COVER SHEET

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S.E.C. Registration Number

F I L I N V E S T   L A N D ,   I N C .

(Company's Full Name)

7 9   E D S A ,   H I G H W A Y   H I L L S ,

M A N D A L U Y O N G   C I T Y

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

c/o Atty. Katrina O. Clemente-Lua

Contact Person

7918-8188

Company Telephone Number

Definitive Information Statement

Month Day

Fiscal Year

D I S

FORM TYPE

Month Day

Annual Meeting

Secondary License Type; If Applicable

M S R D

Dept. Requiring this Doc.

Amended Articles Number / Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes

FILINVEST LAND, INC.

79 EDSA, Highway Hills
Mandaluyong City, Metro Manila
Trunk line: (632) 918-8188
Customer hotline: (632) 588-1688
Fax number: (632) 918-8189
www.filinvestland.com

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of **FILINVEST LAND, INC.** ("FLI"), the "Corporation" or the "Company") will be conducted virtually on **19 April 2024 (Friday)**[1] at **3:00 p.m.,** at which meeting the following matters shall be taken up:

I. Call to Order

II. Proof of Notice of Meeting

III. Certification of Quorum

IV. Approval of the Minutes of the Annual Stockholders' Meeting held on 24 April 2023

V. Presentation of the Management Report

VI. Ratification of the Audited Financial Statements for the year ended 31 December 2023

VII. Ratification of the Acts and Resolutions of the Board of Directors, Board Committees and Management from the Date of the Last Annual Stockholders' Meeting up to 19 April 2024

VIII. Election of the Members of the Board of Directors, including three (3) Independent Directors, to serve for 2024-2025

IX. Appointment of the External Auditor

X. Other Matters

XI. Adjournment

Pursuant to the provisions of the Company's Amended By-Laws, the Board of Directors during its meeting held on 24 January 2024 resolved that the Annual Stockholders' Meeting be held in a virtual format. As such, the stockholders may attend the said meeting only by remote communication, by voting in absentia or through proxy.

Only Stockholders of Record as of 5:00 PM of 08 March 2024 shall be entitled to vote at this meeting. Votes cast remotely or *in absentia* should be received by the Corporation on or before 10 April 2024.

[1] Should the date of Annual Stockholders' Meeting ("ASM") be declared a legal holiday, the ASM will be held on the next succeeding business day, at the same time (3:00p.m.)

Stockholders who wish to vote by proxy shall submit the same on or before 10 April 2024 to the Office of the Corporate Secretary, located at the Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila, or by email to FLIASM@filinvestland.com.

A proxy submitted by a corporation should be accompanied by a Corporate Secretary's Certificate quoting the board resolution designating a corporate officer to execute the proxy. In addition to the above requirement for corporations, a proxy form given by a broker or custodian bank in respect of shares of stock carried by such broker or custodian bank for the account of the beneficial owner must be accompanied by a certification under oath stating that the broker or custodian bank has obtained the written consent of the account holder.

PLEASE NOTE THAT THE CORPORATION IS NOT SOLICITING PROXIES.

The Corporation's Information Statement, Management Report, and 2023 Audited Financial Statements will be made available in the Company's website at https://www.filinvestland.com and in the Philippine Stock Exchange EDGE disclosure system no later than 26 March 2024.

Please be guided accordingly.

KATRINA O. CLEMENTE-LUA
Corporate Secretary

EXPLANATION OF AGENDA ITEMS
FOR STOCKHOLDERS' APPROVAL AND/OR RATIFICATION

Call to Order

The Chairman will formally commence the meeting at approximately 3:00 p.m. on 19 April 2024.

Proof of Notice and Certification of Quorum

The Corporate Secretary will certify that notice of the meeting was duly sent to the stockholders and that a quorum exists for the valid transaction of business.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020 which provide for remote attendance and voting *in absentia* in stockholders' meetings, the Company has set up a system and process to allow stockholders to register and vote *in absentia* on the matters in the agenda. Only stockholders who successfully registered in the stockholder registration system, together with those who voted in absentia or by proxy, will be included in determining the existence of a quorum.

The following are the procedures for the meeting:

- Stockholders who wish to appoint the Chairman as proxy may submit the same on or before 10 April 2024 to the Office of the Corporate Secretary, located at the Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila, or by email to FLIASM@filinvestland.com.
- Stockholders who wish to attend the meeting via remote communication and/or vote *in absentia* must register at the following web address: https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM. After validation, the stockholders will receive an email with instructions on how to access the voting ballot and the meeting. The details of the process are provided in the Information Statement.
- The votes will be tabulated by the Office of the Corporate Secretary and the stock transfer agent. The results will be reported in the meeting.
- Any comments and questions on the agenda should be emailed to FLIASM@filinvestland.com on or before 10 April 2024. The Board of Directors and/or officers will endeavor to answer these questions during the meeting. Due to time constraints, any questions that will not be addressed during the meeting may be answered by email.
- There will be an audio and visual recording of the meeting.

Approval of the Minutes of the Annual Stockholders' Meeting held on 24 April 2023

The minutes of the meeting held on 24 April 2023 can be viewed at the Company's website, https://filinvestland.com/sites/default/files/pdf_files/FLI_Minutes%20of%20the%20Annual%20Stockholders%20Meeting%20held%20on%20April%2024%2C%202023.pdf. A copy of the minutes is also attached as **Annex "E"** of the Information Statement.

Presentation of the Management Report

The President and Chief Executive Officer, Mr. Tristaneil D. Las Marias, will report on the Company's 2023 performance and the outlook for this year.

Ratification of the Audited Financial Statements for the year ended 31 December 2023

The Audited Financial Statements refer to the financial operations, balance sheet and income statement of FLI as of and for the year ended 31 December 2023. The Company's Audited Financial Statements for 2023 is attached as **Annex "C"** of the Information Statement and will be made available on the Company's website.

Ratification of the Acts and Resolutions of the Board of Directors, Board Committees and Management from the Date of the Last Annual Stockholders' Meeting up to 19 April 2024

The acts of the Board of Directors and its committees, officers and management of the Company that are subject for ratification are those that were adopted since the last annual meeting up to 19 April 2024, as duly recorded in the corporate books. These acts include the approval of contracts and agreements, application for government permits and licenses, appointment of officers, designation of authorized representatives, and other transactions in the general conduct of business. The summary of the major resolutions approved and adopted by the Board and the Board Committees are discussed in the Information Statement.

Election of the Members of the Board of Directors, including three (3) Independent Directors, to serve for 2024-2025

In accordance with the Company's Revised Manual on Corporate Governance and By-Laws, the stockholders must elect the members of the Board of Directors of the Company comprised of nine (9) directors, including three (3) independent directors, who shall hold office for a term of one (1) year, or until their successors shall have been duly elected and qualified. There will be an election of the members of the Board during the Annual Stockholders' Meeting to serve for the year 2024 to 2025.

On 13 March 2024, the Corporate Governance Committee convened as the Nominations Committee, and evaluated the nominees to the Board, including the three (3) nominees for independent directors, and determined whether they have all the qualifications and none of the disqualifications to serve in the Board. The Final List of Candidates for election as directors, including independent directors, during the Annual Stockholders' Meeting on 19 April 2024 are as follows:

1. Mr. Jonathan T. Gotianun
2. Mrs. Lourdes Josephine Gotianun Yap
3. Mr. Tristaneil D. Las Marias
4. Mr. Michael Edward T. Gotianun
5. Mr. Francis Nathaniel C. Gotianun
6. Ms. Rhoda A. Huang
7. Mr. Ernesto S. De Castro (Independent Director)
8. Mr. Gemilo J. San Pedro (Independent Director)
9. Atty. Ephyro Luis B. Amatong (Independent Director)

The profiles of each of the above-named nominees are discussed on pages 7 to 9 and pages 18 to 19 of the Definitive Information Statement.

Appointment of the External Auditor

The Audit and Risk Management Oversight Committee and the Board will endorse to the stockholders the re-appointment of SGV & Co. as the external auditor for the ensuing year. The details of the external auditor will be provided in the Information Statement.

Consideration of Other Matters as may be properly submitted

The Chairperson will open the floor for comments and questions by the stockholders, as may have been submitted on or before 10 April 2024.

PROXY

The undersigned stockholder of **FILINVEST LAND, INC.** (the "Company") hereby appoints___________________________, or in his/herabsence, the Chairman of the meeting as attorney-in-fact and proxy, to represent and vote all shares registered in his/her/its name at theannual meeting of stockholders of the Company on April 19, 2024, and at any of the adjournments thereof for the purpose of acting onthe following matters:

1. Approval of minutes of previous meeting
   ☐For ☐ Against ☐ Abstain

2. Ratification of the 2023 Audited Financial Statements
   ☐For ☐ Against ☐ Abstain

3. Ratification of the acts and resolutions of the Board of Directors, Board Committees and management
   ☐For ☐ Against ☐ Abstain

4. Election of Directors
   ☐Distribute all my votes equally among the nine (9) nominees
   ☐Abstain
   ☐Allocate my votes for each nominee as follows:

Nominee	Number of Votes
Jonathan T. Gotianun	______________________
Lourdes Josephine Gotianun-Yap	______________________
Michael Edward T. Gotianun	______________________
Francis Nathaniel C. Gotianun	______________________
Rhoda A. Huang	______________________
Tristaneil D. Las Marias	______________________
Independent Directors:	
Ernesto S. De Castro	______________________
Gemilo J. San Pedro	______________________
Ephyro Luis Amatong	______________________

5. Appointment of SyCip Gorres Velayo & Co. as External Auditor
   ☐ For ☐ Against ☐ Abstain

6. At his discretion, the proxy named above is authorized to voteupon such other matters as may properly come before the meeting
   ☐Yes ☐ No

____

PRINTED NAME OF STOCKHOLDER

____

SIGNATURE OF STOCKHOLDER/ AUTHORIZED SIGNATORY

____

DATE

A scanned copy of this proxy should be received by the Corporate Secretary at FLIASM@filinvestland.com on or before April 10, 2024, the deadline for submission of proxies. For corporate stockholders, please attach to this proxy form the Secretary's Certificate on the authority of the signatory to appoint the proxy and sign this form.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted "Yes" for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by Management or the Board of Directors of theCompany. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder registers on the voting in absentia system.

Stockholders participating by remote communication will not be able to vote unless they register at https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM or authorize the Chairman to vote as proxy, on or before April 10, 2024.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [x] Definitive Information Statement

2. Name of Registrant as specified in its charter: **Filinvest Land, Inc.**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **170957**

5. BIR Tax Identification Code: **000 - 533 - 224**

6. Address of principal office: **Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City, Metro Manila**

   Postal Code: **1550**

7. Registrant's telephone number, including area code: **(02) 7918 8188**

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

   Date: **19 April 2024**[1]
   Time: **3:00 p.m.**
   Place: **No physical meeting**
   Online web address for registration for remote participation and voting:
   https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM

9. Approximate date on which the Information Statement is first to be sent or given to security holders:

   On or before 26 March 2024

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

Title of Each Class	Number of Common Shares of Stock Outstanding	Amount of Debt Outstanding
Common	**24,249,759,506**	

[1] Should the date of annual stockholders' meeting (ASM) be declared a legal holiday, the ASM will be held on the next succeeding business day, at the same time (3:00p.m.).

Preferred	**8,000,000,000**	
Bonds Payable		**37,475,774,671.00**

11. Are any or all of registrant's securities listed in a Stock Exchange? **Yes**

Name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange / Common shares

WE ARE NOT ASKING FOR A PROXY AND YOU ARE NOT BEING REQUESTED TO SEND US A PROXY

PART I
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of the Annual Meeting of Stockholders

(a) The Annual Stockholders' Meeting ("ASM") of **FILINVEST LAND, INC**. (the "Company", the "Corporation", or "FLI") for the year 2024 is scheduled on **19 April 2024, 03:00 p.m.** through virtual meeting. Should the date of the ASM be declared a legal holiday, the ASM will be held on the next succeeding business day, at the same time (3:00p.m.) The presiding officer shall call and prescribe the stockholders' meeting at the principal office of the Corporation or, if not practicable, in the city or municipality where the principal office of the Corporation is located.

The complete mailing address of FLI is the Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila.

(b) The information statement shall be made available to the stockholders and/or security holders no later than **26 March 2024**.

Item 2. Dissenter's Right of Appraisal

A stockholder of the Company has the right to dissent and demand payment of the fair value of his shares in the following instances: (a) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences superior in any respect to those of outstanding shares or any shares of any class, or of extending or shortening the term of corporate existence; (b) 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 Revised Corporation Code of the Philippines ("Revised Corporation Code"); (c) in case of investment of corporate funds in any other corporation or business or for any purpose other than the Company's primary purpose; and (d) in case of merger or consolidation.

The stockholder concerned must have voted against the proposed corporate action in order to avail himself of the appraisal right. As provided in the Revised Corporation Code, the procedure in the exercise of the appraisal right is as follows:

a. The dissenting stockholder files a written demand within thirty (30) days after the date on which the vote was taken in which he registered a negative vote. Failure to file the demand within the 30-day period constitutes a waiver of the right. Within ten (10) days from demand, the dissenting stockholder shall submit the stock certificates to the Corporation for notation that such shares are dissenting shares. From the time of the demand until either the abandonment of the corporate action in question or the purchase of the shares by the Corporation, all rights accruing to the shares shall be suspended, except the stockholder's right to receive payment of the fair value thereof.

b. If the corporate action is implemented, the Corporation shall pay the stockholder the fair value of his shares upon surrender of the corresponding certificate/s of stock. Fair value is determined by the value of the shares of the Corporation on the day prior to the date on which vote is taken on the corporate action, excluding any appreciation or depreciation in value in anticipation of the vote on the corporate action.

c. If the fair value is not determined within sixty (60) days from the date of the vote, it will be determined by three (3) disinterested persons (one chosen by the Corporation, another chosen by the stockholder, and the third one chosen jointly by the two (2) thus chosen). The findings of the majority of the appraisers will be final, and their award will be paid by the Corporation within (30) days following such award. Upon such payment, the stockholder shall forthwith transfer his shares to the Corporation. No payment shall be made to the dissenting stockholder unless the Corporation has unrestricted retained earnings sufficient to cover such payment.

d. If the stockholder is not paid within thirty (30) days from such award, his voting and dividend rights shall be immediately restored.

There is no matter to be taken up at the Annual Stockholders' Meeting on **19 April 2024** which would entitle a dissenting stockholder to exercise the right of appraisal.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

(a) No director or executive officer of FLI or nominee for election as such director or officer has any substantial interest, direct or indirect, in any matter to be acted upon at the Annual Stockholders' Meeting, other than election to office (in the case of directors).

(b) Likewise, none of the directors has informed FLI of his opposition to any matter to be taken up at the Annual Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) As of **29 February 2024**, the total number of shares outstanding and entitled to vote in the Annual Stockholders' Meeting is **24,249,759,506** common shares and **8,000,000,000** preferred shares. Each share is entitled to one (1) vote.

(b) The record date for purposes of determining the stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting is **08 March 2024**.

(c) 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 shall equal, 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. There are no conditions precedent to the exercise of the stockholder's cumulative voting right.

(d) Security Ownership of Certain Record and Beneficial Owners and Management:

The names, addresses, citizenship, number of shares held, and percentage to total of persons owning more than five percent (5%) of the outstanding voting shares of FLI as of **29 February 2024** are as follows:

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** The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila	FDC[1]	Filipino	8,000,000,000	100%
Common	**Filinvest Development Corporation** The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila	FDC[2]	Filipino	15,681,457,022	64.67%
Common	**PCD Nominee Corporation (Filipino)** G/F, Philippine Stock Exchange Tower **Ayala Avenue, Makati City**	Same as the Record Owner	Filipino	4,966,435,781	20.48%
Common	**PCD Nominee Corporation (Non-Filipino)** G/F, Philippine Stock Exchange Tower, Ayala Avenue, Makati City	Please see footnote 3 below.[3]	Non-Filipino	2,414,869,878	9.96%

Except as stated above, the Board of Directors and Management of the Company have no knowledge of any person who, as of the date of the annual report, was directly or indirectly the beneficial owner of more than five percent (5%) of the Company's outstanding shares or who has voting power or investment power with respect to shares comprising more than five percent (5%) of the Company's outstanding common stock.

