEO of FDC. Prior to joining FDC, she was the President of BPI Capital Corporation. She was also the former Branch Head of Investment Banking for Credit Suisse Philippines and spent nineteen (19) years at JP Morgan Chase and its predecessor institutions. Ms. Huang bring more than thirty (30) years of experience in Philippine corporate, financial and government institutions. She has led various aspects of investment banking, including handling mergers and acquisitions, facilitating equity-linked transactions, managing equity and debt capital markets, overseeing structured products and lending, as well as handling risk management. She completed her Bachelor’s degree in Business Administration and Accountancy at the University of the Philippines and is a Certified Public Accountant.
Ernesto S. De Castro *Independent Director*	Mr. De Castro, 78, Filipino, was first elected as an Independent Director of FLI on 22 April 2019. He is the President of ESCA Incorporated since July 1993. He is not a Director of any other publicly-listed company. He graduated from the University of the Philippines Diliman in 1967 with a Bachelor’s Degree in Civil Engineering and obtained his Masters of Engineering in the same university in 1968. He obtained the degree of Doctor of Philosophy in Civil Engineering (Major in Structures) in Lehigh University, Bethlehem, Pennsylvania, USA in 1975.
Gemilo J. San Pedro *Independent Director*	Mr. San Pedro, 71, Filipino, was first elected as an Independent Director of FLI on 17 July 2019. He also serves as an Independent Director of FILRT. He has 38 years of experience in public accounting and business advisory services. Prior to his retirement on 30 June 2015, he served various leadership roles at SyCip Gorres Velayo & Co. (SGV & Co.). He was a partner in SGV & Co. from 1991 to 2015 and a Professional Practice Director and a Quality and Risk Management Leader from 2004 to 2015. He finished his Bachelor of Science in Commerce, Major in Accounting degree at Rizal Memorial Colleges, Davao City. He obtained his Master of Business Administration, Concentration in Finance and International Business, at the Graduate School of Business, New York University, (now Stern Graduate School) USA in 1983.
Ephyro Luis B. Amatong *Independent Director*	Atty. Amatong, 52, Filipino, was the former Supervising Commissioner of the Markets and Securities Regulation Department and the Economic Research and Training Department of the Philippine Securities and Exchange Commission (SEC) from May 2014 to March 2022. Before joining SEC, he was an Assistant Secretary of the Department of Finance (“DOF”) where he had an active role in a number of privatization projects among others. He also served in various capacities in the government. Before joining the government, he was an Associate with the Villaraza & Angangco Law Offices where he dealt with high profile litigation. Currently, he is a partner of MOSVELDTT Law Offices and a Consultant for the World Bank Group and the Asian Development Bank. He is a Professional Lecturer of the University of the Philippines – College of Law, a Trustee of the Andres Bonifacio College, an Independent Director of Asia Link Finance Corp.; Global Dominion Financing, Inc., South Asialink Finance Corp., and Citicore Renewable Energy Corp., and an Advisor to the Board of Alternergy Holdings Corp.

	Atty. Amatong was admitted to the Philippine Bar in 2002 and the New York Bar in 2007. He holds a Master of Laws degree with an International Finance Concentration from Harvard Law School. He also holds a Bachelor of Laws degree from the University of the Philippines and a Bachelor of Science in Business Economics from the same university.
Ana Venus A. Mejia *Executive Vice President, Treasurer and Chief Finance Officer*	Ms. Mejia, 58, Filipino, has been with the Filinvest Group for 27 years. She started in January 1996 as the Assistant Controller of FDC and has served the group in various capacities. She was appointed as the Treasurer of FLI in 2012. She also serves as the Treasurer and Chief Finance Officer of FILRT. Prior to joining Filinvest, she worked with Shoemart and SGV & Co. She is a Certified Public Accountant and a *magna cum laude* graduate of Pamantasan ng Lungsod ng Maynila. She obtained her Master's Degree from the Kellogg School of Management of Northwestern University and the School of Business and Management at the Hong Kong University of Science and Technology.
Winnifred H. Lim *First Senior Vice President and Chief Technical Planning Officer*	Engr. Lim, 60, Filipino, is the Senior Vice-President and Chief Technical Planning Officer of FLI. He started as the Company's Engineering Head last 2000 and currently leads Engineering, Architecture, Planning and Design, Survey, and Special Projects. He obtained his Master's Degree in Structural Engineering at the University of the Philippines Diliman.
Maria Victoria Reyes-Beltran *Senior Vice-President,* *General Counsel and Compliance Officer*	Atty. Reyes-Beltran, 58, Filipino, is the General Counsel and Compliance Officer of FLI. She also serves as the Compliance Officer of FILRT. Prior to joining FLI, she served as the Director of the Office of Internal Legal Counsel of R.G. Manabat & Co., a professional partnership firm affiliated with KPMG International. She also served as the First Vice President - General Counsel of the Corporate Legal Unit of JG Summit Holdings, Inc. and Universal Robina Corporation, its subsidiaries, and regional operations in Southeast Asia, as well as the Corporate Secretary of the printed media unit of the group. She is a member of the Integrated Bar of the Philippines (Makati Chapter). She obtained her Bachelor of Arts degree, Major in Philosophy from the University of the Philippines and her Bachelor of Laws degree from San Beda College of Law. She completed her Master of Laws in International Commercial Law at the Ateneo School of Law and a Course on Structuring International Joint Venture at the University of California, Davis Campus.
Francis V. Ceballos *Senior Vice President and Head of the Industrial, Warehousing and Logistics Business*	Mr. Ceballos, 58, Filipino, joined FLI in 2010 and is currently the Senior Vice-President and Head of the Industrial, Warehousing and Logistics Business of FLI. He graduated from Ateneo de Manila University with a degree in Management Engineering and obtained his Masters in Business Administration from the Asian Institute of Management.
Janeth B. de los Reyes *Senior Vice President, Deputy Chief Finance Officer and Chief Risk Officer*	Ms. de los Reyes, 51, Filipino, is the Deputy Chief Finance Officer and Chief Risk Officer of FLI. Prior to joining FLI, she worked with Ortigas Land Group for more than three (3) years as its Chief Transformation Officer (CTO). Prior to her appointment as CTO, she served as the Ortigas Land Group's AVP and Head of Corporate Finance. She is an experienced Finance Professional with two (2) decades of experience in the Real Estate Industry. She has led finance teams, both at controllership and operations in financial reporting and analysis; tax compliance; billing and collection and treasury management; strategic planning, budgeting and forecasting; and procurement. She also worked for SGV & Co. in both Assurance and Business Advisory and Risk Consulting service lines. She obtained her Bachelor of Science in Accountancy degree in De La Salle University –

	Manila. Ms. de los Reyes then obtained her Masters in Business Administration from the Ateneo Graduate School of Business – Makati. Ms. de los Reyes is a Certified Public Accountant, a licensed Real Estate Broker and has an NCII Certification in Organic Agriculture Production.
Edward Thomas V. Bernas *Senior Vice President – Assistant Residential Business Head*	Mr. Bernas, 56 Filipino is the Senior Vice President – Assistant Residential Business Head of FLI. Prior to joining FLI, he was the Business Unit General Manager for Robinsons Homes, the horizontal development arm of Robinsons Land Corporation (RLC). Mr. Bernas also held the position of Assistant Vice President of RLC for Infrastructure and Integrated Development until 2018 and was instrumental in its integrated township developments. Mr. Bernas spent years at Torre Lorenzo Devt. Corporation, where he was Business Development Director & Business Unit Head for Mixed Use Developments. Mr. Bernas graduated from the Ateneo de Manila University with a Bachelor of Arts degree Major in Economics.
Reynaldo Juanito S. Nieva II *Senior Vice President and Operations Head*	Mr. Nieva, 50, Filipino, is the head of the Operations Department of FLI. He has been with FLI for fifteen (15) years and significantly contributed to various systems and processes of the company. His customer-centric leadership introduced the Omni channel to FLI's customer service, efficient booking process, stability in risk management and digitalizing an array of FLI Operating systems. He graduated from the University of the Philippines Diliman with a degree in Hotel and Restaurant Administration
Luis L. Fernandez *First Vice President and HOA & Water Systems Head*	Mr. Fernandez, 78, Filipino, is the HOA & Water Systems Head of FLI. He has been with Filinvest for more than fifty (50) years. He served as Executive Vice-President of Family Savings Bank and held the same position in Family Bank & Trust Co. He also served as Vice-President of FDC. He obtained his Bachelor of Arts Degree Major in Business Management from the Ateneo De Manila University.
Wilbert B. Serrano *First Vice President – Sales and Marketing Head*	Mr. Serrano, 49, Filipino, is the Sales and Marketing Head of FLI. Prior to joining FLI, he is the Head of Commercial Excellence and Business Strategy at Sandoz-Novartis Philippines. He has been leading sales and marketing teams across different industries for over twenty (20) years. He has worked for Globe Telecom, Johnson & Johnson Philippines, and Samsung Electronics Philippines Corp. He has a Bachelor of Arts Degree in English and has completed the Executive MBA Program at the Asian Institute of Management ("AIM"). He is also a graduate of the Corporate Strategy and Execution Program and Management Development Program of AIM.
Alexis Avalone Ojeda *First Vice President and Sales Channel Development Head*	Mr. Ojeda, 52, Filipino, is the Sales Channel Development Head of FLI. Prior to joining FLI in 2019, he served as Sales Head of various corporations such as Federal Land, Inc., Ayala Land International Sales, Inc., and Robinsons Land Corp.. He graduated from the Ateneo De Manila University with a Bachelor of Arts Degree Major in Management Economics.
Harriet Joan C. Ducepec *First Vice-President,* *Corporate Planning and Market Research*	Ms. Ducepec, 59, Filipino, is the First Vice President for Corporate Planning and Market Research. She has been with the Filinvest Group for 27 years, joining in October 1996 as the Assistant Vice President and Head of Corporate Planning and Market Research. She has over 30 years of