[1] Ms. Lourdes Josephine Gotianun Yap is usually appointed by Filinvest Development Corporation ("FDC") as its representative, with authority to vote FDC's shares in stockholders' meetings of FLI
[2] Ms. Lourdes Josephine Gotianun Yap is usually appointed by Filinvest Development Corporation ("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, and which were subsequently provided to us 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 6.16%, namely, The Hongkong and Shanghai Banking Corp. Ltd.-Clients' Acct.

As of **29 February 2024**, 2,420,330,591 or 9.96% of the total outstanding voting shares of FLI are owned by foreigners.

The names, citizenship, number of shares held and percentage to total outstanding shares of persons forming part of the Board of Directors and Management of the Company as of **29 February 2024** as shown in the Public Ownership Report are as follows:

Title of Class of Securities	Name	Amount and Nature of Ownership	Citizenship	Percentage of Ownership
Common	Lourdes Josephine Gotianun Yap	14,139,049 (D)* 24,577,345 (I)	Filipino	0.06% (D) 0.10% (I)
Common	Jonathan T. Gotianun	61 (D) 3,140,376 (I)	Filipino	0.00% (D) 0.01% (I)
Common	Michael Edward T. Gotianun	11,235,928 (D)	Filipino	0.05% (D)
Common	Efren C. Gutierrez	13,083 (D)	Filipino	0.00% (D)
Common	Francis Nathaniel C. Gotianun	32,518(D)	Filipino	0.00% (D)
Common	Val Antonio B. Suarez	1 (D)	Filipino	0.00% (D)
Common	Ernesto S. De Castro	1 (D)	Filipino	0.00% (D)
Common	Gemilo J. San Pedro	1 (D)	Filipino	0.00% (D)
Common	Tristaneil D. Las Marias	1 (D)	Filipino	0.00% (D)
Common	Luis L. Fernandez	4,064,940 (D)	Filipino	0.02% (D)
Common	Ana Venus A. Mejia	233,000 (I)	Filipino	0.00% (I)
N.A.	Harriet Joan C. Ducepec	0	Filipino	N.A.
N.A.	Francis V. Ceballos	0	Filipino	N.A.
Common	Winnifred H. Lim	1,026,563 (I)	Filipino	0.00% (I)
Common	Maria Victoria M. Reyes-Beltran	200,000 (I)	Filipino	0.00% (I)
N.A.	Reynaldo Juanito S. Nieva II	0	Filipino	N.A.
N.A.	Alexis Avalone Ojeda	0	Filipino	N.A.
N.A.	Janeth B. de los Reyes	0	Filipino	N.A.
N.A.	Katrina O. Clemente-Lua	0	Filipino	N.A.
N.A.	Jennifer C. Lee	0	Filipino	N.A.
N.A.	Rizalangela L. Reyes	0	Filipino	N.A.
N.A.	Mary Averose D. Valderrama	0	Filipino	N.A.
N.A.	Sean Philip R. Imperial	0	Filipino	N.A.
N.A.	Wilbert B. Serrano	0	Filipino	N.A.
N.A.	Gerard C. Marcelo	0	Filipino	N.A.
N.A.	Edward Thomas V. Bernas	0	Filipino	N.A.
N.A.	Melissa C. Ortiz	0	Filipino	N.A.
N.A.	Michael Louie T. Garado	0	Filipino	N.A.
N.A.	Raymond Wilfred L. Castañeda	0	Filipino	N.A.

* 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 29 February 2024 is 0.23% of the total issued and outstanding common shares of stock.

No person holds more than 5% of the common stock under a voting trust or similar agreement.

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 the last fiscal year.

Item 5. Directors and Executive Officers

The members of the Board serve for a term of one (1) year and until their successors shall have been duly elected and qualified.

The record of attendance of the directors at the meetings of the Board of Directors held in 2023 is as follows:

Directors	No. of Board Meetings Held	No. of Board Meetings Attended	Percent Present
Jonathan T. Gotianun	9	8	89%
Lourdes Josephine Gotianun Yap	9	9	100%
Tristaneil D. Las Marias	9	9	100%
Michael Edward T. Gotianun	9	9	100%
Francis Nathaniel C. Gotianun	9	9	100%
Efren C. Gutierrez	9	9	100%
Val Antonio B. Suarez (Independent Director)	9	9	100%
Gemilo J. San Pedro (Independent Director)	9	9	100%
Ernesto S. De Castro (Independent Director)	9	8	89%

The profile of the incumbent directors and officers of FLI are provided below:

Jonathan T. Gotianun *Chairman of the Board*	Mr. Gotianun, 70, 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, 68, 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, Chairperson of the Board of Filinvest REIT Corp ("FILRT"), and a Director of EWBC, all publicly-listed companies. She is the Chairperson and CEO 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, 49, 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, 66, 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, 40, 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 a Director of Filinvest Mimosa, Inc. and as the President and CEO of The Palms County Club, Inc. ("TPCCI"). He also serves as a Director of FILRT, a publicly-listed company. 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.
Efren C. Gutierrez *Director*	Mr. Gutierrez, 88, Filipino, was a Director of FLI from 1994 to 2001, and was re-elected to FLI's Board in 2006. He was first elected as a Director of FLI on 17 June 1994. He served as the President of FAI from 1999 to 2005. He is currently a director of TPCCI. He is not a Director of any other publicly-listed company. He obtained his Bachelor of Laws degree from the University of the Philippines.
Val Antonio B. Suarez *Lead Independent Director*	Mr. Suarez, 65, Filipino, was first elected as an Independent Director of FLI on 08 May 2015. He is also an Independent Director of FDC, FILRT and Lepanto Consolidated Mining

	Company, all publicly-listed companies. He is the Managing Partner of the Suarez & Reyes Law Offices and was the former President and Chief Executive Officer of The Philippine Stock Exchange ("PSE"). He is a member of the Integrated Bar of the Philippines (Makati Chapter) and New York Bar. He obtained his Bachelor of Laws degree from the Ateneo de Manila University School of Law and a Master of Laws degree from Georgetown University Law Center.
Ernesto S. De Castro *Independent Director*	Mr. De Castro, 77, 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, 69, 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.
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.

Maria Victoria Reyes-Beltran *Senior Vice-President, General Counsel and Compliance Officer*	Atty. Reyes-Beltran, 57, 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/Logistics Business*	Mr. Ceballos, 57, Filipino, joined FLI last 2010 and is currently the Senior Vice-President and Head of the Industrial/Logistics Business. 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.
Winnifred H. Lim *First Senior Vice President and Chief Technical Planning Officer*	Engr. Lim, 59, 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.
Janeth B. de los Reyes *Senior Vice President, Deputy Chief Finance Officer and Chief Risk Officer*	Ms. de los Reyes, 50, 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 Unit Head*	Mr. Bernas, 56 Filipino is the Senior Vice President – Assistant Residential Business Unit 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 in Major in Economics.
Luis L. Fernandez *First Vice President and HOA & Water Systems Head*	Mr. Fernandez, 77, 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.
Reynaldo Juanito S. Nieva II *Senior Vice President and Operations Head*	Mr. Nieva, 49, 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
Alexis Avalone Ojeda *First Vice President and Sales Channel Development Head*	Mr. Ojeda, 51, 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,* *Chief of Staff*	Ms. Ducepec, 57, Filipino, is the Chief of Staff of FLI. 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 is the Head of the Executive Management Staff under the Office of the President and CEO. 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.
Rizalangela L. Reyes *First Vice President – Business Support Head, Head of Administration for Property, Utility and Shared Service Companies*	Ms. Reyes, 51, Filipino, is the Business Support Head, Head of Administration for Property, Utility and Shared Service Companies of FLI. Before joining FLI in 2011, Ms. Reyes was with Landco Pacific Corporation and held a General Manager role in Customer Service and Vice President for Corporate Services. She has also worked in various industries such as Telecoms, BPOs and Transportation. Ms. Reyes holds a Bachelor of Arts degree in Asian Studies from the College of the Holy Spirit Manila. She is a Six Sigma green belter and a certified Coach of Coach Masters Academy.
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, 43, 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.
Wilbert B. Serrano *First Vice President – Sales and Marketing Head*	Mr. Serrano, 48, 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.
Sean Philip R. Imperial *First Vice President - Business Planning Head*	Mr. Imperial, 45, Filipino, is the head of the Business Planning Group 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, 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.
Melissa C. Ortiz *Investor Relations Officer*	Ms. Ortiz, 53, 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.
Katrina O. Clemente-Lua *Corporate Secretary and Corporate Information Officer*	Ms. Clemente-Lua, 40, Filipino, was appointed as FLI's Corporate Secretary on March 24, 2024 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, 39, Filipino, was appointed as FLI's Assistant Corporate Secretary on 24 March 2024. 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.
Michael Louie T. Garado *(Acting) Chief Audit Executive*	Mr. Garado, 42, Filipino, is the (Acting) Chief Audit Executive of FLI. He will be responsible in leading the development of a risk-based audit plan for review and approval of the Audit Committee. He will oversee the implementation of the approved plan, ensure proper resourcing in the implementation of the plan, and adjust the plan as needed in response to changes in the Corporation's business risks, operations, programs, systems and controls. Mr. Garado is a CPA and earned his degree in Accountancy at San Beda College. Prior to joining FDC in 2018, he carried with him over 13 years of experience in internal controls, SOX compliance and internal audit practice gained from various multinational companies, including Coca Cola FEMSA PH and PriceWaterhouseCoopers;
Raymond Wilfred L. Castañeda *Data Privacy Officer*	Mr. Castañeda, 47, Filipino, is the Data Privacy Officer ("DPO") of FLI. He is also the DPO of FILRT. 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.

A Certification that none of the above-named directors and officers works in the government is attached herein as **Annex "A"**.

Board Evaluation and Assessment

To ensure board effectiveness and optimal performance, the Board shall conduct annual performance evaluations of the Board of Directors, its individual members and board committees. Through the self-assessment and evaluation process, directors identify areas for improvement, such as:

1. Diversity of the board composition;
2. The frequency and conduct of meetings;
3. The timeliness and completeness of materials and information provided to them;
4. Directors' access to Management;
5. Orientation for new directors and continuing education and training for existing directors.

The criteria for Board self-assessment are:

1. Collective Board Rating
    a) Board Composition
    b) Board Meetings and Participation

2. Individual Self-Assessment
    a) Individual Performance
    b) Attendance of Board and Committee Meetings

3. Board Committees Rating
    a) Executive Committee
    b) Corporate Governance Committee
    c) Audit and Risk Management Oversight Committee
    d) Compensation Committee
    e) Related-Party Transaction Committee

4. Comments and Suggestions

The members of the board committees, pursuant to appointments made during the organizational meeting of the Board of Directors of FLI on 24 April 2023, are as follows:

Committees	Members
Executive Committee	Chairperson: 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	Chairman: Gemilo J. San Pedro (*Independent Director*) Members: Val Antonio B. Suarez (*Independent Director*) Jonathan T. Gotianun Efren C. Gutierrez (non-executive director) Lourdes Josephine Gotianun Yap

Committees	Members
Compensation Committee	Chairman: Val Antonio B. Suarez (*Independent Director*) Members: Jonathan T. Gotianun Lourdes Josephine Gotianun Yap Gemilo J. San Pedro (*Independent Director*)
Corporate Governance Committee	Chairman: Val Antonio B. Suarez (*Independent Director*) Members: Jonathan T. Gotianun Gemilo J. San Pedro (*Independent Director*) Ernesto S. De Castro (Independent Director)
Related-Party Transaction Committee	Chairman: Val Antonio B. Suarez (Independent Director) Members: Gemilo J. San Pedro (Independent Director) Efren C. Gutierrez (Non-executive director)

Nomination and Selection of Directors

The directors of FLI are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been duly appointed or elected and qualified. Officers are appointed 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 appointed and qualified.

There will be an election of the members of the Board during the Annual Stockholders' Meeting. The stockholders of the Company may nominate individuals to be members of the Board of Directors. The deadline for submission of nominees was on 11 March 2024.

The Corporate Governance Committee, convened as the Nominations Committee, received the nominations for directors submitted by the stockholders. After the deadline for the submission thereof, the Corporate Governance Committee considered the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in the Company's Revised Manual, Securities Regulation Code, and SEC Memorandum Circular No. 09, Series of 2011 as amended by SEC Memorandum Circular No. 04, Series of 2017. The Corporate Governance Committee then prepared a Final List of Candidates enumerating the nominees who passed the screening based on the following:

Qualifications

1. He is a holder of at least one (1) share of stock of FLI;
2. He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;
3. He shall be at least twenty-one (21) years old;
4. He shall have proven to possess integrity and probity; and
5. He shall be assiduous.

Permanent Disqualifications

The following shall be permanently disqualified for election as director:

1. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years;
2. Within the tenure, the director, trustee, or officer was convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years;
3. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted by final judgment for violating the Revised Corporation Code;
4. Within the tenure, the director, trustee, or officer was convicted by final judgment for violating the Revised Corporation Code;
5. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted by final judgment for violating the Securities Regulation Code;
6. Within the tenure, the director, trustee, or officer was convicted by final judgment for violating the Securities Regulation Code;
7. Within five (5) years prior to the election or appointment, the director, trustee, or officer was found administratively liable, by final judgment, for any offense involving fraudulent acts punishable under the Revised Corporation Code, the Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the SEC;
8. Within the tenure, the director, trustee, or officer was found administratively liable, by final judgment, for any offense involving fraudulent acts punishable under the Revised Corporation Code, the Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the SEC;
9. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted or found administratively liable by a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to those enumerated in paragraphs (a) and (b) of Section 26 of the Revised Corporation Code;
10. Within the tenure, the director, trustee, or officer was convicted or found administratively liable by a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to those enumerated in paragraphs (a) and (b) of Section 26 of the Revised Corporation Code; or
11. Within five (5) years prior to the election or appointment, or within the tenure, the director, trustee or officer was found administratively liable, by final judgment, for refusal to allow the inspection and/or reproduction of corporate records.

Temporary Disqualifications

The following shall be grounds for the temporary disqualification of a director:

1. Refusal to fully disclose the extent of his business interests as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
2. Absence or non-participation for whatever reason/s in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) -month period during said incumbency. This disqualification applies for purposes of the succeeding election;

3. Dismissal or termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
4. Being under preventive suspension by the Company;
5. If the independent director becomes an officer or employee of FLI, he shall be automatically disqualified from being an independent director;
6. Conviction that has not yet become final referred to in the grounds for the disqualification of directors; and
7. If the beneficial ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an independent director is lifted if the limit is later complied with.

Nominated Directors for 2024-2025

The Corporate Governance Committee convened as the Nominations Committee, and has determined that the following individuals possess all the qualifications and none of the disqualifications for directorship set out in FLI's Revised Manual on Corporate Governance. The list of the nominees for directors as determined by the Corporate Governance Committee shall be final and no other nominations shall be entertained or allowed after the final list of nominees is prepared.

Below is the final list of candidates prepared by the Corporate Governance Committee and the following individuals have been nominated for election as directors, including independent directors at the Annual Stockholders' Meeting on 19 April 2024:

1. Jonathan T. Gotianun
2. Lourdes Josephine Gotianun Yap
3. Tristaneil D. Las Marias
4. Michael Edward T. Gotianun
5. Francis Nathaniel C. Gotianun
6. Rhoda A. Huang
7. Ernesto S. De Castro, Jr. (Independent Director)
8. Gemilo J. San Pedro (Independent Director)
9. Ephyro Luis B. Amatong (Independent Director)

Except for Rhoda A. Huang and Ephyro Luis B. Amatong, whose qualifications are provided below, the qualifications of the above nominees for the Board of Directors are discussed in pages 7 to 9 of this Information Statement.