	experience in corporate planning in both real estate and banking industries. Prior to joining FLI she worked with ASB Realty, United Coconut Planters Bank, Union Bank of the Philippines and International Corporate Bank. She obtained her Bachelor of Arts degree in Economics, *cum laude*, from the University of the Philippines Diliman and completed the Strategic Business Economics Program from the University of Asia and the Pacific.
Ms. Mary Averose D. Valderrama *First Vice President – Brand/Product and Regional Projects Head for Mid-Rise Buildings ("MRB") and Metro Manila and Luzon – MRB*	Ms. Valderrama, 44, Filipino, is the Brand/Product and Regional Projects Head for MRBs and Metro Manila and Luzon – MRB of FLI. Ms. Valderrama graduated as *cum laude* in 2002 with a degree in Business Economics at the University of the Philippines - Diliman. She took an MBA in Business Administration at the University of East Anglia in United Kingdom and graduated with distinction. When Ms. Valderrama joined FLI in 2013, she carried with her solid real estate experience gained from the various roles she held in business development, sales and marketing.
Sean Philip R. Imperial *First Vice President - Land Acquisition and Disposition*	Mr. Imperial, 46, Filipino, is the First Vice-President for Land Acquisition and Disposition of FLI. He has been with Filinvest for twenty-three (23) years. He is a homegrown talent, starting as a Project Analyst to an Executive role in Rawland Acquisition. He obtained his degree in Economics from the University of Santo Tomas.
Gerard C. Marcelo *First Vice President, Regional General Manager – North, Central and South Luzon, and Estate Business Head*	Mr. Marcelo, 52, Filipino, is the First Vice President and Regional General Manager – North, Central and South Luzon, and Estate Business Head. Mr. Marcelo has over 25 years of experience in planning, implementation and general management of general subdivision projects, as well as land acquisition and business development for condotels and hotel projects. He started his career with Landco Pacific Corporation earning his way to becoming its Vice President for Business Development and Market Research. Prior to joining FLI, he was a Business and Project Development Consultant of Ayala Land Estates, Inc. Mr. Marcelo graduated from Ateneo de Manila University with a Bachelor of Science in Management Engineering and attended the Strategic Business Economics Program at the University of Asia and the Pacific.
Michael R. Roxas *Chief Audit Executive*	Mr. Roxas, 45, Filipino, is the Chief Audit Executive of FLI. He has a dynamic 20-year management career in auditing, assurance and consultancy in real estate, retail, manufacturing and telecommunications companies. He performed financial, operations and compliance audits including business process, project management, continuous monitoring, process mapping, and fraud investigation. Prior to joining FLI, he was the Senior Assistant Vice President, Internal Audit and Risk Management of Global-Estate Resorts, Inc. ("GERI"). Before joining GERI, he was the head of Risk Management & Insurance Division of Makati Development Corporation (MDC), a wholly owned subsidiary and the construction arm of Ayala Land, Inc. During his time in MDC, he championed several initiatives for MDC such as documentation and improvement of MDC's systems and procedures, establishment of the Enterprise-wide Risk Management program, development of Business Continuity Management, and Lean Construction. He has a Master's Degree in Business Administration from the Pamantasan ng Lungsod ng Maynila. He is a Certified Lead Auditor for ISO 9001:2008 Quality Management System and ISO 14001:2004 Environmental Management System. Mr. Roxas is certified in Safety Program Audit, Loss Control Management and Construction Occupational Safety and Health (COSH). He also obtained the

	Certified Internal Control Auditor (CICA) title in February 2019. He is a member of the Institute of Internal Auditors – Philippines (IIA-P) since 2009.
Raymond Wilfred L. Castañeda *Data Privacy Officer*	Mr. Castañeda, 48, Filipino, is the Data Privacy Officer ("DPO") of FLI. He also serves as DPO of the other entities within the Filinvest Group. He concurrently serves as President and Chief Operations Officer of Corporate Technologies Incorporated. He has twenty-two (22) years combined experience in different areas covering sales and marketing, information technology, strategy and general management. He was previously the Chief Information Officer and Head of IT for Petron Corporation. Prior to his experience in the Oil and Gas industry, he was with the fast-moving consumer goods business where he was involved in the digital transformation of the multinational companies such as Unilever, Johnson and Johnson and SC Johnson. He graduated from the Ateneo de Manila University, with a degree in BS Management Information Systems in 1999.
Melissa C. Ortiz *Vice President - Investor Relations Officer*	Ms. Ortiz, 54, Filipino, is the Investor Relations Officer of FLI. She was previously the Head of Investor Relations for ABS-CBN Corporation, Head of Corporate and Financial Planning for Nutriasia Philippines and Head of Financial Planning and Investor Relations for MERALCO. She is a Certified Public Accountant. She obtained her Bachelor's Degree in Business Administration from the University of the Philippines and obtained her Master's Degree in Business Administration and Master of Science degree in Computational Finance from De La Salle University. She completed the Strategic Finance (CFO) Leadership Program, the Chief Financial Officer (CFO) Program and the Postgraduate Certificate on Business and Management Consulting Program at the Asian Institute of Management. She also completed the Real Estate Economics and Finance course of the London School of Economics and Political Science.
Katrina O. Clemente-Lua *Corporate Secretary and Corporate Information Officer*	Ms. Clemente-Lua, 41, Filipino, was appointed as FLI's Corporate Secretary on March 24, 2023 and Corporate Information Officer on 16 March 2022. Ms. Lua was previously appointed as FLI's Assistant Corporate Secretary on 16 March 2022. She joined the Corporate and Tax Advisory Division of the Legal Department of FLI in October 2018. Prior to joining FLI, she served as the Legal Counsel of Philippine Stratbase Consultancy, Inc. and the Executive Director of Stratbase ADR Institute. She was previously an Associate of Carag Jamora Somera & Villareal Law Offices, as well as the Senior Corporate Affairs Officer of Anchor Land Holdings. She is a member of the Integrated Bar of the Philippines (Makati Chapter). She obtained her Bachelor of Arts degree in Legal Management from De La Salle University and her Juris Doctor degree from Ateneo de Manila University.
Jennifer C. Lee *Assistant Corporate Secretary*	Ms. Lee, 40, Filipino, was first appointed as FLI's Assistant Corporate Secretary on 24 March 2023. She joined the Corporate, Tax, and Compliance Division of the Legal Department of FLI in July 2021. Prior to joining FLI, she was an associate in Quasha Law and in Migallos & Luna Offices. She is a member of the Integrated Bar of the Philippines (Makati Chapter). She obtained her Juris Doctor degree in University of the Philippines – Diliman and her Bachelor of Science in Commerce, Major in Legal Management in De La Salle University – Manila.

Family Relationships

The Chairman of the Board, Mr. Jonathan T. Gotianun is the (i) brother of Mr. Michael Edward T. Gotianun, and Mrs. Lourdes Josephine Gotianun Yap, and the (ii) father of Mr. Francis Nathaniel C. Gotianun, all of whom are directors of FLI.

Involvement in Certain Legal Proceedings of Directors and Executive Officers

Except for the following cases, none of the members of FLI's Board nor its executive officers are involved in any major criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years and up to September 30, 2024, nor have they been found by judgment or decree to have violated securities or commodities laws and enjoined from engaging in any business, securities, commodities or banking activities: (a) the complaint for syndicated estafa and usurpation of real property filed by Manuel Tee and Michael Mendoza against certain directors and officers of FLI on 2018, docketed as NPS No. XV-08-INV-18K-01075, which was dismissed by the Office of the City Prosecutor ("OCP") for Muntinlupa City and for which complainants' Motion for Reconsideration was already denied on February 24, 2020; (b) the complaint for estafa filed by Manila Paper Mills International, Inc. ("**MPMII**") with the OCP of Dasmariñas, Cavite against certain directors and an officer of FLI, which was dismissed, although MPMII filed a Petition for Review before the Secretary of Justice; and (c) the complaint for Violations of Presidential Decree No. 957 ("PD 957") filed by Spouses Jonathan and Imelda Ordoña, docketed as I.S. No. XV-07-INV-24J-04402 before the OCP of City of Manila, which was dismissed in a Resolution dated 31 October 2024.