Rhoda A. Huang	Ms. Huang, 61, 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.
Ephyro Luis B. Amatong	Atty. Amatong, 51, 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.

Independent Directors

The Corporate Governance Committee, named Mr. Gemilo J. San Pedro, Mr. Ernesto S. De Castro, Jr. and Atty. Ephyro Luis B. Amatong as nominees for election as independent directors for this year's annual meeting, as nominated by Mr. Luis L. Fernandez. Mr. Fernandez is not related, whether by affinity or consanguinity, to any of these nominees.

The Corporate Governance Committee has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Revised Manual on Corporate Governance and SEC Memorandum Circular No. 09, Series of 2011. In accordance with SEC Memorandum Circular No. 5, Series of 2017, the Certifications of Independent Directors executed by the aforementioned candidates for independent directors of the Company are attached hereto as **Annexes "B", "B-1" and "B-2".**

Before the Annual Stockholders' Meeting, a stockholder of FLI may nominate individuals to be independent directors, taking into account the following guidelines:

"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 judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

1. 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);
2. Is not a relative of any director, officer or substantial shareholder 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;
3. 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;
4. Has not been employed in any executive capacity by FLI, any of its related companies or by any of its substantial shareholders within the last two (2) years;
5. Is not retained as professional adviser by FLI, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through his firm; and
6. Has not engaged and does not engage in any transaction with FLI or with any of its related companies or with 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.

When used in relation to FLI subject to the requirements above:

"*Related company*" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and

"*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.

An Independent Director of FLI shall have the following qualifications:

1. He shall have at least one (1) share of stock of FLI;
2. 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;
3. He shall possess integrity/probity; and
4. He shall be assiduous.

A person shall likewise be disqualified during his tenure as an Independent Director under the following instances or causes:

1. He becomes an officer or employee of FLI, or becomes any of the persons enumerated under item (A) hereof;
2. His beneficial security ownership exceeds 2% of the outstanding capital stock of FLI;

3. 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; or
4. If he becomes disqualified under any of the grounds stated in FLI's Revised Manual.

Pursuant to SEC Memorandum Circular No. 9, Series of 2011, as amended by SEC Memorandum Circular No. 04, Series of 2017, the following additional guidelines shall be observed in the qualification of individuals to serve as independent directors:

1. 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;
2. The independent director shall serve for a maximum cumulative term of nine (9) years;
3. After the maximum cumulative term, 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;
4. 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
5. The reckoning of the cumulative nine-year term is from 2012.

Only nominees whose names appear in 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 Stockholders' Meeting.

The conduct of the election of directors shall be in accordance with FLI's Amended By-Laws and Revised Manual.

It shall be the responsibility of the Chairman of the Annual Stockholders' 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 Stockholders' 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.

Other Significant Employees

FLI considers all its employees' significant to the growth of the Company.

Family Relationships

Mr. Jonathan T. Gotianun, Mr. Michael Edward T. Gotianun and Mrs. Lourdes Josephine Gotianun Yap are siblings. Mr. Francis Nathaniel C. Gotianun is the son of Mr. Jonathan T. Gotianun. All of them are incumbent members of the Board of Directors of FLI.

Other than the foregoing, there are no other family relationships known to FLI.

Legal Proceedings

The Company is subject to lawsuits and legal actions in the ordinary course of its real estate development and other allied activities. However, the Company does not believe that any such lawsuits or legal actions will have a significant impact on its financial position or results of its operations. Noteworthy are the following cases involving the Company:

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.

b) Republic of the Philippines vs. Rolando Pascual, et al.,
G.R. No. 222949
Supreme Court

The National Government through the Office of the Solicitor General filed a 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 being forest land. The case was dismissed by the RTC of General Santos City (Branch 36) on November 16, 2007 for lack of merit. On appeal, the CA reversed the Decision of the RTC and ordered the case to be remanded for a fullblown trial on the merits. FLI filed a Motion for Partial Reconsideration, which was denied by the CA. On April 4, 2016, FLI filed its Petition for Review with the SC, but the SC also affirmed the Decision of the CA remanding the case for reversion filed by the Republic of the Philippines to the RTC of General Santos City for further proceedings. In an Order dated September 18, 2018, the hearing was reset to March 19, 2019, the RTC set the case for Judicial Dispute Resolution on August 20, 2019. The Judicial Dispute Resolution was terminated.

On 13 February 2020, FLI filed its Amended Answer incorporating its cross-claim against defendant Rodel Land, Inc. The Pre-Trial set on 14 April 2020 was cancelled due to the quarantine/lockdown as a result of the corona virus pandemic and was reset to 18 March 2021 at 8:45 am. Due to the same reason, the Pre-Trial was further reset to 19 October 2021. Again, this scheduled hearing was cancelled and reset to 08 March 2022 at 9:00AM.

For failure of the Republic to file a Pre-Trial Brief, the court dismissed the case with prejudice. The Republic filed a Motion for Reconsideration and FLI filed a Comment. The said Motion for Reconsideration was denied and the Court has issued an Order of Finality. The Office of the Solicitor General filed a Notice of Appeal in behalf of the Republic.

Item 6. Compensation of Directors and Executive Officers

The aggregate compensation paid or incurred during the last two (2) 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 - Estimated	55.26Mn	9.21Mn	-	64.47Mn
	2023*	35.84Mn	8.84Mn	4.05Mn	48.74Mn
	2022	23.84Mn	3.70Mn	0.86Mn	28.40Mn
All officers and directors as a group unnamed	2024 - Estimated	66.87Mn	11.14Mn	–	78.01Mn
	2023	41.78Mn	7.95Mn	0.74Mn	50.47Mn
	2022	27.97Mn	4.24Mn	1.80Mn	34.01Mn

*Lourdes Josephine Gotianun Yap served as the CEO until April 2023.

Non-executive 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 directors 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.*

Other than as discussed in the Information Statement, 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.

There are no actions to be taken at the Annual Stockholders' Meeting of the stockholders on 19 April 2024 with respect to any bonus, profit sharing or other compensation plan, contract or arrangement, and pension or retirement plan, in which any director, nominee for election as a director, or executive officer of the Company will participate. Neither are there any proposed grants or extensions to any such persons of any option, warrant or right to purchase any securities of the Company which are subject to the approval by the stockholders at the Annual Stockholders' Meeting.

Involvement in Certain Legal Proceedings

Except for the complaint for estafa filed by Manila Paper Mills International, Inc. ("MPMII") with the Office of the City Prosecutor of Dasmariñas, Cavite against the following current directors and officers of FLI, namely: (i) Jonathan T. Gotianun; (ii) Lourdes Josephine Gotianun Yap; (iii) Val Antonio B. Suarez; and (iv) Efren C. Gutierrez, which was dismissed [although MPMII filed a Petition for Review before the Secretary of Justice], 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, nor have they been found, by judgment or decree, to have violated securities or commodity laws and enjoined from engaging in any business, securities, commodities or banking activities.

Certain Relationships and Related Transactions

In the normal course of business, FLI and its subsidiaries and affiliates enter into certain related-party transactions principally consisting of advances and inter-company charges. 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.

The transactions with related parties for the year ended 31 December 2023 are discussed in the Company's 2023 Audited Financial Statements attached as **Annex "C"** to this Information Statement. Please see Note 20, pages 54 to 59 of the Notes to the Financial Statements accompanying the Company's 2023 Audited Financial Statements where the (a) business purpose of the arrangement; (b) identification of the related parties transacting business with the Company and nature of the relationship; and (c) any ongoing contractual or other commitments as a result of the arrangement, are stated. The transaction price for Related Party Transactions ("RPT") are as negotiated and on an arm's length basis. All material RPT with a transaction value that reaches ten percent (10%) of the Company's total assets are subject to the review and approval for fairness by the RPT Committee.

Item 7. Independent Public Accountants

The auditing firm of SGV & Co. is the current independent auditor of FLI. There have been no disagreements with SGV on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

FLI, in compliance with the Securities Regulation Code Rule 68(3)(b)(iv), relative to the seven-year rotation requirement of its external auditors, has designated Ms. Wanessa G. Salvador as its engagement partner starting calendar year 2020. Ms. Salvador is qualified to act as such until the year 2025.[1]

The Audit and Risk Management Oversight Committee recommended the re-appointment of SGV & Co. as the Company's external auditor for the year 2024. The said recommendation was approved by the Board of Directors and will be presented for approval and ratification at the scheduled Annual Stockholders' Meeting. The representatives of SGV & Co. shall be present at the Annual Stockholders' Meeting where they will have the opportunity to make a statement if they desire to do so. They are expected to be available to respond to appropriate questions at the meeting.

Information on Independent Accountant

(a) Audit and Audit-Related Fees

In consideration for the following professional services rendered by SGV & Co. as the independent auditor of FLI:

1. the audit of FLI's Annual Financial Statements and such services normally provided by an external auditor in connection with statutory and regulatory filings or engagements for those fiscal years; and
2. other assurance and related services by SGV & Co. that are reasonably related to the performance of the audit or review of FLI's financial statements,

SGV & Co. billed FLI for audit fees totaling Php4.6 million and Php4.1 million for the years 2023 and 2022, respectively.

[1] Ms. Salvador was appointed as engagement partner for FLI only on 2020, and thus should have until year 2026 within which to serve as such. However, given her appointment as engagement partner for FILRT on 2019, which is a material subsidiary of FLI, her seven-year limit for FLI will be reckoned from 2019.

(b) Tax Fees

For each of the last two (2) fiscal years, SGV & Co. did not render services for tax accounting, compliance, advice and planning for which it billed FLI the corresponding professional fees.

(c) All Other Fees

In consideration for the professional services rendered by SGV & Co. in connection with FLI's Bond offerings, SGV & Co. billed FLI for professional service fees totaling Php4.5 million and Php3.20 million for 2023 and 2022, respectively.

(d) Approval of Policies and Procedures of the Management and/or Audit & 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 & Risk Management Oversight Committee, with inputs from 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 & Risk Management Oversight Committee makes the appropriate recommendation to the Board of Directors.

Item 8. Compensation Plans

There is no action to be taken at the Annual Stockholders' Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed which will require stockholders' approval.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities other than for Exchange

No action will be taken at the Annual Stockholders' Meeting with respect to authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up at the Annual Stockholders' Meeting with respect to the modification of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

(a) Information Required

(1) Financial Statements

The Company's Audited Financial Statements for the year ended 31 December 2023 is attached herewith as **Annex "C"** to form an integral part hereof.

(2) Management's Discussion and Analysis

The Management's Discussion and Analysis is attached herewith as **Annex "D"** to form an integral part hereof.

Item 12. No Action to be Taken on Mergers, Consolidations, Acquisitions and Similar Matters

No action will be taken at the Annual Stockholders' Meeting with respect to any merger or consolidation involving FLI, the acquisition by FLI of another entity, going business or of all of the assets thereof, the sale or other transfer of all or any substantial part of the assets of FLI, or the liquidation or dissolution of FLI.

Item 13. No Action to be Taken on Acquisition or Disposition of Property

No action will be taken at the Annual Stockholders' Meeting with respect to any acquisition or disposition of property by FLI requiring the approval of the stockholders.

Item 14. No Action to be Taken on Restatement of Accounts

No action will be taken at the Annual Stockholders' Meeting with respect to any restatement of any asset, capital or surplus account of FLI.

D. OTHER MATTERS

Item 15. Action With Respect To Reports

1. Approval of the minutes of the last Annual Stockholders' Meeting held on 24 April 2023, hereto attached as **Annex "E"**;

Rationale: To allow the stockholders to confirm that the proceedings during the last Annual Stockholders' Meeting were recorded accurately and truthfully.

The minutes of the meeting held on 24 April 2023 can be viewed at the Company's website, https://filinvestland.com/sites/default/files/pdf_files/FLI_Minutes%20of%20the%20Annual%20Stockholders%20Meeting%20held%20on%20April%2024%2C%202023.pdf. A copy of the minutes is also attached as Annex "E" of this Information Statement.

2. Presentation of the Management's Report

Rationale: To present to the stockholders the Company's operating performance, financial condition and outlook.

The President and Chief Executive Officer, Mr. Tristaneil D. Las Marias, will report on the Company's 2023 performance and the outlook for 2024.

3. Ratification of the Audited Financial Statements for the year ended 31 December 2023

Rationale: To apprise the stockholders of the financial results of the Company's operations in 2023.

The Audited Financial Statements refer to the financial operations, balance sheet and income statement of FLI as of and for the year ended 31 December 2023. The Company's Audited Financial Statements for the year ended 31 December 2023 is attached herewith as **Annex "C"** to form an integral part hereof and will be made available on the Company's website.

Item 16. <u>Matters Not Required To Be Submitted</u>

There is no action to be taken at the annual stockholders' meeting with respect to any matter which is not required to be submitted to a vote of the stockholders.

Item 17. <u>Amendment of Charter, By-laws or Other Documents</u>

There is no action to be taken at the Annual Stockholders' Meeting with respect to any amendment of the Company's Articles of Incorporation or By-Laws.

Item 18. <u>Other Proposed Action</u>

1. General ratification of the acts of the Board of Directors, Board Committees (including the Executive Committee) and Management from the date of the last Annual Stockholders' Meeting up to the date of the upcoming meeting

Rationale: To ratify the actions and resolutions of the Board of Directors, Board Committees, and Management

The major acts of the Board of Directors, Board Committees and Management include:

(a) Appointment of the members of the board committees
(b) Appointment of officers
(c) Appointment of authorized representatives and signatories for various corporate transactions and legal proceedings
(d) Appointment of authorized representatives and signatories for applications for government registration, clearance, permits and licenses
(e) Appointment and/or updating of bank signatories
(f) Approval of agreements relating to the Company's projects and properties
(g) Acquisition/Sale of properties
(h) Renewal/availment of bank services and credit facilities
(i) Appointment of representatives in various transactions
(j) Authority to avail the products and services of utilities companies for Corporations' buildings and projects including the collection of refund
(k) Donation of land, roads, open spaces and the like pursuant to the provisions of the applicable laws
(l) Appointment of external auditor
(m) Approval of the schedule of Board and Board Committee meetings for 2024
(n) Approval of the date of annual stockholders' meeting, record date, the agenda of the meeting, the guidelines for the conduct of annual stockholders' meeting via remote communication and the guidelines for voting in absentia

2. Election of the members of the Board of Directors, including three (3) Independent Directors to serve for the year 2024-2025; and

Rationale: To allow stockholders to elect the Company's Board of Directors for the ensuing year.

In accordance with the Company's Revised Manual and Amended By-Laws, the stockholders must elect the members of the Board of Directors of the Company comprised of nine (9) directors, including three (3) independent directors, who shall hold office for a term of one (1) year, or until their successors shall have been duly elected and qualified. There will be an election of the members of the Board during the Annual Stockholders' Meeting to serve for the year 2024 to 2025.

The Corporate Governance Committee, convened as the Nominations Committee, will evaluate the nominees for the Board, including three (3) nominees for independent directors.

3. Appointment of External Auditor.

Rationale: To appoint an auditing firm to provide assurance on the integrity, objectivity and independence in the preparation of the Company's financial statements.

Item 19. <u>Voting Procedures</u>

(a) *Vote required for approval*.

The approval of the minutes of the Annual Stockholders' Meeting held on 24 April 2023, the ratification of the Audited Financial Statements for the year ended 2023, the ratification of corporate acts, the election of the directors, and the appointment of external auditor for 2024, shall be decided by the majority vote of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

In the election of the members of the Board of Directors, the candidates garnering the nine (9) highest number of votes shall be declared elected as directors of the Company to serve as such for the year 2024-2025.