CORPORATE GOVERNANCE

Compliance with Best Practices on Corporate Governance

FLI is in compliance with its Revised Manual for Corporate Governance as demonstrated by the following: (a) the election of three (3) independent directors to the Board; (b) the appointment of members of the Executive Committee, the Audit and Risk Management Oversight Committee, the Compensation Committee, the Corporate Governance Committee, and the Related-Party Transaction Committee; (c) the conduct of regular quarterly board meetings and special meetings with the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (d) the adoption of the Related Party Transaction Policy; (e) the creation of sustainability report; (f) the timely submission to the SEC of reports and disclosures required under the Securities Regulation Code; (g) FLI's adherence to national and local laws pertaining to its operations; and (h) the observance of applicable accounting standards by FLI.

There is no deviation from the Company's Revised Manual on Corporate Governance.

In order to keep abreast of best practices in Corporate Governance, the members of the Board and top management have attended seminars on corporate governance initiated by duly accredited institutions. FLI constantly reviews its Corporate Governance practices and welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors.

Board of Directors

Leading the practice of good Corporate Governance is the Board of Directors. The Board of Directors is firmly committed to the adoption of and compliance with the best practices in Corporate Governance as well as the observance of all relevant laws, regulations and ethical business practices.

Nominations and Voting for the Board of Directors

The members of the Board are elected during the annual stockholders' meeting. The stockholders of FLI may nominate individuals to be members of the Board of Directors.

The Corporate Governance Committee, acting as the Nomination Committee receives nominations for directors as may be submitted by the stockholders. After the deadline for the submission thereof, the Nomination Committee meets to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in FLI's Revised Manual on Corporate Governance and the Securities Regulation Code. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Nomination Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening. The name of the person or group of persons who recommends nominees as independent directors shall be disclosed along with his or their relationship with such nominees. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of independent directors shall be in accordance with FLI's Revised Manual on Corporate Governance. In 2008, FLI filed with the SEC its application for the amendment of the By-Laws to include the procedure that will govern the nomination and election of independent directors. This procedure is consistent with FLI's Revised Manual on Corporate Governance and Rule 38 of the Securities Regulation Code. The approval by the Commission on said application was issued on April 8, 2009. The power of the Board to amend the By-Laws has been delegated by the stockholders representing two-thirds (2/3) of FLI's outstanding capital stock in an annual meeting of said stockholders on May 27, 1994.

It shall be the responsibility of the Chairman of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy. A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of FLI multiplied by the whole number of directors to be elected. The directors of FLI are elected at the annual stockholders' meeting, to hold office until their respective successors have been duly appointed or elected and qualified. Vacancies in the Board occurring mid-term are filled as provided in the Revised Corporation Code and FLI's Revised Manual on Corporate Governance. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

Independent Directors

Before the annual meeting, a stockholder of FLI may nominate individuals to be independent directors, taking into account the following guidelines:

A. "Independent director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgement in carrying out his responsibilities as director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

   i. Is not a director or officer or substantial stockholder of FLI or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);

   ii. Is not a relative of any director, officer or substantial stockholder of FLI, any of its related companies or any of its substantial shareholders. For this purpose, "relative" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;

   iii. Is not acting as a nominee or representative of a substantial shareholder of FLI, any of its related companies or any of its substantial shareholders;

iv. Has not been employed in an executive capacity by FLI, any of its related companies or any of its substantial shareholders within the last two (2) years;

v. Is not related as a professional adviser of FLI, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through his firm;

vi. Has not engaged and does not engage in any transaction with FLI or any of its related companies or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and are immaterial or insignificant.

B. When used in relation to FLI, subject to the requirements above:

i. "Related company" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and

ii. "Substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

C. An independent director of FLI shall have the following qualifications:

i. He shall have at least one (1) share of stock of FLI;

ii. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FLI for at least five (5) years;

iii. He shall possess integrity/probity; and

iv. He shall be assiduous.

D. No person enumerated under Part II, Item A, Par. 8 of the Revised Manual of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:

i. He becomes an officer or employee of FLI, or becomes any of the persons enumerated under items (A) hereof:

ii. His beneficial security ownership exceeds 2% of the outstanding capital stock of FLI;

iii. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member;

iv. If he becomes disqualified under any of the grounds stated in FLI's Revised Manual on Corporate Governance.

E. Pursuant to SEC Memorandum Circular No. 09, Series of 2011, as amended by SEC Memorandum Circular No. 04, Series of 2017, the following additional guidelines, amending the rules on the term limit of independent directors, shall be observed in the qualification of individuals to serve as independent directors:

i. There shall be no limit in the number of covered companies that a person may be elected as independent director, except in business conglomerates where an ID can be elected to only five (5) companies of the conglomerate, i.e., parent company, subsidiary or affiliate;

ii. An independent director shall serve for a maximum cumulative term of nine (9) years;

iii. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director;

iv. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and

v. The reckoning of the cumulative nine-year term is from 2012.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors who were elected during the Annual Stockholders' Meeting held on April 19, 2024.

Board	Name	Date of Election
Chairman	Jonathan T. Gotianun	April 19, 2024
Vice-Chairperson	Lourdes Josephine GotianunYap	April 19, 2024
Member	Michael Edward T. Gotianun	April 19, 2024
Member	Rhoda A. Huang	April 19, 2024
Member	Francis Nathaniel C. Gotianun	April 19, 2024
Member	Tristaneil D. Las Marias	April 19, 2024
Independent	Ephyro Luis B. Amatong	April 19, 2024
Independent	Ernesto S. De Castro	April 19, 2024
Independent	Gemilo J. San Pedro	April 19, 2024

Committee Membership

COMMITTEE	CHAIRPERSONS AND MEMBERS
Executive Committee	**Chair:** Lourdes Josephine Gotianun Yap
	Members:
	Jonathan T. Gotianun
	Michael Edward T. Gotianun
	Francis Nathaniel C. Gotianun
	Tristaneil D. Las Marias
Audit & Risk Management Oversight Committee	**Chair:** Gemilo J. San Pedro (Independent Director)
	Members:
	Ephyro Luis B. Amatong (Independent Director)
	Lourdes Josephine Gotianun Yap
Compensation Committee	**Chair:** Ephyro Luis B. Amatong (Independent Director)
	Members:
	Lourdes Josephine Gotianun Yap
	Ernesto S. De Castro (Independent Director)
	Gemilo J. San Pedro (Independent Director)
Corporate Governance Committee	**Chair:** Ephyro Luis B. Amatong (Independent Director)
	Members:
	Jonathan T. Gotianun
	Gemilo J. San Pedro (Independent Director)
	Ernesto S. De Castro (Independent Director)

COMMITTEE	CHAIRPERSONS AND MEMBERS
Related-Party Transaction Committee	**Chair:** Ephyro Luis B. Amatong (Independent Director)
	Members:
	Gemilo J. San Pedro (Independent Director)
	Ernesto S. De Castro (Independent Director)

Duties and Responsibilities of the Different Board Committees

Executive Committee

Office	Name	Date of Appointment
Chairman	Lourdes Josephine Gotianun Yap	April 19, 2024
Member (NED)	Jonathan T. Gotianun	April 19, 2024
Member (ED)	Michael Edward T. Gotianun	April 19, 2024
Member (ED)	Francis Nathaniel C. Gotianun	April 19, 2024
Member (ED)	Tristaneil D. Las Marias	April 19, 2024

The functions, duties and responsibilities of the Board of Directors may be delegated, to the fullest extent permitted by law, to an Executive Committee to be established by the Board of Directors. The Executive Committee shall consist of five (5) members, at least three (3) of whom shall be members of the Board of Directors. All members of the Executive Committee shall be appointed by and under the control of the Board of Directors.

The Executive Committee may act on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority vote of the Board of Directors, except with respect to: (i) approval of any action for which shareholders' approval is also required; (ii) the filing of vacancies in the Board of Directors; (iii) the amendment or repeal of these By-Laws or the adoption of new by-laws; (iv) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and (v) the distribution of cash dividends to shareholders. The act of the Executive Committee on any matter within its competence shall be valid if (i) it is approved by the majority vote of all its members in attendance at a meeting duly called where a quorum is present and acting throughout, or (ii) it bears the written approval or conformity of all its incumbent members without necessity for a formal meeting.

The Executive Committee shall hold its regular meeting at least once a month or as often as it may determine, in the principal office of the Corporation or at such other place as may be designated in the notice. Any member of the Executive Committee may, likewise, call a meeting of the Executive Committee at any time. Notice of any meeting of the Executive Committee shall be given at least seven (7) business days prior to the meeting or such shorter notice period as may be mutually agreed. The notice shall be accompanied by (i) a proposed agenda or statement of purpose and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.

Audit & Risk Management Oversight Committee

Office	Name	Date of Appointment
Chairman (ID)	Gemilo J. San Pedro	April 19, 2024
Member (ID)	Ephyro Luis B. Amatong	April 19, 2024
Member (NED)	Lourdes Josephine Gotianun Yap	April 19, 2024

The Audit & Risk Management Oversight Committee is composed of at least three (3) qualified non-executive directors preferably with accounting and financial background, majority of which shall be independent and should have related audit experience.