(b) *Method by which votes will be counted*.

A stockholder may vote by appointing the Company's Chairman as proxy or electronically *in absentia* by registering at the online web address https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM. After validation, the stockholder will receive an email with instructions to access the ballot. The ballots submitted shall then be counted by the Corporate Secretary, with the assistance of representatives of the Company's stock transfer agent, STSI, which is an independent party. The results of the voting shall be announced after each agenda item is taken up during such meeting.

Item 20. Participation of Stockholders by Remote Communication

In order for the Company to properly conduct validation procedures, stockholders who wish to participate in the meeting via remote communication and/or vote *in absentia* must register at https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM on or before 08 April 2024.

Details of the requirements and process are provided in **Annex "F"**.

Item 21. Market for Issuer's Common Equity and Related Stockholder Matters

The common shares of the Company were listed on the PSE in 1993 under the symbol "FLI". The following table shows, for the periods indicated, the high, low and period end closing prices of the shares as reported in the PSE:

Period		**High**	**Low**	**End**
2023	4th Quarter	0.64	0.54	0.59
	3rd Quarter	0.71	0.62	0.64
	2nd Quarter	0.81	0.66	0.70
	1st Quarter	0.92	0.70	0.75
2022	4th Quarter	0.93	0.73	0.90
	3rd Quarter	0.97	0.76	0.76
	2nd Quarter	1.10	0.84	0.88
	1st Quarter	1.12	1.01	1.08
2021	4th Quarter	1.17	1.08	1.10
	3rd Quarter	1.19	1.08	1.10
	2nd Quarter	1.15	1.04	1.10
	1st Quarter	1.24	1.07	1.10

On 29 February 2024, FLI's shares closed at the price of Php0.72 per share. The number of shareholders of record as of said date was 5,605. Common shares outstanding as of 29 February 2024 is 24,249,759,506.

The top 20 Stockholders of FLI's common shares as of 29 February 2024 are as follows:

NAME	**NO. OF SHARES**	**% OF TOTAL**
1. Filinvest Development Corporation	15,681,457,022	64.67%
2. PCD Nominee Corporation (Filipino)	4,966,435,781	20.48%
3. PCD Nominee Corporation (Non-Filipino)	2,414,869,878	9.96%
4. Josefina Multi-Ventures Corporation	290,730,500	1.20%
5. Pryce Corporation	236,377,000	0.97%
6.PGI Retirement Fund Inc.	220,136,700	0.91%
7. Don Manuel Investments Corporation	87,240,000	0.36%
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	22,547,000	0.09%
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. Joseph M. Yap &/or Josephine G. Yap	7,694,843	0.03%
15. Joseph del Mar Yap & or Lourdes Josephine G. Yap	6,444,115	0.03%
16. Executive Optical, Inc.	5,040,647	0.02%
17. Jonathan Dee Co	5,000,000	0.02%
18. Berck Y. Cheng or Alving Y. Cheng or Diana Y. Cheng or Cheryl Y. Cheng	5,000,000	0.02%
19. R Magdalena Bosch	4,877,928	0.02%
20. Luis Rodrigo P. Fernandez	4,064,940	0.02%

Filinvest Development Corporation holds 8,000,000,000 preferred shares.

Recent Sale of Unregistered Securities

No securities were sold within the past three (3) years which were not registered under the Revised Securities Act and/or the Securities Regulation Code.

Declaration of Dividends

On January 8, 2007, the Board of Directors approved an annual cash dividend payment ratio for the Company's issued shares of 20% of its consolidated net income from the preceding fiscal year, 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.

In 2023, FLI declared cash dividends to all stockholders of record as of 12 May 2023 in the amount of Php0.036 per common share and Php0.00036 per preferred share. Payment date was set on 06 June 2023.

In 2022, FLI declared cash dividends to all stockholders of record as of 11 May 2022 in the amount of Php0.047 per common share and Php0.0004 per preferred share. Payment date was set on 02 June 2022.

In 2021, FLI declared two (2) tranches of cash dividends to all stockholders. The first tranche was cash dividend for the stockholders of record as of 21 May 2021 in the amount of Php0.0155 per common share and Php0.000155 per preferred share cash dividend for holders of preferred shares. Payment date was set on 15 June 2021.The second tranche of the cash dividend was for the stockholders of record as of 15 November 2021 in the amount of Php0.0155 per common share and Php0.000155 per preferred share. Payment date was set on 09 December 2021.

In 2020, FLI declared two (2) tranches of cash dividends to all stockholders. The first tranche was for the stockholders of record as of 10 July 2020 in the amount of Php0.0259 per share regular cash dividend and Php0.0065 per share special cash dividend for holders of common shares; and Php0.00032 per share cash dividend for holders of preferred shares. Payment date was set on 05 August 2020.

The second tranche was for the stockholders of record as of 16 November 2020 in the amount of Php0.0259 per share regular cash dividend and Php0.0065 per share special cash dividend for holders of common shares; and Php0.00032 per share cash dividend for holders of preferred shares. Payment date was set on 11 December 2020.

In 2019, FLI declared cash dividends to all stockholders of record as of 22 May 2019 in the amount of Php0.0619 per share, broken down as follows: a) Regular Cash Dividend of Php0.0486 per share; (b) Special Cash Dividend of Php0.0132 per share. Payment date was set on 17 June 2019.

In 2018, FLI declared cash dividends to all stockholders of record as of 20 April 2018 in the amount of Php0.0618 per share, broken down as follows: a) Regular Cash Dividend of Php0.0469 per share; (b) Special Cash Dividend of Php0.0149 per share. Payment date was set on 14 June 2018.

Compliance with Leading Practices on Corporate Governance

FLI is in substantial 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 Board Committees, namely the Executive Committee, the Audit & 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 submission of sustainability report; (e) the timely submission to the SEC of reports and disclosures required under the Securities Regulation Code; (f) FLI's adherence to national and local laws pertaining to its operations; and (g) the observance of applicable accounting standards by FLI.

There is no deviation from the Company's Revised Manual.

In order to keep itself abreast with the leading practices on corporate governance, FLI requires the members of the Board and top level management to attend and participate in seminars on corporate governance conducted by SEC-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.

Information on the General Nature and Scope of the Business of FLI and its Subsidiaries

FLI is one of the Philippines' leading real estate developers, providing a wide range of real estate products to customers, namely: socialized, affordable, middle-income and high-end residential lots and housing units, medium-rise and high-rise residential buildings, industrial parks, leisure developments such as farm estates, a residential resort development and private membership clubs.

Historically, FLI's business has focused on the development and sale of socialized, affordable and middle-income residential lots and housing units to lower and middle-income markets. In recent years, FLI has begun to develop and sell residential subdivisions and housing units across all income segments in the Philippines. FLI has also begun to develop themed residential projects with a leisure component, such as farm estates and developments anchored by sports and resorts clubs.

FLI also has leasing segments – commercial retail spaces for the mall tenants and merchants and office spaces for BPOs and traditional offices. It also has four (4) retail malls located in Filinvest City, Bacoor, Tagaytay and Cebu. FLI also leases out land or factory/warehouse buildings to industrial customers initially at the industrial and logistics parks at New Clark City and Laguna.

The subsidiaries of FLI are as follows:

a. *Property Maximizer Professional Corp. (PROMAX)*, incorporated on 03 October, 1997, is engaged in the business of real estate marketing. PROMAX markets and sells FLI's socialized, affordable, middle income, high-end and farm estate property development projects, its leasing operations and other real estate products of the Filinvest Group.

b. *Home Pro Realty Marketing, Inc. (Home Pro)*, incorporated on 25 March 1997, is engaged in real estate marketing. Home Pro markets and sells FLI's socialized, affordable, middle income, high-end and farm estate property development projects, its leasing operations and other real estate products of the Filinvest Group.

c. *Property Specialists Resources, Inc. (PROSPER)*, incorporated on 10 June 2002, is engaged in the business of real estate marketing. PROSPER markets and sells FLI's socialized, affordable, middle income, high-end and farm estate property development projects, its leasing operations and other real estate products of the Filinvest Group. In addition, it also operates Quest Hotel and Conference Center in Cebu City which is owned by FLI.

d. *Filinvest Asia Corporation (FAC)*, incorporated on 22 January 1997, is engaged in real property development. It owns jointly with the Philippine Bank of Communications the PBCom Tower, the tallest office building in the Philippines located at the corner of Ayala Avenue and V.A. Rufino Street, Legaspi Village, Makati City. FAC leases out to interested third parties the office spaces found in 26 of the PBCom Tower's 52 floors.

e. *Filinvest REIT Corp. (FILRT),* incorporated on 14 January 2000, is a Real Estate Investment Trust ("REIT") company. FILRT owns and manages IT-based buildings on certain parcels of land forming part of the Northgate Cyberzone in the Special Economic Zone of Filinvest Corporate City in Alabang, Muntinlupa City. On 02 July2021, the SEC approved the change of its corporate name; primary purpose; and other relevant portions of its charter documents for it to qualify as a REIT company under the the REIT Act of 2009, including its Revised Implementing Rules and Regulations. FILRT was listed in the PSE on 12 August 2021. FLI, is the REIT sponsor of FILRT.

f. *Filinvest AII Philippines, Inc. (FAPI)*, incorporated on 25 September 2006, is engaged in real property development. FAPI is developing residential and leisure projects in certain parts of the township community in San Mateo, Rizal, known as Timberland Heights.

g. *Leisurepro, Inc.*, incorporated on 21 April 2004, is engaged in the business of real estate marketing. It markets and sells FLI's socialized, affordable, middle income, high-end and farm estate property development projects, its leasing operations and other real estate products of the Filinvest Group.

h. *Filinvest Cyberparks, Inc. (FCI),* incorporated on 04 February 2014, is engaged in real estate property development and office leasing.

i. *Festival Supermall, Inc. (FSI),* incorporated on 21 March 1997, is engaged in the management of commercial centers.

j. *FSM Cinemas, Inc. (FSMCI),* incorporated on 23 April 1998, is engaged in the 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 movies houses.

k. *Filinvest Lifemalls Corporation. (FLC),* incorporated on 19 June 2006, is engaged in the acquisition of lands as investment property. FLC also invests or acquires interest in shares of stock, securities, and all other properties of whatever kind and nature.

l. *Philippine DCS Development Corporation (PDDC),* incorporated on 31 July 2015, is engaged in the business of building and operation of district cooling systems (DCS), supply of chilled water and development of or search for new DCS for heating, ventilation, air-conditioning (HVAC) projects.

m. *FCGC Corporation,* incorporated on 11 February 2016, was formed to engage in real estate property development. It was established by FLI for the purpose of developing the Clark Green City-Phase 1.

n. *Filinvest BCDA Clark, Inc. (FBCI),* incorporated on 16 March 2016, was formed to engage in real estate property development. FBCI is the joint venture company between FCGC Corporation, a wholly-owned subsidiary of FLI, and the Bases Conversion Development Authority (BCDA) for the development of the Clark Green City-Phase 1.

o. *Filinvest Clark Mimosa, Inc.* incorporated on 23 January 2017, was formed to engage in real estate property development, including the development and lease of office buildings.

p. *Filinvest Lifemalls Mimosa, Inc. (FLMI),* incorporated on 23 January 2017, was formed to engage in real property development, including the development and management of retail spaces.

q. *Property Leaders International Limited*, formed on 07 February 2017, is a company limited by shares and was registered at the territory of the British Virgin Islands.

r. *Proleads Philippines, Inc. (PPI),* incorporated on 29 March 2017, was formed for the purpose of providing management, organizational, and other administrative services and training, including but not limited to, the preparation of all template documents, record keeping, messenger services and other logistical coordination auxiliary to real estate transactions to be negotiated by Philippine-licensed real estate brokers in their personal professional capacities.

s. *Realpros Philippines, Inc. (RPI),* incorporated on 03 August 2017, was organized to provide administrative support services and skills training primarily through the use of information technology licensed softwares and systems to facilitate the preparation of template documents, record keeping, messengers services and other logistical coordination auxiliary to real estate transactions to be negotiated by Philippine-licensed real estate brokers in the personal professional capacities.

t. *Filinvest Lifemalls Tagaytay, Inc. (FLTI)*, incorporated 20 November 2017, was formed to engage in real property development, including the development and management of retail spaces in Fora Tagaytay, Cavite.

u. *Gintong Parisukat Realty and Development, Inc. (GPRDI)*, acquired in February 2018, is engaged in the acquisition of lands as investment properties. GPRDI also invests or acquires interest in shares of stock, securities, and all other properties of whatever kind and nature.

v. *Timberland Sports and Nature Club, Inc. (TSNC),* was formed in 12 May 2004 to develop and operate a recreational sports club for its members. On 01 August 2019, its business operations shifted to real estate development.

w. *ProOffice Work Services, Inc. (PWSI)* was formed in 18 March 2019 to engage in the business of administration, maintenance and management of real estate developments and projects. It started commercial operations in August 2019. The corporation is the REIT property manager of FILRT.

x. *Nature Specialists, Inc. (NSI)* was incorporated in 24 August 2018 for the development of hospitality projects such as hotels, inns, resorts and lodging houses.

y. *FREIT Fund Managers, Inc. (FFMI)* was registered with the SEC on 13 April 2021 to engage in the business of providing fund management services to REIT companies, as provided under the REIT Act of 2009, including its Revised Implementing Rules and Regulations. FFMI is the REIT fund manager of FILRT.

z. Co-Living Pro Managers Corp. (CPMC) was formed in 02 August 2021 to engage in the 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.

aa. OurSpace Solutions, Inc. (OSSI) was registered with the SEC on 26 May 2022 to engage in the business of developing, operating, managing, and maintaining commercial buildings to be used as coworking spaces whether owned or leased, to make such coworking spaces available for all clients as flexible working spaces as well as any and all services and facilities incidental thereto.

bb. Niyog Property Holdings, Inc. *(NPHI),* was registered with the SEC on 13 September 2005 to engage in the business of a holding company. On September 2023, FLI acquired 100% ownership of NPHI.

cc. Cajel Realty Corporation *(CRC),* was registered with the SEC on 29 February 2008, was formed to engage in real estate property development. On September 2023, FLI acquired 100% ownership of CRC.

dd. SJR Developers, Inc. *(SJRDI),* incorporated on 16 February 1998 to engage in real estate property development. On February 2023, FLI acquired 100% ownership of SJRDI.

UNDERTAKING: FLI will provide without charge printed copies of its Annual Report on SEC Form 17-A to its stockholders upon receipt of a written request addressed to Atty. Katrina O. Clemente-Lua, Corporate Secretary, at the Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila. The Annual Report shall also be made available on the company website at https://www.filinvestland.com/.

PART II
SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct.

This report is signed in the City of Mandaluyong on the 20th day of March 2024.

FILINVEST LAND, INC.

By:

KATRINA O. CLEMENTE-LUA
Corporate Secretary

ANNEX "A"

FILINVEST LAND, INC.

SECRETARY'S CERTIFICATE

I, **KATRINA O. CLEMENTE-LUA**, Filipino, of legal age, and with office address at the Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City, Metro Manila, after having been duly sworn in accordance with law, hereby certify that:

1. I am the Corporate Secretary of **FILINVEST LAND, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at the Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila.

2. Based on the records of the Corporation, none of its incumbent directors and executive officers named in the Corporation's Information Statement (SEC Form 20-IS) for the Annual Stockholders' Meeting to be held on 19 April 2024 is connected with and/or working in the government.

3. This Certification is being issued as an annex to the Information Statement (SEC Form 20-IS) of the Corporation in connection with its Annual Stockholders' Meeting for the year 2024.

IN WITNESS WHEREOF, I have hereunto set my hand this MAR 07 2024 in Mandaluyong City, Metro Manila.

KATRINA O. CLEMENTE-LUA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAR 07 2024 in Mandaluyong City, Metro Manila, affiant exhibiting to me her Philippine Passport No. , as competent evidence of her identity, bearing her photograph and signature, issued by the Department of Foreign Affairs NCR - South and valid until

Doc. No. 459;
Page No. 93;
Book No. 10;
Series of 2024.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 5420812; 1-3-24; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY

File No. 1.4.3
FLI_Certification_2024 IS/Ryan/DAL

ANNEX "B"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ERNESTO S. DE CASTRO**, Filipino, of legal age and with address at after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee for Independent Director of Filinvest Land, Inc. and have been an independent director since April 22, 2019.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
ESCA, Incorporated	President	January 2017 to present
	President and Chief Executive Officer	July 1993 to December 2016
Esca International Inc.	President	July 2, 2009 to present
Multi Disciplinary Institute Technology, Inc.	Chief Executive Officer	March 10, 2017 to present
A De Castro Construction and Land Development Corporation	President	January 2004 to present
Countryside Dreamtown Realty and Development Corporation	President	July 2006 to present
University of the East	Chancellor for the Caloocan Campus	July 2005 to April 2006
Trans-Asia Engineering Associates Ltd., Philippines	Country Manager	March 1991 to July 1993
Office of the President	Presidential Assistant I, Under Secretary	December 1988 to March 1991

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filinvest Land, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other Securities and Exchange Commission (SEC) issuances.

4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

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

5. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
N/A	N/A	N/A

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent director in N/A, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

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

8. I shall inform the Corporate Secretary of Filinvest Land, Inc. of any changes in the above-mentioned information within five (5) days from its occurrence.

Done, this MAR 20 2024 at Mandaluyong City.

ERNESTO S. DE CASTRO
Affiant

MAR 20 2024

SUBSCRIBED AND SWORN to before me this ______________ at Mandaluyong City, affiant personally appeared before me and exhibited to me his Passport ID No. bearing his photograph and signature, issued on at DFA Manila and valid until .

Doc. No. 265;
Page No. 54;
Book No. 12;
Series of 2024.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 5420812; 1-3-24; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY

ANNEX "B-1"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GEMILO J. SAN PEDRO,** Filipino, of legal age and with address at , after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee for Independent Director of Filinvest Land, Inc. and have been an independent director since July 17, 2019.

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

Company/Organization	Position/Relationship	Period of Service
Filinvest REIT Corp.	Independent Director; Member, Audit & Risk Management Oversight Committee; Member, Corporate Governance Committee; Member, Related-Party Transaction Committee	July 2, 2021 to Present
Globe Fintech Innovations, Inc.	Independent Director	December 1, 2023 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filinvest Land, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

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

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

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the ___N/A___ to be an independent director in N/A ____, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

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

8. I shall inform the Corporate Secretary of Filinvest Land, Inc. of any changes in the above-mentioned information within five (5) days from its occurrence.

Done, MAR 2 0 2024 at Mandaluyong City.

GEMILO J. SAN PEDRO
Affiant

SUBSCRIBED AND SWORN to before me this MAR 2 0 2024 at Mandaluyong City, affiant personally appeared before me and exhibited to me his Passport ID No. bearing his photograph and signature, issued on at DFA NCR South and valid until .

Doc. No. 264;
Page No. 94;
Book No. 12;
Series of 2024.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 5420812; 1-3-24; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY

ANNEX "B-2"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EPHYRO LUIS B. AMATONG**, Filipino, of legal age, with postal office address at , after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee for Independent Director of Filinvest Land, Inc. for the year 2024-2025.

2. I am/was affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
MOSVELDTT Law Offices	Partner	April 2023 - Present
University of the Philippines - College of Law	Professorial Lecturer	Aug 2020 - Present
Andres Bonifacio College	Trustee	August 2023- Present
Citicore Renewable Energy Corp.	Independent Director	Aug 2023 - Present
Asialink Finance Corp.	Independent Director	May 2023 - Present
Global Dominion Financing, Inc.	Independent Director	May 2023 - Present
South Asialink Finance Corp.	Independent Director	May 2023 - Present
Alternergy Holdings Corp.	Board Advisor	March 2023 - Present
International Finance Corporation (IFC)	Consultant To the Sustainable Banking and Finance Network (SBFN)	Aug 2022 - Present
ASEAN Capital Markets Forum (ACMF)	Advisor to the Chair (consultant engaged by the Asian Development Bank)	May 2022 - Present
Securities and Exchange Commission (SEC)	Commissioner	May 2014 – March 2022
Department of Finance	Assistant Secretary	Sept 2013 – May 2014
Villaraza & Angangco Law Offices	Associate	Jan 2002 – July 2003

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filinvest Land, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other Securities and Exchange Commission (SEC) issuances.

4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

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

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

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the ___N/A___ to be an independent director in _N/A_, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

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

8. I shall inform the Corporate Secretary of Filinvest Land, Inc. of any changes in the above-mentioned information within five days from its occurrence.

Done, this MAR 20 2024. at Makati City.

EPHYRO LUIS B. AMATONG
Affiant

SUBSCRIBED AND SWORN to before me this MAR 20 2024 at Mandaluyong City, affiant personally appeared before me and exhibited to me his Passport No. issued on by the Department of Foreign Affairs -

Doc. No. 263;
Page No. 94;
Book No. 12;
Series of 2024.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
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UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY

ANNEX "C"

C O V E R S H E E T
for
AUDITED FINANCIAL STATEMENTS

SECRegistrationNumber

1	7	0	9	5	7					

COMPANY NAME

FILINVEST LAND, INC. AND SUBSIDIARIES

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

79 EDSA, Brgy. Highway Hills, Mandaluyong City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
	7918-8188	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5,606	Every 2nd to the last Friday of April Each Year	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Venus A. Mejia	venus.mejia@filinvestgroup.com	7918-8188	

CONTACT PERSON's ADDRESS

79 EDSA, Brgy. Highway Hills, Mandaluyong City

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

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

FILINVEST LAND, INC.

79 EDSA, Highway Hills
Mandaluyong City, Metro Manila
Trunk line: (632) 918-8188
Customer hotline: (632) 588-1688
Fax number: (632) 918-8189
www.filinvestland.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **FILINVEST LAND, INC. and SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2023, 2022 and 2021**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor, appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

JONATHAN T. GOTIANUN
Chairman of the Board

TRISTANEIL D. LAS MARIAS
President and CEO

ANA VENUS A. MEJIA
EVP - Treasurer & CFO

SUBSCRIBED AND SWORN TO BEFORE ME in the City of Mandaluyong
this ___ day of MAR 04 2024, affiant exhibiting to me ___________
as his/her competent evidence of identity.

Doc. No. 243;
Page No. 50;
Book No. 16;
Series of 2024.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
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MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
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SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filinvest Land, Inc.
79 EDSA, Brgy. Highway Hills
Mandaluyong City

Opinion

We have audited the accompanying consolidated financial statements of Filinvest Land, Inc. (the Parent Company) and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which indicates that the financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2023 financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Basis for Opinion

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

Key Audit Matters

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

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

Real Estate Revenue Recognition

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

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

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's project engineers and third-party project managers.

Refer to Note 6 to the consolidated financial statements for the disclosures on revenue recognition.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold.

For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the percentage of completion (POC), and performed tests of the relevant controls. We inspected the certified POC reports prepared by the internal project engineers for mid-rise real estate development and third-party project managers for high-rise real estate development. and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries and inspected the supporting details of POC reports showing the completion of the major activities of the project construction.

Recoverability of Goodwill

Under PFRSs, the Group is required to annually test the amount of goodwill for impairment of goodwill. As of December 31, 2023, goodwill attributable to the Festival Supermall structure, Filinvest Asia Corporation and Filinvest REIT Corp., amounted to ₱4,567.24 million, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically revenue growth rate, gross margins, discount rate and terminal growth rate.

The Group's disclosures about goodwill are included in Notes 3 and 4 to the consolidated financial statements.

Audit Response

We obtained an understanding of the management's process for evaluating the impairment of goodwill. We involved our internal specialist in evaluating the methodologies and the assumptions used. We compared the key assumptions used, such as revenue growth rate against the historical performance of the cash-generating unit, industry/market outlook and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.

Other Information

Management is responsible for Other Information. Other Information comprises the information included in SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether such information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation of these consolidated financial statements in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wanessa G. Salvador.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner
CPA Certificate No. 0118546
Tax Identification No. 248-679-852
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026
PTR No. 10082009, January 6, 2024, Makati City

February 27, 2024

FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands of Pesos)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20 and 30)	**₱5,732,008**	₱6,619,135
Contracts receivables (Notes 6, 8 and 30)	**1,837,829**	2,128,881
Contract assets (Notes 6 and 30)	**4,745,827**	5,399,792
Other receivables (Notes 9 and 30)	**3,465,056**	2,902,006
Real estate inventories (Note 10)	**72,634,830**	71,326,487
Other current assets (Notes 6 and 11)	**7,192,434**	6,380,765
Total Current Assets	**95,607,984**	94,757,066
Noncurrent Assets		
Contract assets - net of current portion (Notes 6 and 30)	**5,037,942**	5,083,164
Investments in associates (Note 12)	**5,219,900**	5,135,018
Investment properties (Note 13)	**79,659,336**	77,021,396
Property and equipment (Note 14)	**5,673,012**	5,485,279
Deferred income tax assets (Note 28)	**48,483**	91,383
Goodwill (Note 4)	**4,567,242**	4,567,242
Other noncurrent assets (Note 16)	**8,662,178**	7,974,631
Total Noncurrent Assets	**108,868,093**	105,358,113
TOTAL ASSETS	**₱204,476,077**	₱200,115,179

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 17 and 30)	**₱12,551,165**	₱11,948,853
Contract liabilities (Note 6)	**792,402**	1,012,294
Current portion of lease liabilities (Note 15)	**175,459**	246,051
Due to related parties (Notes 20 and 30)	**488,486**	754,264
Income tax payable	**21,557**	19,553
Current portion of loans payable (Notes 18 and 30)	**16,480,438**	8,446,975
Current portion of bonds payable (Notes 19 and 30)	**1,697,345**	15,017,440
Total Current Liabilities	**32,206,852**	37,445,430

(Forward)

	December 31	
	2023	2022
Noncurrent Liabilities		
Loans payable - net of current portion (Notes 18 and 30)	**₱20,507,489**	₱24,402,509
Bonds payable - net of current portion (Notes 19 and 30)	**35,771,167**	26,115,346
Contract liabilities - net of current portion (Note 6)	**149,949**	283,068
Lease liabilities - net of current portion (Note 15)	**6,544,402**	6,262,439
Net retirement liabilities (Note 25)	**437,193**	431,308
Deferred income tax liabilities - net (Note 28)	**5,649,153**	5,625,210
Accounts payable and accrued expenses - net of current portion (Notes 17 and 30)	**8,938,003**	8,047,128
Total Noncurrent Liabilities	**77,997,356**	71,167,008
Total Liabilities	**110,204,208**	108,612,438
Equity		
Common stock (Note 26)	**24,470,708**	24,470,708
Preferred stock (Note 26)	**80,000**	80,000
Additional paid-in capital	**5,612,321**	5,612,321
Treasury stock (Note 26)	**(221,041)**	(221,041)
Retained earnings (Note 26)		
Unappropriated	**57,061,525**	54,172,008
Appropriated	**5,000,000**	5,000,000
Revaluation reserve on financial assets at fair value through other comprehensive income	**(2,619)**	(2,619)
Remeasurement gains on retirement plan - net of tax (Note 25)	**47,521**	68,185
Share in other components of equity of associates (Note 12)	**372,449**	372,449
Equity attributable to equity holders of the parent	**92,420,864**	89,552,011
Noncontrolling interests (Notes 1 and 31)	**1,851,005**	1,950,730
Total Equity	**94,271,869**	91,502,741
TOTAL LIABILITIES AND EQUITY	**₱204,476,077**	₱200,115,179

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2023	2022	2021
REVENUE			
Real estate sales (Note 6)	**₱14,486,506**	₱12,836,056	₱11,274,509
Rental and related services (Notes 6, 13, 15 and 16)	**7,200,950**	6,350,408	5,591,801
Total revenue	**21,687,456**	19,186,464	16,866,310
EQUITY IN NET EARNINGS OF ASSOCIATES (Note 12)	**242,007**	78,956	112,023
OTHER INCOME			
Interest income (Notes 7, 8, 20 and 23)	**283,978**	367,052	409,608
Others - net (Notes 20 and 24)	**340,893**	311,874	350,978
	22,554,334	19,944,346	17,738,919
COSTS			
Real estate sales (Note 10)	**8,101,485**	7,354,689	6,443,688
Rental and related services (Notes 13 and 16)	**3,122,342**	2,583,493	2,430,623
OPERATING EXPENSES			
General and administrative expenses (Note 21)	**2,584,596**	2,313,062	1,979,124
Selling and marketing expenses (Note 22)	**1,370,135**	1,150,643	911,817
INTEREST AND OTHER FINANCE CHARGES (Notes 15, 18, 19 and 23)	**2,434,393**	2,294,243	2,426,791
	17,612,951	15,696,130	14,192,043
INCOME BEFORE INCOME TAX	**4,941,383**	4,248,216	3,546,876
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 28)	**645,339**	727,079	(758,352)
NET INCOME	**₱4,296,044**	₱3,521,137	₱4,305,228
Net income attributable to:			
Equity holders of the parent	**₱3,765,388**	₱2,889,915	₱3,803,377
Noncontrolling interest	**530,656**	631,222	501,851
	₱4,296,044	₱3,521,137	₱4,305,228
Basic/Diluted Earnings Per Share (Note 27)	**₱0.16**	₱0.12	₱0.16

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱4,296,044**	₱3,521,137	₱4,305,228
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss			
Remeasurement gains (loss) on retirement plan, net of tax (Notes 25 and 28)	**(20,664)**	84,354	(1,032)
TOTAL COMPREHENSIVE INCOME	**₱4,275,380**	₱3,605,491	₱4,304,196
Total comprehensive income attributable to:			
Equity holders of the parent	**₱3,744,724**	₱2,974,269	₱3,802,345
Noncontrolling interest	**530,656**	631,222	501,851
	₱4,275,380	₱3,605,491	₱4,304,196

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands of Pesos)

	Attributable to Equity Holders of the Parent											
	Common Stock (Note 26)	Preferred Stock (Note 26)	Additional Paid-in Capital	Treasury Stock (Note 26)	Unappropriated Retained Earnings (Note 26)	Appropriated Retained Earnings (Note 26)	Revaluation Reserve on Financial Assets at FVOCI (Note 16)	Remeasurement Gains (Losses) on Retirement Plan (Note 25)	Share in Other Components of Equity of an Associate (Note 12)	Total	Noncontrolling Interest (Note 31)	Total Equity
	For the Year Ended December 31, 2023											
Balances as at January 1, 2023	**₱24,470,708**	**₱80,000**	**₱5,612,321**	**(₱221,041)**	**₱54,172,008**	**₱5,000,000**	**(₱2,619)**	**₱68,185**	**₱372,449**	**₱89,552,011**	**₱1,950,730**	**₱91,502,741**
Net income	–	–	–	–	**3,765,388**	–	–	–	–	**3,765,388**	**530,656**	**4,296,044**
Other comprehensive loss	–	–	–	–	–	–	–	**(20,664)**	–	**(20,664)**	–	**(20,664)**
Total comprehensive income	–	–	–	–	**3,765,388**	–	–	**(20,664)**	–	**3,744,724**	**530,656**	**4,275,380**
Dividends declared (Note 26)	–	–	–	–	**(875,871)**	–	–	–	–	**(875,871)**	–	**(875,871)**
Change in noncontrolling Interest	–	–	–	–	–	–	–	–	–	–	**30,000**	**30,000**
Dividend distribution to noncontrolling interest (Note 31)	–	–	–	–	–	–	–	–	–	–	**(660,381)**	**(660,381)**
Balances as at December 31, 2023	**₱24,470,708**	**₱80,000**	**₱5,612,321**	**(₱221,041)**	**₱57,061,525**	**₱5,000,000**	**(₱2,619)**	**₱47,521**	**₱372,449**	**₱92,420,864**	**₱1,851,005**	**₱94,271,869**