The Chairman of this Committee should be an independent director. He is responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

The Audit and Risk Management Committee shall have the following duties and responsibilities:

a) Internal Audit

- Recommend the approval of the Internal Audit Charter ("**IA Charter**"), which formally defines the role of Internal Audit and the audit plan as well as oversee the implementation of the IA Charter;
- Provide oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;
- Provide oversight of the Corporation's internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;
- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner, in addressing control and compliance functions with regulatory agencies;
- Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Major judgmental areas
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements

- Coordinate, monitor, and facilitate compliance with existing laws, rules and regulations;
- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report; and
- Establish and identify the reporting line of the CAE so that the reporting level allows the internal audit activity to fulfill its responsibilities. The CAE shall report directly to the audit Committee functionally. The Audit committee shall ensure that the internal auditors shall have free and full access to the Corporation's records, properties and personnel relevant to the internal audit activity, and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.

b) Risk Management

- Develop and oversee the Corporation's risk management program;
- Oversee the system of limits to discretionary authority that the Board delegates to the Management, ensure that the system remains effective, that the limits are observed and that immediate corrective actions are taken whenever limits are breached;
- Advise the Board on its risk appetite levels and risk tolerance limits;
- Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence;
- Provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and

- Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary;
- Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board; and

Other duties and responsibilities are provided in the Audit and Risk Management Committee Charter.

Compensation Committee

Office	Name	Date of Appointment
Chairman (ID)	Ephyro Luis B. Amatong	April 19, 2024
Member (ID)	Ernesto S. De Castro	April 19, 2024
Member (ID)	Gemilo J. San Pedro	April 19, 2024
Member (NED)	Lourdes Josephine Gotianun Yap	April 19, 2024

The Compensation Committee is composed of at least three (3) Director-members, two (2) of whom must be independent directors.

Duties and Responsibilities:

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel, ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.

- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully.

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.

- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.

- Disallow any director to decide his or her own remuneration.

- Provide in the Corporation's annual reports and information and proxy statements a clear, concise and understandable disclosure of the compensation of its executive officers for the previous fiscal year and ensuing year.

- Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Corporate Governance Committee

Office	Name	Date of Appointment
Chairman (ID)	Ephyro Luis B. Amatong	April 19, 2024
Member (NED)	Jonathan T. Gotianun	April 19, 2024
Member (ID)	Gemilo J. San Pedro	April 19, 2024
Member (ID)	Ernesto S. De Castro	April 19, 2024

The Corporate Governance Committee shall assist the Board in fulfilling its corporate governance and compliance responsibilities. The Committee shall be composed of the Chairman of the Board and at least three (3) members of the Board, all of whom shall be independent directors. The Chairman of the Committee shall be an independent director.

The Corporate Governance Committee shall have the following duties and responsibilities:

a. Ensure the effectiveness and due observance of corporate governance principles and guidelines of the Board, its committees' and executive management;

b. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;

c. Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

d. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;

e. Make recommendations to the Board regarding the continuing education of directors, assignment to Board Committees and succession plan for the Board members and senior officers;

f. Determine the nomination and election process for the Corporation's directors and other positions requiring appointment by the Board, define the general profile of board members that the Corporation may need and ensure that appropriate knowledge, competencies and expertise will complement the existing skills of the Board;

g. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates;

h. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance;

i. Review with the Compliance Officer, at least on annual basis, any legal or regulatory matter that could have a significant impact on the Corporation's financial statements, compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies; and

j. Obtain an annual report from the Compliance Officer regarding the adequacy of the Corporation's compliance program.

The Corporate Governance Committee shall also serve as the Nomination Committee. It shall review and evaluate the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board and assess the effectiveness of the Board's process and procedures in the election or replacement of directors available to an unrelated party under similar circumstances.

Related-Party Transaction Committee

Office	Name	Date of Appointment
Chairman (ID)	Ephyro Luis B. Amatong	April 19, 2024
Member (ID)	Ernesto S. De Castro	April 19, 2024
Member (ID)	Gemilo J. San Pedro	April 19, 2024

The Related Party Transaction Committee is composed of at least three (3) non-executive directors, two (2) of whom must be independent, including the Chairman of the Committee.

The Related Party Transaction Committee has the following duties and responsibilities:

- Conduct continuous evaluation and monitoring of existing relations among counterparties to ensure that all related parties are identified, related party transactions ("**RPTs**") are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and the SEC;

- Evaluate all material RPTs to ensure that these are transacted on an arm's length basis and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.

In evaluating RPTs, the Committee may take into account the following:

- The related party's relationship to the Corporation and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to the Corporation of the proposed RPT;
- The availability of other sources of comparable products or services; and
- An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.

- Ensure that appropriate disclosure is made to the regulating and supervising authorities relating to the Corporation's RPT exposures and policies on conflicts of interest or potential conflicts of interest;

- Report to the Board, on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- Ensure that transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process; and

- Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.

Shareholders' Rights

The Corporation recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as a governance covenant between the Corporation and all its investors:

The Board shall be committed to respect the following rights of the stockholders:

A. Voting Right

1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

2. Cumulative voting is mandatory in the election of directors.

3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

B. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code, during business hours and upon prior written notice to the Corporation and for good reason.

All Shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

C. Right to Information

1. The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.

2. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

3. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

D. Right to Dividends

1. Shareholders shall have the right to receive dividends, subject to the discretion of the Board.

2. The Commission may direct the Corporation to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or programs approved by the Board; or ii) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

E. Appraisal Right

The Shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under the Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;

- In case of investment of corporate funds for any purpose other than the primary purpose of the corporation; and

- In case of merger or consolidation.

E. Right to Attend and Participate in Shareholders' Meetings

The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the corporation.

- The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.

- The result of the votes taken during the most recent annual or special stockholders' meetings shall be made publicly available within the next working day. The minutes of such meetings shall likewise be posted on the Corporation's website within five (5) business days from the date of the meeting.

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person or *in absentia*, as allowed under the Revised Corporation Code. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions, subject to legal constraints.

In order to keep itself abreast with the leading practices on corporate governance, FLI encourages the members of top-level management and the Board to attend and participate at seminars on corporate governance initiated by accredited institutions.

FLI welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors, to improve corporate governance.

There is no known material deviation from FLI's Revised Manual on Corporate Governance.

EXECUTIVE COMPENSATION

The aggregate compensation paid or incurred during the last two fiscal years and the estimate for this year are as follows:

(a) Name and Principal Position	(b) Year	(c) Salary (Php)	(d) Bonus (Php)	(e) Other Annual Compensation	TOTAL
Tristaneil D. Las Marias *(Director, President and Chief Executive Officer)* Ana Venus A. Mejia *(Executive Vice President, Chief Finance Officer, Treasurer)* Winnifred H. Lim *(First Senior Vice-President, Chief Technical Planning Officer)* Francis V. Ceballos *(Senior Vice President)* Maria Victoria M. Reyes-Beltran *(Senior Vice-President)*					
CEO and top four (4) highest compensated officers	2024	40.14Mn	7.48Mn	15.75Mn	63.37Mn
	2023	35.84Mn	8.84Mn	4.05Mn	48.74Mn
All officers and directors as a group unnamed	2024	59.06Mn	9.67Mn	6.58Mn	75.31Mn
	2023	41.78Mn	7.95Mn	0.74Mn	50.47Mn

Non-executive directors and independent directors receive a per diem of Php50,000.00 for every stockholders' Board and Board Committee meeting attended. For the year 2023, the total per diem for each of the non-executive director and independent directors is as follows:

Name of Director	Amount (in Php)
Jonathan T. Gotianun*	--
Lourdes Josephine Gotianun Yap*	--
Michael Edward T. Gotianun*	--
Francis Nathaniel C. Gotianun*	--
Tristaneil D. Las Marias*	--
Efren C. Gutierrez**	750,000.00
Val Antonio B. Suarez (Independent Director)**	850,000.00
Ernesto S. De Castro (Independent Director)	500,000.00
Gemilo J. San Pedro (Independent Director)	850,000.00
Total	**Php2,950,000.00**

** These directors do not receive per diem in their capacity as directors of the Company.*
*** The term of office of these directors ended on April 19, 2024.*

Standard arrangements

Other than as discussed, there are no other existing arrangements for the payment of compensation or remuneration to the directors in their capacity as such, but the Company may, without any obligation, grant additional compensation if certain performance driven goals are met, subject to such approvals as may be required by law.

Other arrangements

There are no other arrangements pursuant to which any director of FLI was compensated, or is to be compensated, directly or indirectly, for any service provided as a director.

EMPLOYMENT CONTRACTS BETWEEN THE COMPANY AND NAMED EXECUTIVE OFFICERS

There are no special employment contracts between the Company and the executive officers.

SIGNIFICANT EMPLOYEES

The Company considers the contribution of every employee important to the fulfillment of its goals. The Company is not dependent on the services of certain key personnel.