	Attributable to Equity Holders of the Parent											
	Common Stock (Note 26)	Preferred Stock (Note 26)	Additional Paid-in Capital	Treasury Stock (Note 26)	Unappropriated Retained Earnings (Note 26)	Appropriated Retained Earnings (Note 26)	Revaluation Reserve on Financial Assets at FVOCI (Note 16)	Remeasurement Gains (Losses) on Retirement Plan (Note 25)	Share in Other Components of Equity of an Associate (Note 12)	Total	Noncontrolling Interest (Note 31)	Total Equity
	For the Year Ended December 31, 2022											
Balances as at January 1, 2022	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱52,425,032	₱5,000,000	(₱2,619)	(₱16,169)	₱372,449	₱87,720,681	₱2,069,543	₱89,790,224
Net income	–	–	–	–	2,889,915	–	–	–	–	2,889,915	631,222	3,521,137
Other comprehensive income	–	–	–	–	–	–	–	84,354	–	84,354	–	84,354
Total comprehensive income	–	–	–	–	2,889,915	–	–	84,354	–	2,974,269	631,222	3,605,491
Dividends declared (Note 26)	–	–	–	–	(1,142,939)	–	–	–	–	(1,142,939)	–	(1,142,939)
Dividend distribution to noncontrolling interest (Note 31)	–	–	–	–	–	–	–	–	–	–	(750,035)	(750,035)
Balances as at December 31, 2022	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱54,172,008	₱5,000,000	(₱2,619)	₱68,185	₱372,449	₱89,552,011	₱1,950,730	₱91,502,741

	Common Stock (Note 26)	Preferred Stock (Note 26)	Additional Paid-in Capital	Treasury Stock (Note 26)	Unappropriated Retained Earnings (Note 26)	Appropriated Retained Earnings (Note 26)	Revaluation Reserve on Financial Assets at FVOCI (Note 16)	Remeasurement Gains (Losses) on Retirement Plan (Note 25)	Share in Other Components of Equity of an Associate (Note 12)	Total	Noncontrolling Interest (Note 31)	Total Equity
	Attributable to Equity Holders of the Parent											
	For the Year Ended December 31, 2021											
Balances as at January 1, 2021	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱38,776,187	₱5,000,000	(₱2,619)	(₱15,137)	₱372,449	₱74,072,868	₱306,075	₱74,378,943
Net income	–	–	–	–	3,803,377	–	–	–	–	3,803,377	501,851	4,305,228
Other comprehensive income	–	–	–	–	–	–	–	(1,032)	–	(1,032)	–	(1,032)
Total comprehensive income	–	–	–	–	3,803,377	–	–	(1,032)	–	3,802,345	501,851	4,304,196
Changes in noncontrolling interests (Note 31)	–	–	–	–	10,465,662	–	–	–	–	10,465,661	1,664,244	12,129,905
Dividends declared (Note 26)	–	–	–	–	(754,224)	–	–	–	–	(754,223)	–	(754,223)
Dividend distribution to noncontrolling interest (Note 31)	–	–	–	–	–	–	–	–	–	–	(402,627)	(402,627)
Impact of adoption of CREATE Act by an associate (Note 12)	–	–	–	–	134,030	–	–	–	–	134,030	–	134,030
Balances as at December 31, 2021	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱52,425,032	₱5,000,000	(₱2,619)	(₱16,169)	₱372,449	₱87,720,681	₱2,069,543	₱89,790,224

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱4,941,383**	₱4,248,216	₱3,546,876
Adjustments for:			
Interest income (Note 23)	**(283,978)**	(367,052)	(409,608)
Interest expense and amortization of transaction costs (Note 23)	**2,294,148**	2,272,368	2,212,916
Depreciation and amortization (Notes 13, 14 and 16)	**1,593,382**	1,630,038	1,446,779
Equity in net earnings of associates (Note 12)	**(242,007)**	(78,956)	(112,023)
Pension expense, net of contribution and benefits paid (Note 25)	**(21,667)**	59,619	21,564
Operating income before changes in operating assets and liabilities	**8,281,261**	7,764,233	6,706,504
Changes in operating assets and liabilities			
Decrease (increase) in:			
Contracts receivable	**291,052**	3,209,050	(1,180,992)
Contract assets	**699,187**	(2,152,381)	603,487
Other receivables	**(563,050)**	(191,543)	651,720
Real estate inventories	**(178,552)**	(1,830,758)	(1,744,514)
Other assets	**(620,751)**	(1,180,817)	(610,255)
Increase (decrease) in:			
Accounts payable and accrued expense	**1,929,113**	1,209,113	(820,155)
Contract liabilities	**(353,011)**	(650,234)	(70,673)
Cash generated from operations	**9,485,249**	6,176,663	3,535,122
Income taxes paid, including creditable withholding taxes	**(576,492)**	(409,321)	(384,639)
Interest received	**283,978**	367,052	409,608
Net cash provided by operating activities	**9,192,735**	6,134,394	3,560,091
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties and property and equipment (Notes 13 and 14)	**(3,645,532)**	(7,618,103)	(5,344,944)
Build-transfer-operate (BTO) rights (Note 16)	**(865,248)**	(1,396,784)	(1,062,079)
Investment in associates (Note 12)	**–**	(10,972)	(11,250)
Investment in bonds (Note 16)	**–**	(150,000)	–
Dividends received from associate (Note 12)	**167,125**	–	–
Net cash used in investing activities	**(4,343,655)**	(9,175,859)	(6,418,273)

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES (Note 35)			
Proceeds from availment of:			
Loans payable (Notes 18)	**₱24,660,100**	₱12,814,900	₱16,600,200
Bonds payable (Notes 19)	**11,430,800**	11,900,000	10,000,000
Payments of:			
Loans payable (Note 18)	**(20,528,712)**	(12,160,435)	(22,598,029)
Bonds payable (Note 19)	**(15,035,400)**	(7,000,000)	(5,300,000)
Cash dividend (Note 26)	**(875,871)**	(1,140,525)	(784,224)
Interest and transaction costs	**(4,118,521)**	(3,851,408)	(3,563,316)
Lease liabilities (Note 15)	**(372,444)**	(360,103)	(351,321)
Dividends paid to noncontrolling interest (Note 31)	**(660,381)**	(750,035)	(402,627)
Increase in noncontrolling interest (Notes 1 and 31)	**30,000**	–	12,129,905
Increase (decrease) in amounts due to related parties	**(265,778)**	549,946	92,297
Net cash provided by (used in) financing activities	**(5,736,207)**	2,340	5,822,885
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(887,127)**	(3,039,125)	2,964,703
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**6,619,135**	9,658,260	6,693,557
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱5,732,008**	₱6,619,135	₱9,658,260

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Filinvest Land, Inc. (the "Parent Company" or "FLI") is a property developer engaged mainly in the development of residential subdivisions, construction of housing units and leasing activities. It was incorporated and is domiciled in the Philippines where its shares are publicly traded. Formerly Citation Homes, Inc., the Parent Company was incorporated on November 24, 1989 and later changed to its present name on July 12, 1993. The Parent Company and its subsidiaries (collectively referred to as "the Group") 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 Group also leases out commercial and office spaces in Muntinlupa City, Makati City, Pasay City, Cebu City, Tagaytay City, Cavite, and Clark Mimosa, its major locations for leasing.

The Group's parent company is Filinvest Development Corporation (FDC), a publicly listed entity. A.L. Gotianun, Inc. (ALG) is the Group's ultimate parent company. FDC and ALG were incorporated in the Philippines.

The Parent Company's registered business address is at 79 E. Delos Santos Ave. (EDSA), Brgy. Highway Hills, Mandaluyong City.

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) for a total consideration of ₱633.26 million payable over until July 5, 2028, taking over the two latter companies' joint land development activities in Bacoor City, Cavite.

On December 28, 2022, FAI entered into a Deed of Absolute Sale of Shares to sell portion of its interest in Pro-excel to FLI for a total consideration of ₱10.97 million. The resulting ownership interest of FLI in Pro-excel after the transfer is 47.5%. The primary purpose of Pro-Excel is to engage in the business of administration, maintenance and management of real estate development, controlled development projects and subdivision projects.

On December 14, 2022, FLI entered into a Deed of Assignment to purchase 100% ownership in SJR Developers, Inc. (SDI). Total acquisition price amounted to ₱0.60 million. 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. The acquisition of SDI has no material effect to the consolidated financial statements.

On May 26, 2022, OurSpace Solutions, Inc. (OSI), a wholly owned subsidiary of FLI, was incorporated with primary purpose of developing, operating, managing and maintaining commercial buildings to be used as coworking spaces. On May 22, 2023, OSI issued a resolution authorizing the issuance of additional shares out of its unissued authorized capital stock, pursuant to the provisions of the Joint Venture Agreement entered into by KMC Community, Inc. (KCI) and FLI. On August 2, 2023, FLI subscribed to an additional 45 million common shares for a total consideration of ₱45.00 million. On the same date, a Subscription Agreement was executed to issue the 30 million common shares of OSI to KCI, resulting in FLI's 70% ownership in OSI for a total consideration of ₱30.00 million. OSI has started commercial operations on November 1, 2023.

On August 12, 2021, Filinvest REIT Corp. ("FILRT") was listed and traded in the Philippine Stock Exchange as a Real Estate Investment Trust (REIT) company under the PSE ticker symbol FILRT. As a result of the listing, FLI's interest in Filinvest REIT Corp. decreased to 63.3%. This transaction resulted in changes to the Group's Cash, Retained earnings and Noncontrolling interest in 2021 (see Note 31).

On August 2, 2021, Co-Living Pro Managers Corp. (CPMC), a wholly owned subsidiary of FLI, was incorporated 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. CPMC has started its commercial operations last November 2023.

On April 13, 2021, FREIT Fund Managers, Inc. (FFMI), a wholly owned subsidiary of FLI, was incorporated to engage in business of providing fund management services to REIT companies. FFMI started commercial operations on August 12, 2021.

Approval of the Consolidated Financial Statements
The consolidated financial statements as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were approved and authorized for issue by the Board of Directors (BOD) on February 27, 2024.

2. Material Accounting Policy Information

Basis of Preparation
The consolidated financial statements are prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value. The Group's consolidated financial statements are presented in Philippine Peso (₱), which is also the functional currency of the Parent Company, its subsidiaries and associates. Amounts are in thousand ₱ except as otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the following reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) under Memorandum Circular No. 34-2020 in response to the COVID-19 pandemic.

1. Assessing if the transaction price includes a significant financing component as discussed in Philippine Interpretations Committee (PIC) Questions and Answers (Q&A) No. 2018-12-D
2. Application of International Financial Reporting Interpretation Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (Philippine Accounting Standards (PAS) 23, *Borrowing Cost*).

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries. The nature of business and the corresponding percentages of ownership over these entities as at December 31, 2023, 2022 and 2021 are as follows. The voting rights held by the Group in these subsidiaries are in proportion to its ownership interest.

Subsidiaries	Nature of Business	**2023**	2022	2021
Filinvest AII Philippines, Inc. (FAPI)	Real estate developer	**100%**	100%	100%
FCGC Corporation (FCGCC)	Real estate developer	**100%**	100%	100%
Filinvest BCDA Clark, Inc. (FBCI)[1]	Real estate developer	**55%**	55%	55%
Gintong Parisukat Realty and Development Inc. (GPRDI)	Real estate developer	**100%**	100%	100%
Homepro Realty Marketing, Inc. (Homepro)	Real estate developer	**100%**	100%	100%
SJR Developers, Inc. (SDI)	Real estate developer	**100%**	100%	–
Niyog Property Holdings, Inc. (NPHI) [2]	Real estate developer	**100%**	–	–
Cajel Realty Corporation (CRC) [2]	Real estate developer	**100%**	–	–
Filinvest REIT Corp. (FILRT)	Leasing	**63%**	63%	63%
Filinvest Asia Corporation (FAC)	Leasing	**60%**	60%	60%
Filinvest Cyberparks, Inc. (FCI)	Leasing	**100%**	100%	100%
Filinvest Clark Mimosa, Inc. (FCMI)	Leasing	**100%**	100%	100%
Festival Supermall, Inc. (FSI)	Property management	**100%**	100%	100%
Filinvest Lifemalls Corporation (FLC)	Property management	**100%**	100%	100%
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Property management	**100%**	100%	100%
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Property management	**100%**	100%	100%
ProOffice Works Services, Inc. (ProOffice)	Property management	**100%**	100%	100%
Property Specialist Resources, Inc. (Prosper)	Property management	**100%**	100%	100%
Co-Living Pro Managers Corp. (CPMC)	Property management	**100%**	100%	100%
FSM Cinemas, Inc. (FSM Cinemas)[3]	Theater operator	**60%**	60%	60%
Philippine DCS Development Corporation (PDDC)	District cooling systems, builder and operator	**60%**	60%	60%
Timberland Sports and Nature Club, Inc. (TSNC)	Recreational Sports and Natures Club	**98%**	98%	98%
Nature Specialists, Inc. (NSI)	Recreational Sports and Natures Club	**75%**	75%	75%
Leisurepro, Inc. (Leisurepro)	Marketing	**100%**	100%	100%
Proleads Philippines, Inc. (PPI)	Marketing	**100%**	100%	100%
Property Leaders International Limited (PLIL)	Marketing	**100%**	100%	100%

(Forward)

Subsidiaries	Nature of Business	**2023**	2022	2021
Property Maximizer Professional Corp. (Promax)	Marketing	**100%**	100%	100%
Realpros Philippines, Inc. (RPI)	Marketing	**100%**	100%	100%
FREIT Fund Managers, Inc. (FFMI)	Fund Manager	**100%**	100%	100%
OurSpace Solutions, Inc. (OSI) [4]	Coworking spaces	**70%**	100%	–

Notes:

1. *FBCI is owned indirectly through FCGCC.*
2. *NPHI and CRC were acquired in 2023 (see Note 1).*
3. *FSM Cinemas is owned indirectly through FSI.*
4. *On August 2, 2023, a 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).*

Except PLIL which was incorporated in British Virgin Islands, all of the Parent Company's subsidiaries were incorporated in the Philippines. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.

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 this report), purchase or sale of a significant amount of assets outside the ordinary course of business.

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognized the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Noncontrolling Interest

Noncontrolling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Group. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results to the noncontrolling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity under "Retained Earnings" of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

Business Combinations Involving Entities under Common Control
The Group elected to account for its common control business combination using acquisition method and this is applied consistently for similar transactions. However, where the acquisition method of accounting is selected, the transaction must have commercial substance from the perspective of the reporting entity. Common control business combination without commercial substance is accounted using "pooling of interests" method wherein the assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination and adjustments made are only those adjustments to harmonize accounting policies. No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the periods presented and on retained earnings at the date of acquisition are eliminated to the extent possible.

Changes in Accounting Policies and Disclosures
The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial years, except for the adoption of the following amendments in PFRS and PAS which became effective beginning January 1, 2023. Unless otherwise indicated, adoption of these amendments to existing standards and interpretations did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. The amendments had no material impact on the Group.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  The amendments had no material impact on the Group.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). The amendments had no material impact on the Group.

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

  The amendments had no material impact on the Group.