Security Ownership of Management and Certain Record and Beneficial Owners

Security Ownership of Certain Record and Beneficial Owners of more than 5% as of September 30, 2024:

Title of Class of Securities	Name/ Address of Record Owner and Relationship with FLI	Name of Beneficial Owner/Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Preferred	**Filinvest Development Corporation**[2] The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila	Same as the Record Owner	Filipino	8,000,000,000	100%
Common	**Filinvest Development Corporation** The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila	Same as the Record Owner	Filipino	15,926,610,981	65.68%
Common	**PCD Nominee Corporation (Filipino)** G/F, Philippine Stock Exchange Tower, Ayala Avenue, Makati City	(No single shareholder owns at least 5% of total shares)	Filipino	,855,664,485	20.02%
Common	**PCD Nominee Corporation (Non-Filipino)**[3] G/F, Philippine Stock Exchange Tower, Ayala Avenue, Makati City	Hong Kong and Shanghai Banking Corporation (more than 5%)	Non-Filipino	2,262,625,542	9.33%%

Security Ownership of Management as of September 30, 2024

Title of Class of Securities	Name	Amount	Nature of Ownership D=Direct; I=Indirect	Citizenship	Percentage of Ownership
Common	Lourdes Josephine Gotianun Yap	14,139,049	D*	Filipino	0.0583%
		38,716,303	I		0.1597%
Common	Jonathan T. Gotianun	61	D	Filipino	0.0000%
		3,140,437	I		0.0128%
Common	Michael Edward T. Gotianun	11,235,928	D	Filipino	0.0463%
		0	I		0.0000%
Common	Rhoda A. Huang	95,712	D	Filipino	0.0004%
		0	I		0.0000%
Common	Francis Nathaniel C. Gotianun	32,518	D	Filipino	0.0001%
		0	I		0.0000%
Common	Ephyro Luis B. Amatong	1	D	Filipino	0.0000%
		0	I		
Common	Ernesto S. De Castro	1	D	Filipino	0.0000%

[2]Total number of shares of all record and beneficial owners as a group is 8,000,000,000 preferred shares representing 100% of the total outstanding preferred shares, and 24,249,759,506 common shares representing 100% of the total outstanding common shares.

Ms. Lourdes Josephine Gotianun Yap is usually appointed by FDC as its representative with authority to vote FDC's shares in stockholders' meetings of FLI.

[3] Based on the SEC Form 18-A submitted by Dunross & Co. Holding Limited to the SEC dated 31 May 2018, which was subsequently provided to the Company by Dunnross & Co. Holding Limited, it holds 5.41% of the outstanding shares of the Company. Moreover, based on the List of Participants Holding 5% or more of Outstanding Voting Shares of FLI, provided by the Company's stock transfer agent, one participant holds 6.76%, namely, The Hongkong and Shanghai Banking Corp. Ltd.- Clients' Acct. There are no changes in the aforementioned shareholdings as of September 30, 2024.

Title of Class of Securities	Name	Amount	Nature of Ownership D=Direct; I=Indirect	Citizenship	Percentage of Ownership
		0	I		
Common	Gemilo J. San Pedro	1	D	Filipino	0.0000%
		0	I		
Common	Tristaneil D. Las Marias	1	D	Filipino	0.0000%
		0	I		
Common	Ana Venus A. Mejia	0	D	Filipino	N.A.
		233,000	I		0.0010%
Common	Maria Victoria M. Reyes-Beltran	0	D	Filipino	N.A.
		200,000	I		0.0008%
N.A.	Katrina O. Clemente-Lua	0	D	Filipino	N.A.
			I		
N.A.	Jennifer C. Lee	0	D	Filipino	N.A.
			I		
N.A.	Harriet Joan C. Ducepec	0	D	Filipino	N.A.
			I		
N.A.	Melissa C. Ortiz	0	D	Filipino	N.A.
			I		
N.A.	Michael R. Roxas	0	D	Filipino	N.A.
			I		
N.A.	Raymond Wilfred L. Castañeda	0	D	Filipino	N.A.
			I		
			D		
Common	Winnifred H. Lim	0	D	Filipino	N.A.
		1,026,563	I		0.0042%
N.A.	Francis V. Ceballos	0	D	Filipino	N.A.
			I		
N.A.	Reynaldo Juanito S. Nieva II	0	D	Filipino	N.A.
			I		
Common	Luis L. Fernandez	4,064,940	D	Filipino	0.0168%
		0	I		N.A.
N.A.	Alexis Avalone Ojeda	0	D	Filipino	N.A.
			I		
N.A.	Janeth B. de los Reyes	0	D	Filipino	N.A.
			I		
N.A.	Rizalangela L. Reyes	0	D	Filipino	N.A.
			I		
N.A.	Mary Averose D. Valderrama	0	D	Filipino	N.A.
			I		
N.A.	Wilbert B. Serrano	0	D	Filipino	N.A.
			I		
N.A.	Edward Thomas V. Bernas	0	D	Filipino	N.A.
			I		
N.A.	Sean Philip R. Imperial	0	D	Filipino	N.A.
			I		
N.A.	Gerard C. Marcelo		D	Filipino	N.A.
			I		

* *Includes shares of stock in Filinvest Land, Inc. under the name Joseph &/or Josephine Yap*

Total ownership of all directors and officers as a group as of September 30, 2024 is 0.228% of the total issued and outstanding common shares of stock.

There are no arrangements which may result in a change in control of FLI. There has been no change in control of FLI since the beginning of last year. There were no matters submitted to a vote of the security holders during the fourth quarter of the calendar year covered by this report.

Voting Trust Holders of 5% or More

There are no persons holding 5% or more of a class of shares under any voting trust or similar agreement.

Changes in Control

There are no arrangements that may result in change in control of the Parent Company.

Certain Relationships and Related Transactions

The Parent Company and its subsidiaries, in their normal course of business, have certain related party transactions with affiliates principally consisting of advances and intercompany charges.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control of the Group's ultimate parent company (referred herein as "Affiliates"). Related parties may be individuals or corporate entities.

All material Related Party Transactions ("RPT") with a transaction value that reaches ten percent (10%) of the Group's total consolidated assets shall be subject to the review by the RPT Committee.

Transactions that were entered into with an unrelated party that subsequently becomes a related party shall be excluded from the limits and approval of the Policy on Related Party Transactions ("Policy"). However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after a non-related party becomes a related party, shall subject it to the provisions of the Policy.

In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the Policy.

Outstanding balances at year-end are unsecured, interest free and require settlement in cash, unless otherwise stated. The transactions are made at terms and prices agreed upon by the parties. As of September 30, 2024 and December 31, 2023, the Group has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

For a more detailed discussion of the subject, please refer to Note 20 of the Group's audited consolidated financial statements.

	As of December 31, 2023				
	Amount/ Volume	Due from / (Due to)	Terms	Conditions	Note
	(In Thousands)				
Bank under common control of the ultimate parent					
Cash and cash equivalents	**₱3,562,314**	**₱3,562,314**	0.50% to 4.50%	No impairment	(a)
Interest income	**19,594**	**–**			
		₱3,562,314			
Ultimate Parent	**₱132**	**₱598**	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(b)
Parent	**–**	**3,123**	Noninterest-bearing, Payable on demand	Unsecured	
Associate – CTI					
Service Fee	**1,142**	**14,188**	Due within 30 days	Unsecured	(d)
Associate – Pro-excel					
Management and service fees	**512**	**16,443**	Due within 30 days	Unsecured	(d)
Associate – DPI					
Other Income	**243**	**473,312**	Due within 30 days	Unsecured	(d)
Associate – FMI					
Other Income	**34**	**1,108**	Due within 30 days	Unsecured	(d)
Associate – FAI					
Rent Income	**–**	**99**	Noninterest-bearing, collectible on demand	Unsecured	(h)
Share in other expenses	**6,260**	**7,574**	Noninterest-bearing, collectible on demand	Unsecured	(d)
Affiliates					
Rental income	**7,191**	**–**	Noninterest-bearing	Unsecured	(g)
Share in common expenses	**6,614**	**179,899**	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(e)
Due from related parties (Note 9)		**₱695,344**			
Parent					
Share in Group expenses	**(₱1,634)**	**(₱36,777)**	Noninterest-bearing, payable on demand	Unsecured	(c)
Asset acquisition	**274,862**	**(346,414)**	Noninterest-bearing, collectible quarterly up to December 2024	Unsecured	(c)
Associate – SharePro					
Share in other expenses	**120,716**	**(42,549)**	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – FMI					
Share in other expenses	**–**	**(848)**	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – FAI					
Service fee	**–**	**(11,511)**	Due within 30 days	Unsecured	(d)
Associate – DPI					
Share in other expenses	**–**	**(2,648)**	Noninterest-bearing, payable on demand	Unsecured	(d)
Affiliates	**(1,122)**	**(47,739)**	Noninterest-bearing, payable on demand	Unsecured	(e)
Due to related parties		**(₱488,486)**			

	As of December 31, 2022				
	Amount/ Volume	Due from / (Due to)	Terms	**Conditions**	**Note**
	(In Thousands)				
Bank under common control of the ultimate parent					
Cash and cash equivalents	₱4,003,639	₱4,003,639	0.50% to 4.50%	No impairment	(a)
Interest income	23,066	−			
		₱4,003,639			
Ultimate Parent	₱186	₱467	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(b)
Parent	−	3,172	Noninterest-bearing, Payable on demand	Unsecured	
Associate – CTI					
Service Fee	1,184	2,187	Due within 30 days	Unsecured	(d)
Associate – Pro-excel					
Management and service fees	319	13,180	Due within 30 days	Unsecured	(d)
Associate – DPI					
Other Income	(59,464)	279,321	Due within 30 days	Unsecured	(d)
Associate – FMI					
Other Income	8	6,798	Due within 30 days	Unsecured	(d)
Associate – FAI					
Rent Income	2,892	99	Noninterest-bearing, collectible on demand	Unsecured	(h)
Share in other expenses	15,168	25,056	Noninterest-bearing, collectible on demand	Unsecured	(d)
Acquisition of investment	(10,972)	(0)			
Affiliates					
Rental income	7,191	−	Noninterest-bearing	Unsecured	(g)
Share in common expenses	23,779	134,338	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(e)
Due from related parties (Note 9)		₱464,618			
Parent					
Share in Group expenses	₱6,208	(₱6,377)	Noninterest-bearing, payable on demand	Unsecured	(c)
Asset acquisition	(1,047,096)	(683,264)	Noninterest-bearing, collectible quarterly up to December 2024	Unsecured	(c)
Associate – DPI					
Service fee	−	(827)	Due within 30 days	Unsecured	(d)
Associate – SharePro					
Share in other expenses	(26,507)	(8,776)	Noninterest-bearing, payable on demand	Unsecured	(d)
Affiliates	(2,558)	(55,020)	Noninterest-bearing, payable on demand	Unsecured	(e)
Due to related parties		(₱754,264)			

	As of December 31, 2021				
	Amount/ Volume	Due from / (Due to)	Terms	Conditions	Note
	(In Thousands)				
Bank under common control of the ultimate parent					
Cash and cash equivalents	₱6,132,494	₱6,132,494	0.50% to 4.50%	No impairment	(a)
Interest income	4,708	–			
		₱6,132,494			
Accounts payable and accrued expenses					
Current portion	(₱378,968)	(₱378,968)	Noninterest-bearing, payable on installment	Unsecured	(a)
Noncurrent portion	–	(1,765,189)	Noninterest-bearing, payable on installment	Unsecured	(a)
		(₱2,144,157)			
Ultimate Parent	₱40	₱141	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(b)
Associate – SPI					
Service Fee	86,641	86,803	Due within 30 days	Unsecured	(d)
Associate – CTI					
Service Fee	–	3,540	Due within 30 days	Unsecured	(d)
Associate – Pro-excel					
Management and service fees	302	74,381	Due within 30 days	Unsecured	(d)
Associate – DPI					
Other Income	(10,786)	149,594	Due within 30 days	Unsecured	(d)
Associate – FMI					
Other Income	73	64,525	Due within 30 days	Unsecured	(d)
Associate – FAI					
Rent Income	3,465	(131)	Noninterest-bearing, collectible on demand	Unsecured	(h)
Share in Other Expenses	(7,697)	10,213	Noninterest-bearing, collectible on demand	Unsecured	(d)
Affiliates					
Rental income	7,104	–	Noninterest-bearing	Unsecured	(g)
Share in common expenses	746	83,167	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(e)
Due from related parties		₱472,233			
Parent					
Share in Group expenses	₱69,332	(₱10,575)	Noninterest-bearing, payable on demand	Unsecured	(e)
Associate – FAI					
Share in other expenses	–	(62)	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – CTI					
Service Fee	806	(20,855)	Due within 30 days	Unsecured	(d)
Associate – SharePro					
Share in Other Expenses	(100,843)	(100,843)	Noninterest-bearing, payable on demand	Unsecured	(d)
Affiliates	17,474	(71,982)	Noninterest-bearing, payable on demand	Unsecured	(e)
Due to related parties		(₱204,317)			

Notes:

a. Transactions with bank under common control of the ultimate parent (EW)
b. Transactions with Ultimate Parent (ALG)
c. Transactions with Parent Company (FDC)
d. Transactions with Associates
e. Transactions with Affiliates
g. Leases with related parties - Group as lessor
h. Leases with related parties - Group as lessee

Philippine Taxation

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership, and disposition of the Bonds. The statements made regarding taxation in the Philippines are based on the laws in force at the date of this Offer Supplement and are subject to any changes in law occurring after such date. It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to invest in the Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rates or tax incentives under special laws. Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the tax consequences of their investment in the Bonds.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines; a non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien engaged in trade or business in the Philippines;" otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not engaged in trade or business in the Philippines". A "resident foreign corporation" is a foreign corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a non-Philippine corporation not engaged in trade or business within the Philippines.

The term "non-resident holder" means a holder of the Bonds:

- *who is an individual who is neither a citizen nor a resident of the Philippines, or an entity which is anon-resident foreign corporation; and*

- *should an income tax treaty be applicable, whose ownership of the Bonds is not effectively connected with a fixed base or a permanent establishment in the Philippines.*

Taxation of Interest

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax.

Interest income derived by Philippine citizens and resident alien individuals from the Bonds is subject to income tax, which is withheld at source, at the rate of 20% based on the gross amount of interest. Generally, interest on the Bonds received by non-resident alien individuals engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident alien individuals not engaged in trade or business is subject to a 25% final withholding tax. Interest income received by domestic corporations and resident foreign corporations from the Bonds is subject to a 20% final withholding tax while that received by non-resident foreign corporations is subject to a 25% final withholding tax.

The foregoing rates may be subject to further reduction by any applicable tax treaties in force between the Philippines andthe country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 10% in cases where the interest which arises in the Philippines is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

On March 31, 2021, the BIR issued Revenue Memorandum Order No. 14-2021 ("**RMO 14-2021**"). RMO 14-2021 was issued to streamline the procedures and documents for the availment of the tax treaty benefits. Said issuance will apply to the income derived by the nonresident Bondholder on the interest payments from the Bonds. To avail of the tax treaty relief benefits, the following guidelines and procedures will be observed:

- The nonresident income recipient should submit to the withholding agent or income payor the submitted BIR Form No. 0901-I (Interest Income) or Application Form for Treaty Purposes, Tax Residency Certificate duly issued by the foreign tax authority, and the relevant provision of the applicable tax treaty on whether to apply a reduced rate of, or exemption from, withholding at source on the income derived by the nonresident income recipient. The documents should be submitted to each withholding agent or income payor prior to the payment of income for the first time. The failure to provide the said documents when requested may lead to the withholding using the regular withholding rates without the tax treaty benefit rate. When the preferential tax rates have been applied by the withholding agent, it shall file with the International Tax Affairs Division ("**ITAD**") a request for confirmation on the propriety of the withholding tax rates applied by the withholding agent. On the other hand, if the regular withholding rates have been imposed on the income, the nonresident income recipient shall file a tax treaty relief application ("**TTRA**") with ITAD. In either case, each request for confirmation and TTRA shall be supported by the documentary requirements set out in the issuance.

- The request for confirmation shall be filed by the withholding agent at any time after the payment of withholding tax but shall in no case be later than the last day of the fourth month following the close of each taxable year. On the other hand, the filing of the TTRA may be filed by the nonresident income recipient at any time after the receipt of the income.

If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the nonresident income recipient is not entitled to treaty benefits, it will issue a BIR Ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties. On the contrary, if the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the nonresident income recipient's entitlement to the treaty benefits. In this case, the nonresident income recipient may apply for a refund of the excess withholding tax. The original or certified true copy of the following documents, as may be applicable, shall be submitted to the ITAD when claiming the tax treaty relief:

A. General Requirements
1. Letter-request
2. Application Form duly signed by the nonresident Bondholder or its/his/her authorized representative
3. Tax Residency Certificate for the relevant period, duly issued by the tax authority of the foreign country in which the Bondholder is a resident
4. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing the payment/remittance of income
5. Withholding tax return with Alphalist of Payees
6. Proof of payment of withholding tax
7. Notarized Special Power of Attorney issued by the nonresident Bondholder to its/his/her authorized representative(s), which shall expressly state the authority to sign the Application Form as well as to file the tax treaty relief application or request for confirmation

Additional general requirements for legal persons and arrangements, and individuals:
1. Authenticated copy of the nonresident legal person or arrangement' Articles/Memorandum of Incorporation/Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language
2. Original copy of the Certificate of Non-Registration of the Bondholder or certified true copy of License to Do Business in the Philippines duly issued by the SEC for legal persons and arrangements, or original copy of the Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry for individuals.

Additional general requirements for fiscally transparent entities:
1. A copy of the law of the foreign country showing that tax is imposed on the owners or beneficiaries of the foreign fiscally transparent entity;
2. List of owners/beneficiaries of the foreign entity;
3. Proof of ownership of the foreign entity; and
4. Tax Residency Certificate issued by the concerned foreign tax authority to the owners or beneficiaries of the fiscally transparent entity.

B. Specific Requirements

1. Duly executed contract
2. Bank documents/certificate of deposit/telegraphic transfer/telex/money transfer evidencing the remittance of the loan by the nonresident creditor
3. Proof that the debt-claim in respect of which the interest is paid is not effectively connected with the permanent establishment of the foreign enterprise in the Philippines
4. Proof that the interest rate is arm's length, if the debtor and creditor are related parties

The BIR may require additional documents during the course of its evaluation as it may deem necessary. Upon the confirmation of the entitlement to the tax treaty benefit or confirmation of the correctness of the withholding tax rates applied, the BIR will issue a certification to that effect. Any adverse ruling may be appealed to the Department of Finance within thirty (30) days from receipt.

If the income of the nonresident Bondholder has been subjected to regular withholding rates, the Bondholder may subsequently file a claim for refund with the BIR independently of, or simultaneously with, the TTRA. All claims for refund shall be filed within the two-year prescriptive period provided under Section 229 of the Tax Code.