Future Changes in Accounting Policy
Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

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

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

	Deferral Period
a. Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
b. Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E	Until December 31, 2023

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

  The Group availed of the SEC relief to defer the above specific provision of PIC Q&A No. 2018-12 on determining whether the transaction price includes a significant financing component. Had this provision been adopted, the mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively. The Group will adopt the guidance using the modified retrospective approach. The adoption of this guidance will impact interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings.

- Deferment of Implementation of *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods* (IAS 23, *Borrowing Cost*) for the Real Estate Industry

  In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35I of IFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under IAS 23 considering that these inventories are ready for their intended sale in their current condition.

The IFRIC agenda decision would change the Group's current practice of capitalizing borrowing costs on real estate projects with pre-selling activities.

On February 21, 2020, the Philippine SEC issued Memorandum Circular No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Further, on December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023.

The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred. The Group will adopt the IFRIC agenda decision using the modified retrospective approach. Adoption of this guidance would have impacted net income, real estate inventories, provision for deferred income tax, deferred tax liability, interest and other financing charges and the opening balance of retained earnings for the statement of financial position, and the cash flows from operations and financing activities for the statement of cash flows.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosure: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Material Accounting Policies

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

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

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

Financial Instruments *(Date of recognition)*
Financial assets and liabilities are recognized in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery or assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Recognition and Measurement of Financial Instruments
Financial Assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at FVOCI, or at fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest test' and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

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

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost
Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group classified cash and cash equivalents, contracts receivable, other receivables and deposits (included in other assets) as financial assets at amortized cost (see Note 29).

Financial assets at FVOCI (equity instruments)
At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading.

Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in "Revaluation reserve on financial assets at FVOCI" in the consolidated statement of financial position. Where the asset is disposed of, the cumulative gain or loss previously recognized in "Revaluation reserve on financial assets at FVOCI" is not reclassified to profit or loss, but is reclassified to Retained earnings.

Included under this category are the Group's investments in quoted and unquoted shares of stocks (included in other noncurrent assets; see Note 16).

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement
Loans and borrowings (financial liabilities at amortized cost) is the category most relevant to the Group. Issued financial instruments or their components, which are not designated at FVPL, are classified as financial liabilities at amortized cost where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

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

As of December 31, 2023 and 2022, loans and borrowings consist primarily of accounts payable and accrued expenses excluding deposit from tenants and other payables, lease liabilities, loans payable, bonds payable and due to related parties (see Notes 15, 17, 18, 19 and 20).

Impairment of Financial Assets and Contract Assets

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

The Group applies a simplified approach in calculating ECLs for financial assets at amortized costs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for other receivables and a vintage analysis for contracts receivable and contract assets that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset is derecognized when:

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

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability expires, is discharged or cancelled.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Real Estate Inventories
Lots, Condominium and Residential Units for Sale
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as real estate inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land acquisition costs and expenses directly related to acquisition
- Amounts paid to contractors for development and construction
- Borrowing costs, planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

In case of sales cancellation, the Group can repossess the properties and hold it for sale in the ordinary course of business at the prevailing market price. The repossessed properties are accounted for as inventories and recognized at its fair value less cost to repossess at the time of cancellation.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. The cost of inventory recognized in consolidated statement of income on disposal is determined with reference to the specific costs incurred on the property sold, including an allocation of any non-specific costs based on the relative size of the property sold.

Land and Land Development
Land and land development consists of properties to be developed into real estate projects for sale that are carried at the lower of cost or NRV. The cost of land and land development include the following: (a) land acquisition costs, (b) costs incurred relative to acquisition and transfer of land title in the name of the Group such as transfer taxes and registration fees, (c) costs incurred on initial development of the raw land in preparation for future projects, and (d) borrowing costs. They are transferred to lots, condominium and residential units for sale under "Real estate inventories" when the project plans, development and construction estimates are completed and the necessary permits are secured.

Investments in Associates
The Group's investment in associates is accounted for under the equity method of accounting. Under the equity method, the investment in associates is carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associates. The consolidated statement of income reflects the share of the results of operations of the associates. The Group recognizes its share of the losses of the associate until its share of losses equals or exceeds its interest in the associate, at which point the Group discontinues recognizing its share of further losses.

Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on investment in an associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value and recognize the amount in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

Investment Properties
Investment properties consist of commercial mall, land and other properties that are held for long term rental yields and capital appreciation and land held with undetermined future use. Investment properties also include right-of-use assets involving real properties that are subleased to other entities. Investment properties, except for land, are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Land is carried at cost less accumulated impairment losses, if any. Initial cost of investment properties consists of cash paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction and directly attributable costs of bringing the investment properties to its intended location and working condition, including borrowing costs.

Constructions-in-progress are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete.

For those right-of-use assets that qualify as investment properties, i.e., those land that are subleased by the Group, these are classified under investment properties. Consistent with the Group's policy regarding the measurement of investment properties, these assets are subsequently measured at cost less amortization and impairment in value.

Investment properties built on rented properties are depreciated over their estimated useful lives or lease term, whichever is shorter.

Depreciation of investment properties is computed using the straight-line method over the estimated useful lives (EUL) of these assets as follows:

	Years
Buildings and improvement	20-50
Machinery and equipment	5-15

The EUL and the depreciation method is reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefit from items of investment properties.

Investment properties also include prepaid commission representing incremental costs that are directly attributable to negotiating and arranging a lease. These are initially recognized at cost and are amortized over the related lease term.

Investment property is derecognized when it is either disposed of or permanently withdrawn from use and there is no future economic benefit expected from its disposal or retirement. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Property and Equipment
Property and equipment are carried at cost less accumulated depreciation and amortization and accumulated impairment losses, if any. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use including borrowing cost.

Construction-in-progress, is stated at cost. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and ready for operational use.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on the straight-line basis over the EUL of the assets, as follows:

	Years
Buildings	20-50
Machinery and equipment	5-20
Transportation equipment	5
Furniture and fixtures	3-5

Leasehold improvements are amortized over the estimated useful lives of the improvements or the lease term, whichever is shorter.

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

When an item of property and equipment is derecognized, the cost of the related accumulated depreciation and amortization and accumulated impairment losses, if any, is removed from the account. Any gain or loss arising from derecognition of the asset is included in the consolidated statement of income in the year the asset is derecognized.

Intangible Assets

Intangible assets include goodwill, and build, transfer and operate (BTO) rights and developmental rights, which are presented under other noncurrent assets.

Intangible assets acquired separately are measured on initial recognition at costs. The cost of intangible assets acquired in a business combination or contracted arrangements is their fair value at the date of acquisition. Following initial recognition, intangible assets, excluding goodwill, are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with finite lives (i.e., BTO rights and developmental rights) are amortized over the economic useful life (i.e., 25 years) and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income.

Intangible assets with indefinite useful lives (i.e., goodwill) are not amortized, but are tested for impairment annually or more frequently, either individually or at the cash generating unit level.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

Other Assets

Other current and noncurrent assets including construction materials and supplies are carried at cost and pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable and payable from the taxation authority is included as part of "Other assets" and "Accounts payable and accrued expenses", respectively, in the consolidated statement of financial position.

Impairment of Nonfinancial Assets

The carrying values of investment in associates, property and equipment, investment properties, right-of-use assets and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less cost of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of income.

For nonfinancial assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually or more frequent if events or changes of circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating unit) is less than their carrying amount of cash-generating unit (or group of cash-generating unit) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

Revenue Recognition

Revenue from Contracts with Customers

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

The Group recognize the difference between the consideration received from the customer and the transferred goods to the customer as contract asset in the consolidated statement of financial position.

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

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

In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the project accomplishment reports prepared by the third party project managers for high-rise real estate developments and internal project engineers for mid-rise real estate development. The project technical head integrates, reviews and approves the surveys of performance to date of the construction activities of subcontractors.

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

Any excess of collections over the total of recognized installment contract receivables is included in the "contract liabilities" account in the liabilities section of the consolidated statement of financial position.

In case of sales cancellation, the difference between the fair value of the repossessed property less cost to repossess and the outstanding receivable and related accounts at the time of cancellation is recognized in profit or loss.

Common usage service area (CUSA) charges and air conditioning dues (included as part of 'Rental and related services')
CUSA charges are recognized when the related services are rendered. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, and electricity in its office leasing activities, wherein it is acting as` agent. Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are presented gross of related cost and expenses.

Other dues
For the administration fees, electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

Theater and parking sales and snack bar sales (included as part of 'Rental and related services')
Revenue from theater and parking sales is recognized over time using output method when theater services are rendered. Revenue from snack bar sales is recognized at a point in time when goods are actually sold to customers.

Cost of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

In addition, the Group recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

<u>Contract Balances</u>
Contracts receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs under the contract.

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

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

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

Contract fulfillment assets
Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

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

The Group's contract fulfillment assets pertain to land acquisition costs.

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

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

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

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

Other Revenue and Income Recognition
Rental Income
Rental income arising from investment properties are recognized in the consolidated statement of income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Leases under contingent rents are recognized as income in the period in which they are earned.

Income from Forfeited Reservations and Collections
Income from forfeited reservation and collections is recognized when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act,* upon prescription of the period for the payment of required amortizations from defaulting buyers.

Interest Income
Interest is recognized as it accrues taking into account the effective yield on the underlying asset.

Other Income
Other income, including service fees, processing fees, management fees, is recognized when services are rendered and when goods are delivered.

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

Costs and expenses are recognized in the consolidated statement of income:

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

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

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

Retirement Costs
The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by an independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the defined benefit liability or asset.

Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

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

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information.

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

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs.

Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. They are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs in the consolidated statement of financial position.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended sale are completed. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

All other borrowing costs are expensed as incurred.

As discussed in *"Future Changes in Accounting Policy"*, the Philippine SEC MC 34-2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (IAS 23, *Borrowing Cost*) until December 31, 2023. The Group opted to avail of the relief as provided by the SEC.

Foreign Currency-Denominated Transactions

The functional and presentation currency of the Parent Company and its subsidiaries and associate is the Philippine Peso. Transactions denominated in foreign currencies are recorded in Philippine Peso based on the exchange rates prevailing at the transaction dates. Foreign currency denominated monetary assets and liabilities are translated to Philippine Peso at exchange rates prevailing at the reporting date. Foreign exchange differentials between rate at transaction date and rate at settlement date or reporting date of foreign currency denominated monetary assets or liabilities are credited to or charged against current operations.

Equity

Common and Preferred Stock

The Group records common and preferred stock at par value and additional paid-in capital as the excess of the total contributions received over the aggregate par values of the equity shares.

The Group considers the underlying substance and economic reality of its own equity instrument and not merely its legal form in determining its proper classification. When any member of the Group purchases the Parent Company's capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity until the shares are cancelled, reissued or disposed of.

Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects is included in consolidated equity.

Treasury Stock

Own equity instruments which are reacquired are carried at cost and are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid in capital when the shares were issued and to retained earnings for the remaining balance.

Retained Earnings

Retained earnings represent accumulated earnings of the Group, and any other adjustments to it as required by other standards, less dividends declared. The individual accumulated earnings of the subsidiaries and accumulated equity earnings from an associate included in the consolidated retained earnings are available for dividend declaration when these are declared as dividends by the subsidiaries and associate as approved by their respective BOD.

The partial disposal or acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interests is liabilities in equity under "Retained Earnings" of the parent in transactions where the noncontrolling interests are acquired or sold without loss of control.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of common shares held in treasury.

Dividends on common and preferred shares are deducted from retained earnings when declared and approved by the BOD of the Parent Company. Dividends payable are recorded as liability until paid. Dividends for the year that are declared and approved after reporting date, if any, are dealt with as an event after reporting date and disclosed accordingly.

Earnings Per Share (EPS)
Basic EPS is computed by dividing net income applicable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period.

Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options and dilutive convertible preferred shares. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted would decrease the basic EPS, and then such convertible preferred shares would be deemed dilutive.

Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

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

Deferred Income Tax
Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except; (a) where deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefit of the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward of MCIT and unused NOLCO can be utilized.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income tax relating to items recognized directly in other comprehensive income is recognized in consolidated statement of comprehensive income and not in the consolidated statement of income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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

Group as Lessor
Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income on operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

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

In case of change in lease payments for an operating lease that does not meet the definition of a lease modification, the lessor shall account for any such change as a negative variable lease payment and recognize lower lease income. No rental income is recognized when the Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a negative variable lease payment (see Notes 3 and 15).

Group as Lessee
Except for short-term leases and lease of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use-assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group classifies its right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Useful life of right-of-use on land ranges from 20- to 50 years.

Right-of-use assets are subject to impairment. Refer to the accounting policies in section impairment of non-financial assets.

ii) Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects: (a) the nature of the products and services; (b) the nature of the production processes; (c) the type or class of customer for their products and services; (d) the methods used to distribute their products or provide their services; and, I if applicable, the nature of the regulatory environment. The Group's mall retail spaces and office leasing activities are treated as one segment. Financial information on business segments is presented in Note 5 to the consolidated financial statements.

Provisions
A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRSs as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic, requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the consolidated financial statements as they become reasonably determinable.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the consolidated financial statements.

Real Estate Revenue Recognition

a. Existence of a contract
   The Group's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as purchase application form and official receipts evidencing collections from buyer, would contain all the criteria to qualify as contract with the customer under PFRS 15.

   In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price.

b. Collectability is also assessed by considering factors such as historical experience with customers, and pricing of the property. Management regularly evaluates the historical cancellations if it would still support its current threshold of customers' equity before commencing revenue recognition.

c. Revenue recognition method and measure of progress
   The Group concluded that revenue for real estate sales is to be recognized over time because (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

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

Accounting for the acquisition of NPHI and CRC
In determining whether a transaction or an event is a business combination, the Group assessed whether the assets acquired and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Further, a business consists of inputs and processes applied to those inputs that have the ability to create outputs. Based on the provisions of the Share Purchase Agreement to acquire 100% shares of NPHI and CRC (see Note 1), the Parent Company assessed that the acquisition does not constitute a business. In making the judgment, the Parent Company considered that it lacks two (2) of the three (3) components required to meet the definition of a business (i.e., processes and output). While the Parent Company acquired inputs (i.e., land), FLI did not acquire any processes. As such, the transaction was accounted for as an acquisition of an asset and the entire consideration was recognized as part of land and land development costs in the consolidated statement of financial position (see Note 10).

Evaluation of Impairment on Nonfinancial Assets
The Group reviews its investments in associates, property and equipment, investment properties, right-of-use assets, intangible assets and other assets (excluding short-term deposits) for impairment of value. This includes consideration of certain indicators of impairment such as significant change in asset usage, significant decline in asset's market value, obsolescence or physical damage of an asset, plans of discontinuing the real estate projects, and significant negative industry or economic trends.

If such indicators are present, and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to recoverable amount.

The recoverable amount is the asset's fair value less cost of disposal, except for investments in associates, which have recoverable value determined using value-in-use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction while value-in-use is the present value of estimated future cash flows expected to arise from the investments in associates. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Assessment on whether rental concessions granted constitute a lease modification
In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges from the lessees of its commercial spaces.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16. In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the rental concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

The rental concessions granted by the Group for the years ended December 31, 2023, 2022 and 2021 amounted to ₱70.76 million, ₱314.84 million and ₱734.27 million (see Notes 6 and 15).

Adoption of a 'no tax' regime for FILRT
As a REIT entity, FILRT can choose to operate within one of two tax regimes (i.e., a 'full tax' regime or a 'no tax' regime). The REIT entity can effectively operate under a 'no tax' regime provided that it meets certain conditions (e.g., listing status, minimum required dividend payments). A REIT entity is required to distribute at least 90% of its annual income as dividends to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an income tax-free entity.

As of December 31, 2023 and 2022, FILRT met the provisions of the REIT law and complies with the 90% dividend distribution requirement. FILRT has determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it can effectively operate on a "no-tax" regime. FILRT did not recognize any deferred taxes in 2023 and 2022.