Revenue Memorandum Circular No. 20-2022 clarified that taxpayers who were already issued with Certificates of Entitlement, the tenor thereof allows the ruling to be applied to subsequent or future income payments, shall no longer file a request for ruling or tax treaty relief application every time an income of similar nature is paid to the same nonresident. In applying the confirmed treaty benefit to future income payments, the income payor or withholding agent shall always be guided by the requisites mentioned in the Certificate of Entitlement. Thus, if the Certificate of Entitlement mentions tax residency as a requisite for continuous enjoyment of treaty benefit, the income payor must require the nonresident to submit first a Tax Residency Certificate for such relevant year before making any payment.

Early Redemption Option

Under the Terms and Conditions, if any payment of principal or interest due under the Bonds becomes subject to additional or increased taxes other than the taxes and rates of such taxes prevailing as of the Issue Date as a result of any change in, or amendment to, the laws, rules or regulations of the Republic of the Philippines or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, rules or regulations (including but not limited to any decision by a court of competent jurisdiction) which change or amendment becomes effective on or after the Issue Date, and such additional or increased rate of such tax cannot be avoided by the use of reasonable measures available to the Issuer, the Issuer shall have the right (but not the obligation) to pre-terminate and redeem all, but not in part, the Bonds on any Interest Payment Date before Maturity Date at the Early Redemption Price.

We suggest that the investor seek its own tax advisors to determine its tax liabilities or exposures given that the Issuer does not have gross-up obligations in case of changes in any applicable law, rule or regulation or in the terms and/or interpretation or administration thereof or a new applicable law should be enacted, issued or promulgated, which shall subject payments by the Issuer to additional or increased taxes, other than the taxes and rates of such taxes prevailing as of the Issue Date.

Tax-Exempt Status or Entitlement to Preferential Tax Rate

Interest income on the Offer Bonds is subject to a final withholding tax at rates between 20% and 25% depending on the tax status ofthe relevant Bondholder under relevant law, regulation or tax treaty. An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Company as being sufficient in form and substance: (i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR and addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014, including any clarification, supplement or amendment thereto; (ii) with respect to tax treaty relief, a copy of the duly filed request for confirmation or tax treaty relief application, as may be applicable, with the ITAD as required under RMO 14-2021, including any clarification, supplement or amendment thereto and, once available, a BIR-certified certification, ruling or opinion addressed to the relevant Applicant or Bondholder confirming its entitlement to the preferential tax rate under the applicable treaty; (iii) a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such Applicant or Bondholder who has personal knowledge of the exemption based on his official functions, if the Applicant purchases, or the Bondholder holds, the Offer Bonds for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Offer Bonds pursuant to its management of tax-exempt entities (*i.e.*, Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension, revocation, amendment or invalidation (in whole or in part) of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form under the Registry and Paying Agency Agreement, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and (iv) such other documentary requirements as may be required by the Issuer and the Registrar under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided, further, that all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar. If the Issuer withheld taxes or withheld the regular rate of tax imposed pursuant to the Philippine Tax Code on interest,the concerned Bondholder may file a claim for a refund from the Philippine taxing authorities on the basis of a tax exemption or applicable tax treaty.

Value-Added Tax

Gross receipts arising from the sale of the Bonds in the Philippines by dealers in securities shall be subject to a 12% value-added tax. The term "gross receipt" means gross selling price less acquisition cost of the Bonds sold.

Gross Receipts Tax

Bank and non-bank financial intermediaries performing quasi-banking functions are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five (5) years or less: 5%
Maturity period is more than five (5) years: 1%

Non-bank financial intermediaries not performing quasi-banking functions doing business in the Philippines are likewise subject to gross receipts tax. Gross receipts of such entities derived from sources within the Philippines from interests, commissions and discounts from lending activities are taxed in accordance with the following schedule based on the remaining maturities of the instruments from which such receipts are derived:

Maturity period is five (5) years or less: 5%
Maturity period is more than five (5) years: 1%

In case the maturity period of the instruments held by banks, non-bank financial intermediaries performing quasi-banking functions and non-bank financial intermediaries not performing quasi-banking functions is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pretermination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the Bonds by banks and nonbank financial intermediaries performing quasi-banking functions shall be taxed at 7%.

Documentary Stamp Tax

A documentary stamp tax is imposed upon the issuance of debt instruments issued by Philippine companies, such as the Bonds, at the rate of ₱1.50 for each ₱200.00, or fractional part thereof, of the issue price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines, or where the object of the contract is located or used in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

No documentary stamp tax is imposed on the subsequent sale or disposition of the Bonds, trading the Bonds in a secondary market or through an exchange, provided that such sale or disposition does not constitute a renewal or extension of maturity of the Bonds or carried with it a renewal or issuance of new instruments in the name of the transferee to replace the old ones. However, if the transfer constitutes a renewal or extension of the maturity of the Bonds, documentary stamp tax is payable anew.

Taxation on Sale or Other Disposition of the Bonds

Income Tax

Any gain realized from the sale, exchange or retirement of the Bonds will, as a rule, form part of the gross income of the sellers, for purposes of computing the relevant taxable income, which will then be subjected to the graduated regular or ordinary tax rates of 15%-35% effective January 1, 2023 for individuals who are Philippine citizens, whether residents or non-residents, or resident foreign individuals or non-resident aliens engaged in trade or business in the Philippines, 25% final withholding tax for non-resident alien not engaged in trade or business, 25% regular corporate income tax or 20% regular corporate income tax for domestic corporations with net taxable income not exceeding ₱5 million and with total assets (excluding land on which the corporation's office, plant, and equipment are situated) not exceeding ₱100 million, or 2% minimum corporate income tax (effective July 1, 2023), as the case may be, for domestic and resident foreign corporations, and 25% final withholding tax for non-resident foreign corporations, as the case may be. If the Bonds are sold by a seller, who is an individual and who is not a dealer in securities, who has held the Bonds for a period of more than 12 months prior to the sale, only 50% of any capital gain will be recognized and included in the seller's gross taxable income.

Further, under the Tax Code, any gain realized from the sale, exchange or retirement of the Bonds with an original maturity date of more than five (5) years (as measured from the date of issuance of such Bonds) shall not be subject to income tax. However, any gains realized by a holder through redemption of the Bonds prior to the lapse of 5 years may be subject to income tax. This is in view of the BIR's ruling that one of the conditions for the exemption is that the maturity period must be more than 5 years.

Moreover, any gain arising from such sale, regardless of the original maturity date of the Bonds, may be exempt from income tax pursuant to various income tax treaties to which the Philippines is a party, and subject to procedures prescribed by the BIR for the availment of tax treaty benefits.

The CREATE MORE Act also extended the application of the lower 20% regular corporate income tax to registered business enterprises, whether domestic or resident foreign corporation, which enjoy enhanced business deductions.

Estate and Donor's Tax

The transfer from a deceased person, whether a Philippine resident or a non-Philippine resident, to his heirs of the Bonds shall be subject to an estate tax which is levied on the net estate of the deceased at 6%. A Bondholder shall be subject to donor's tax of 6% computed on the basis of the total gifts in excess of ₱250,000.00 exempt gifts made during the calendar year.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and the donor's tax, in respect of the Bonds, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

In case the Bonds are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the Bonds exceeded the value of the consideration may be deemed a gift and may be subject to donor's taxes. However, the transfer of the Bonds made in the ordinary course of business (a transaction which is bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

Value-Added Tax

Gross receipts arising from the sale of the Bonds in the Philippines by dealers in securities shall be subject to a 12% value-added tax. The term "gross receipt" means gross selling price less acquisition cost of the Bonds sold.

Taxation outside the Philippines

The tax treatment of a non-resident holder in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of its domicile or business activities and such holder's particular situation. This Offer Supplement does not discuss the tax considerations of non-resident holders of shares of stock under laws other than those of the Philippines.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE BONDS, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

Philippine Foreign Exchange and Foreign Ownership Controls

REGISTRATION OF FOREIGN INVESTMENTS AND EXCHANGE CONTROLS

Under current BSP regulations, an investment in Philippine securities (such as the Bonds) must be registered with the BSP if the foreign exchange needed to service the repayment of principal and payment of interest derived from such Bonds is to be sourced from the Philippine banking system. The registration with the BSP is evidenced by a Bangko Sentral Registration Document. Under BSP Circular No. 1030 dated February 5, 2019, debt securities, purchase of condominium units, capital expenses incurred by foreign firms pursuant to government approved-service contracts and similar contracts, and Philippine depositary receipts must likewise be registered with the BSP if foreign exchange will be sourced from the Philippine banking system.

If the foreign exchange required to service capital repatriation or dividend remittance is sourced outside the Philippine banking system, registration is not required. BSP Circular No. 471 (Series of 2005), as amended, however, subjects foreign exchange dealers, money changers and remittance agents to R.A. No. 9160 (the Anti-Money Laundering Act of 2001, as amended) and requires these non-bank sources of foreign exchange to require foreign exchange buyers to submit, among others, the original BSP registration documents in connection with their application to purchase foreign exchange exceeding US$5,000.00 for purposes of capital repatriation and remittance of dividends. BSP Circular No. 942 (Series of 2017) lists minimum documentary requirements that must be submitted by foreign exchange buyers for purposes of capital repatriation and remittance of dividends, regardless of amount.

The foregoing is subject to the power of the BSP, through the Monetary Board and with the approval of the President of the Philippines, to suspend temporarily or restrict the availability of foreign exchange, require licensing of foreign exchange transactions or require delivery of foreign exchange to the BSP or its designee when an exchange crisis is imminent, or in times of national emergency. Furthermore, there can be no assurance that BSP foreign exchange regulations will not be made more restrictive in the future.

The registration with the BSP of all foreign investments in the Bonds shall be the responsibility of the foreign investor.

FOREIGN OWNERSHIP CONTROLS

Under the General Banking Law, as clarified by BSP Circular No. 256, the aggregate voting stock in a domestic bank held by foreign individuals and non-bank corporations must not exceed 40% of the outstanding voting stock of such bank. Although the aggregate ceiling on the equity ownership in a domestic bank does not apply to Filipinos and domestic non-bank corporations, their individual ownership is limited to only up to 40% of the voting stock. The percentage of foreign-owned voting stocks in a bank shall be determined by the citizenship of the individual stockholders in that bank. The citizenship of the corporation which is a stockholder in a bank shall follow the citizenship of the controlling stockholders of the corporation, irrespective of the place of incorporation.

On July 15, 2014, Republic Act No. 10641 or An Act Allowing the Full Entry of Foreign Banks in the Philippines, Amending for the Purpose Republic Act No. 7721 ("**RA 10641**") became law. Under RA 10641, established, reputable and financially sound foreign banks may be authorized by the Monetary Board to operate in the Philippine banking system through any one of the following modes of entry: (a) by acquiring, purchasing or owning up to one hundred percent (100%) of the voting stock of an existing bank; (b) by investing in up to one hundred percent (100%) of the voting stock of a new banking subsidiary incorporated under the laws of the Philippines; or (c) by establishing branches with full banking authority. In relation thereto, on November 6, 2014, the Monetary Board issued ResolutionNo. 1794 providing for the implementing rules and regulations of RA 10641 and on November 21, 2014, the BSP issued BSP Circular No. 858, amending the relevant provisions of the BSP Manual of Regulations for Banks, accordingly. The entry into law of RA 10641 did not entirely eliminate the foreign ownership controls under the General Banking Law. While qualified foreign banks may own up to 100% of voting shares in a universal bank, other foreign individuals or non-bank corporations are still subject to the 40% foreign ownership limitation under the General Banking Law.

The Philippine Constitution and related statutes also set forth restrictions on foreign ownership of companies that own land in the Philippines.

In connection with the ownership of private land, Article XII, Section 7 of the Philippine Constitution, in relation to Article XII, Section 2 of the Philippine Constitution and Chapter 4 of Commonwealth Act No. 141, states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines, at least 60% of whose capital is owned by such citizens.

Republic Act No. 7042, as amended, or the Foreign Investments Act of 1991, reserves to Philippine Nationals all areas of investment in which foreign ownership is limited by mandate of the Constitution and specific laws. Section 3(a) of said law defines a "Philippine National" as:

- A citizen of the Philippines;
- A domestic partnership or association wholly owned by citizens of the Philippines;
- A trustee of funds for pension or other employee retirement or separation benefits where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals;
- A corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines; and
- A corporation organized abroad and registered as doing business in the Philippines under the Philippine Corporation Code of the Philippines of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos.

However, the Foreign Investments Act of 1991 states that where a corporation (and its non-Filipino shareholders) own stock in a Philippine SEC-registered enterprise, at least 60% of the capital stock outstanding and entitled to vote of both the investing corporation and the investee corporation must be owned and held by citizens of the Philippines. Further, at least 60% of the members of the board of directors of both the investing corporation and the investee corporation must be Philippine citizens in order for the investee corporation to be considered a Philippine National.

On May 20, 2013, the Philippine SEC issued Memorandum Circular No. 8, Series of 2013 which provided guidelines (the "Guidelines") on compliance with the Filipino-Foreign ownership requirements under the Philippine Constitution and other existing laws by corporations engaged in nationalized or partly nationalized activities (the "Nationalized Corporations"). The Guidelines provide that for purposes of determining compliance with the foreign equity restrictions in Nationalized Corporations, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

Considering the foregoing, for so long as the Company and its subsidiaries own land or are engaged in nationalized activities, foreign ownership in the Company is limited to a maximum of 40% of the Company's outstanding capital stock. Accordingly, the Company shall disallow the issuance or the transfer of Shares to persons other than Philippine Nationals and shall not record transfers in the Company's books if such issuance or transfer would result in the Company ceasing to be a Philippine National for purposes of complying with the restrictions on foreign ownership discussed above.

Compliance with the required ownership by Philippine Nationals of a corporation is to be determined on the basis of outstanding capital stock whether fully paid or not.

Interests of Named Experts

Legal Matters

All legal opinion/matters in connection with the issuance of the Bonds, which are subject to this Offer, shall be passed upon by Picazo, Buyco, Fider, Tan & Santos, for the Underwriters. Picazo, Buyco, Fider,Tan & Santos has no direct or indirect interest in FLI. Picazo, Buyco, Fider, Tan & Santos may, from time to time be engaged by FLI to advise in its transactions and perform legal services to the same basis that Picazo, Buyco, Fider, Tan & Santos provides such services to other clients.

FLI's Legal Services Division

FLI's legal services division provided the legal opinion/matters with the issuance of the Bonds, which are subject to this Offer for the Company. The members of FLI's legal services division are employed by the Company and as such received salary and benefits from the Company.

Independent Auditors

SGV & Co., independent auditors, audited the Company's consolidated financial statements (without qualification) as of and for the years ended December 31, 2023, 2022 and 2021, included in this Offer Supplement. There has neither been a termination nor change in the said appointment.

The Partner in charge of the audit of the Group's 2023 consolidated financial statements is Wanessa G. Salvador. She has been the partner in charge for the audit of the Company's financial statements and has been the signing partner since 2019.

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. SGV & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SGV & Co. will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

In relation to the audit of the Company's annual financial statements, the Company's Corporate Governance Manual provides that the audit committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

Approval of Policies and Procedures of the Management and/or Audit and Risk Management Oversight Committee for Independent Accountant's Services

In giving its stamp of approval to the audit services rendered by the independent accountant and the rate of the professional fees to be paid, the Audit and Risk Management Oversight Committee, with inputs from the management of FLI, makes a prior independent assessment of the quality of audit services previously rendered by the accountant, the complexity of the transactions subject of the audit, and the consistency of the work output with generally accepted accounting standards. Thereafter, the Audit and Risk Management Oversight Committee makes the appropriate recommendation to the Board of Directors of the Company.

The following table sets out the aggregate fees for each of the last two (2) years for professional services rendered by SGV & Co., excluding fees directly related to the Offer.

	2023	2022
rand Audit Related fees*	8.17	6.39
Tax Fees	-	-
All Other Fees**	-	0.04
Total	**8.17**	**6.43**

* Pertains to the professional services rendered by SGV & Co. as our independent auditors for audit of the Company's annual financial statements and services that are normally provided in connection with statutory and regulatory filings.

** Pertains to the professional services rendered by SGV & Co. in relation to agreed-upon procedure engagements.

The fees presented above include out-of-pocket expenses incidental to the independent auditor's services. There are no other fees billed in each of the last two (2) years for products and services provided by SGV & Co., other than the services provided above.

SGV & Co. does not have any direct or indirect interest in the Company. The above-mentioned fees were approved by the Audit Committee.

Financial Information

The following pages set forth FLI's (1) audited consolidated financial statements as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, 2022 and 2021, and (2) unaudited interim consolidated financial statements as of September 30, 2024 and for the nine (9) -months ended September 30, 2024 and 2023.

ISSUER

Filinvest Land, Inc.
Filinvest Building, 79 EDSA, Brgy. Highway Hills, Mandaluyong City, 1550 Philippines

JOINT LEAD UNDERWRITERS AND BOOKRUNNERS

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Makati City, 1226, Philippines

BPI Capital Corporation
23/F Ayala Triangle Gardens Tower 2, Paseo de Roxas Corner Makati Avenue
Makati City, Philippines

China Bank Capital Corporation
28th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City, Philippines

East West Banking Corporation
EastWest Corporate Center, The Beaufort, 5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City, Philippines

First Metro Investment Corporation
45th Floor, GT Tower International
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Land Bank of the Philippines
15th Floor, LANDBANK Plaza 1598
M.H. del Pilar Dr. J. Quintos St.
Malate, Manila City, Philippines

RCBC Capital Corporation
21st Floor, Tower 2, RCBC Plaza
6819 Ayala Ave., Makati City, Philippines

Security Bank Capital Investment Corporation
18th Floor, Security Bank Centre, 6776 Ayala Ave, 0719
Makati City, Philippines

TRUSTEE
Metropolitan Bank & Trust Company – Trust Banking Group
16th Floor, Metrobank Center
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Taguig City, Philippines

LEGAL ADVISORS

To the Company	*To the Underwriters*
FLI's Legal Services Division	**Picazo Buyco Tan Fider and Santos** Penthouse, Liberty Center-Picazo Law104 H.V. dela Costa Street, Salcedo Village, Makati City, Philippines

INDEPENDENT AUDITOR

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