Contingencies
In the normal course of business, the Group is currently involved in various legal proceedings and assessments. The assessment of probability and estimate of the probable costs for the resolution of these claims have been developed in consultation with outside counsel handling the defense in these matters and based upon analysis of potential results. The Group currently does not believe these proceedings will have material or adverse effect on the Group's financial position and results of operations (see Note 32).

<u>Use of Estimates and Assumptions</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue Recognition and Measure of Progress for Real Estate Sales
The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate sales recognized based on the percentage of completion are measured principally on the basis of physical completion of real estate project.

For the years ended December 31, 2023, 2022 and 2021, real estate sales amounted to ₱14.49 billion, ₱12.84 billion, and ₱11.27 billion, respectively (see Note 6).

Evaluation of Impairment of Contract Receivables and Contract Assets
The Group uses the vintage analysis to calculate ECLs for contracts receivables and contract assets. The loss rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, market segment and collateral type).

The vintage analysis (the model) is initially based on the Group's historical observed default rates. The Group will calibrate the model to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's contract receivables and contract assets is disclosed in Note 8.

The carrying values of contract receivables and contract assets are as follows:

	2023	2022
	(In Thousands)	
Contracts receivables (Note 8)	**₱1,837,829**	₱2,128,881
Contract assets (Note 6)	**9,783,769**	10,482,956

Estimating NRV of Real Estate Inventories
The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether the selling prices of those inventories have significantly declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In evaluating NRV, recent market conditions and current market prices have been considered.

As of December 31, 2023 and 2022, the carrying amount of real estate inventories amounted to ₱72.63 billion and ₱71.33 billion, respectively (see Note 10). No impairment adjustments were recognized since the costs are lower than NRV for the years ended December 31, 2023, 2022 and 2021.

Evaluation of Impairment on Goodwill
Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill on acquisition of FILRT, FAC and Festival Supermall structure is based on value-in-use calculation that uses a discounted cash flow model. The cash flows are derived from budget period of five (5) years and do not include restructuring activities that the Group is not yet committed to nor significant future investments that will enhance the asset base of the cash generating unit being tested.

The Group has adjusted the cash flows forecast and assumptions in 2023 to consider the impact associated with the COVID 19 pandemic. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as revenue growth rates, gross margins and terminal growth rates used. The pre-tax discount rates used in 2023 and 2022 were 9.3% to 11.0%. The growth rates used beyond the forecast period for different cash-generating units were 3.0% to 5.0%.

As of December 31, 2023 and 2022, the Group has determined that its goodwill is not impaired. The carrying value of goodwill amounted to ₱4.57 billion as of December 31, 2023 and 2022 (see Note 4).

Recognition of Deferred Income Tax Assets
The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that the Group will generate sufficient future taxable profit to allow all or part of its deferred income tax assets to be utilized.

The Group's recognized deferred tax assets amounted to ₱1.73 billion and ₱1.84 billion as of December 31, 2023 and 2022, respectively (see Note 28). The tax effect of the Group's carryforward benefits of NOLCO for which no deferred income tax assets were recognized amounted to ₱169.93 million and ₱191.70 million in 2023 and 2022, respectively (see Note 28).

Fair Values of Assets and Liabilities
The Group carries and discloses certain assets and liabilities at fair value, which requires the use of extensive accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., interest rate), the amount of changes in fair value would differ due to usage of different valuation methodology. Any changes in fair value of these assets and liabilities would affect directly the Group's consolidated statement of income and other comprehensive income (see Notes 13 and 29).

4. Goodwill

Goodwill arising from business combinations in the Group's consolidated statements of financial position as of December 31, 2023 and 2022 consists of (amounts in thousands):

Festival Supermall structure	₱3,745,945
FAC	494,744
FILRT	326,553
	₱4,567,242

In September 2006, the Group entered into a series of transactions pursuant to which it acquired: (1) 60% ownership interest in FAC from FDC; (2) 60% ownership interest in FILRT from FAI; and, (3) Festival Supermall structure from FAI. In exchange for acquiring these assets, the Group issued a total of 5.64 billion common shares to FDC and FAI and assumed ₱2.50 billion outstanding debts of FDC and FAI. The business combinations resulted in the recognition of goodwill amounting to ₱4.24 billion, which comprises the fair value of expected synergies arising from the acquisitions.

Subsequently in February 2010, the Parent Company acquired the remaining 40% interests in FILRT from Africa-Israel Properties (Phils.), Inc. to obtain full control of the then joint venture. The acquisition resulted in FILRT becoming wholly-owned subsidiary of the Parent Company. The acquisition of the joint venture partner's interests was accounted for as business combination and resulted in recognition of goodwill amounting to ₱326.55 million.

As of December 31, 2023 and 2022, the recoverable value of the cash generating units to which the goodwill pertains is in excess of the carrying value of the cash generating units, thus, no impairment has been recognized.

5. **Segment Reporting**

For management purposes, the Group is organized into the following business units:

Real Estate
This involves the acquisition of land, planning and development of large-scale, fully integrated residential communities, as well as the development and sale of residential lots, housing units, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings.

Leasing
This involves the operations of Festival Supermall, Fora Tagaytay, Main Square and Il Corso, including its management and theater operations, and the leasing of commercial and office spaces in Makati City, Muntinlupa City, Pasay City, Bacoor City, Tagaytay City, Cebu City and Clark. This also includes the hotel operations of TSNC and NSI and the operations of PDDC of a district cooling system within existing and future buildings at Northgate Cyberzone Area, Filinvest City, Alabang, Muntinlupa City.

Management monitors the operating results of each of its business units for purposes of resource allocation and performance assessment. Performance of each segment is evaluated based on their profit and loss or net income.

The chief operating decision-maker of the Group is the Executive Committee. The committee reviews internal reports to assess performance and allocate resources. Based on the reports, it is also able to determine both the operating and non-operating segments. Reporting by geographical segments does not apply as the Group currently operates in the Philippines only. The Group's revenues are earned in the Philippines.

Transfer prices between segments are based on rates agreed upon by the parties and have terms equivalent to transactions entered into with third parties.

For the years ended December 31, 2023, 2022, and 2021, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRSs as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic, except for the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).

The information about the financial position and results of operations of these business segments as of and for the years ended December 31 are summarized below (amounts in thousands).

	2023				
	Real Estate Operations	**Leasing Operations**	**Combined**	**Adjustments and Eliminations**	**Consolidated**
Revenue					
External	**₱14,486,506**	**₱7,200,950**	**₱21,687,456**	**₱–**	**₱21,687,456**
Inter-segment	**40,039**	**–**	**40,039**	**(40,039)**	**–**
	14,526,545	**7,200,950**	**21,727,495**	**(40,039)**	**21,687,456**
Equity in net earnings of associates	**242,007**	**–**	**242,007**	**–**	**242,007**
Other income	**2,001,632**	**964,869**	**2,966,501**	**(2,341,630)**	**624,871**
	₱16,770,184	**₱8,165,819**	**₱24,936,003**	**(₱2,381,669)**	**₱22,554,334**
Net income	**₱3,603,769**	**₱1,742,686**	**₱5,346,455**	**(₱1,050,411)**	**₱4,296,044**
EBITDA	**₱5,401,034**	**₱4,797,774**	**₱10,198,808**	**(₱1,229,650)**	**₱8,969,158**
Segment assets	**₱110,882,971**	**₱104,057,871**	**₱214,940,842**	**(₱10,464,765)**	**₱204,476,077**
Less net deferred tax assets	**–**	**48,483**	**48,483**	**–**	**48,483**
Net segment assets	**₱110,882,971**	**₱104,009,388**	**₱214,892,359**	**(₱10,464,765)**	**₱204,427,594**
Segment liabilities	**₱63,140,179**	**₱47,438,064**	**₱110,578,243**	**(₱374,035)**	**₱110,204,208**
Less net deferred tax liabilities	**5,802,647**	**56,068**	**5,858,715**	**(209,562)**	**5,649,153**
Net segment liabilities	**₱57,337,532**	**₱47,381,996**	**₱104,719,528**	**(₱164,473)**	**₱104,555,055**
Cash flows provided by (used in):					
Operating activities	**₱5,368,606**	**₱3,979,320**	**₱9,347,926**	**(₱155,192)**	**₱9,192,735**
Investing activities	**(616,726)**	**(3,726,929)**	**(4,343,655)**	**–**	**(4,343,655)**
Financing activities	**(4,306,123)**	**(2,071,602)**	**(6,377,725)**	**641,518**	**(5,736,207)**

	2022				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue					
External	₱12,836,056	₱6,350,408	₱19,186,464	₱–	₱19,186,464
Inter-segment	340,942	–	340,942	(340,942)	–
	13,176,998	6,350,408	19,527,406	(340,942)	19,186,464
Equity in net earnings of associates	78,956	–	78,956	–	78,956
Other income	1,854,110	1,099,670	2,953,780	(2,274,854)	678,926
	₱15,110,064	₱7,450,078	₱22,560,142	(₱2,615,796)	₱19,944,346
Net income	₱3,522,460	₱1,588,870	₱5,111,330	(₱1,590,193)	₱3,521,137
EBITDA	₱5,024,557	₱4,466,521	₱9,491,078	(₱1,318,581)	₱8,172,497
Segment assets	₱113,610,862	₱98,669,097	₱212,279,959	(₱12,164,780)	₱200,115,179
Less net deferred tax assets	–	91,383	91,383	–	91,383
Net segment assets	₱113,610,862	₱98,577,714	₱212,188,576	(₱12,164,780)	₱200,023,796
Segment liabilities	₱69,622,905	₱44,627,867	₱114,250,772	(₱5,638,334)	₱108,612,438
Less net deferred tax liabilities	5,547,080	19,612	5,566,692	58,518	5,625,210
Net segment liabilities	₱64,075,825	₱44,608,255	₱108,684,080	(₱5,696,852)	₱102,987,228
Cash flows provided by (used in):					
Operating activities	(₱1,051,285)	₱4,070,795	₱3,019,510	₱3,114,884	₱6,134,394
Investing activities	(1,369,354)	(3,836,569)	(5,205,923)	(3,969,936)	(9,175,859)
Financing activities	(1,221,205)	962,387	258,818	261,158	2,340

	2021				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue					
External	₱11,274,509	₱5,591,801	₱16,866,310	₱–	₱16,866,310
Inter-segment	233,218	–	233,218	(233,218)	–
	11,507,727	5,591,801	17,099,528	(233,218)	16,866,310
Equity in net earnings of associates	112,023	–	112,023	–	112,023
Other income	11,333,805	2,544,546	13,878,351	(13,117,765)	760,586
	₱22,953,555	₱8,136,347	₱31,089,902	(13,350,983)	₱17,738,919
Net income	₱13,289,790	₱3,478,276	₱16,768,066	(12,462,838)	₱4,305,228
EBITDA	₱16,403,290	₱5,590,819	₱21,994,109	(₱14,573,663)	₱7,420,446
Segment assets	₱114,176,209	₱83,223,266	₱197,399,475	(₱4,175,944)	₱193,223,531
Less net deferred tax assets	–	95,553	95,553	–	95,553
Net segment assets	₱114,176,209	₱83,127,713	₱197,303,922	(₱4,175,944)	₱193,127,978
Segment liabilities	₱67,170,101	₱29,599,056	₱96,769,157	₱6,664,150	₱103,433,307
Less net deferred tax liabilities	5,416,352	(136,114)	5,280,238	37,031	5,317,269
Net segment liabilities	₱61,753,749	₱29,735,170	₱91,488,919	₱6,627,119	₱98,116,038
Cash flows provided by (used in):					
Operating activities	₱442,988	₱6,908,729	₱7,351,717	₱3,791,626	₱3,560,091
Investing activities	(1,188,848)	(8,570,940)	(9,759,788)	(3,341,515)	(6,418,273)
Financing activities	(1,807,044)	13,133,583	11,326,539	(5,503,654)	5,822,885

The following table shows a reconciliation of the earnings before interest and other finance charges, income taxes, depreciation and amortization (EBITDA) to income before income tax in the consolidated statement of income for the year:

	2023	2022	2021
		(In Thousands)	
EBITDA	**₱8,969,158**	₱8,172,497	₱7,420,446
Depreciation and amortization (Notes 13, 14 and 16)	**(1,593,382)**	(1,630,038)	(1,446,779)
Operating profit	**7,375,776**	6,542,459	5,973,667
Interest and other finance charges (Note 23)	**(2,434,393)**	(2,294,243)	(2,426,791)
Income before income tax	**₱4,941,383**	₱4,248,216	₱3,546,876

6. Revenue from Contracts with Customers

Disaggregated Revenue Information

The Group's disaggregation of each sources of revenue is presented below:

	2023	2022	2021
		(In Thousands)	
Real estate sales by market segment			
Medium income	**₱9,835,600**	₱8,915,046	₱7,582,470
Low affordable and affordable	**3,367,527**	2,661,307	2,500,696
High-end and others	**855,169**	1,026,177	877,766
Socialized	**428,210**	233,526	313,577
	14,486,506	12,836,056	11,274,509

(Forward)

	2023	2022	2021
		(In Thousands)	
Cinema operations by type of goods or services (included as part of rental and related services)			
Theater and parking sales	**₱214,452**	₱163,853	₱63,021
Snack bar sales	**14,066**	8,871	10
	228,518	172,724	63,031
Tenant dues			
Office leasing (Note 20)	**1,149,383**	1,158,229	1,210,100
Mall and other leasing operations	**379,197**	344,514	282,933
	1,528,580	1,502,743	1,493,093
Total revenue from contracts with customers	**16,243,604**	14,511,523	12,830,633
Rental revenues			
Office leasing (Note 20)	**3,511,044**	3,425,457	3,585,598
Mall operations	**1,605,302**	1,161,326	450,079
Others	**327,506**	88,158	–
	5,443,852	4,674,941	4,035,677
Total Revenue	**₱21,687,456**	₱19,186,464	₱16,866,310

The Group's real estate sales and theater sales are revenue from contracts with customers which are recognized over time while revenue from snack bar sales is recognized at a point in time.

As of December 31, 2023, contract balances are as follows:

	Current	**Noncurrent**	**Total**
		(In Thousands)	
Contracts receivable	**₱1,837,829**	**₱–**	**₱1,837,829**
Contract assets	**4,745,827**	**5,037,942**	**9,783,769**
Contract liabilities	**792,402**	**149,949**	**942,351**

As of December 31, 2022, contract balances are as follows:

	Current	Noncurrent	Total
		(In Thousands)	
Contracts receivable	₱2,128,881	₱–	₱2,128,881
Contract assets	5,399,792	5,083,164	10,482,956
Contract liabilities	1,012,294	283,068	1,295,362

Real estate sales contracts are collectible in equal monthly principal installments in varying periods of two (2) to ten (10) years. Interest rates per annum range from 11.5% to 19.0%. Titles to the residential units sold transferred to customers upon full payment of the contract price.

Contract assets represent the right to consideration for assets already delivered by the Group in excess of the amount recognized as contracts receivable. Contract assets is reclassified to contracts receivable when monthly amortization of customer is due for collection.

In 2023 and 2022, the Parent Company entered into an Agreement for Purchase of Contract Assets with local banks. The banks agreed to buy the contract assets on a without recourse basis, and the Parent Company agreed to sell, assign, transfer and convey to the bank all its rights, titles, and interest in and to the contract assets. In 2023 and 2022, total proceeds from these transactions equivalent to the carrying value of the contract assets sold amounted to ₱5.43 billion and ₱2.18 billion, respectively.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred based on percentage of completion. The movement in contract liability arise mainly from revenue recognition of completed performance obligations. The amount of revenue recognized in 2023 and 2022 from amounts included in contract liabilities at the beginning of the year amounted to ₱1.08 billion and ₱1.31 billion, respectively.

Performance Obligation
Information about the Group's performance obligations are summarized below:

Real estate sales
The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of a real estate unit may cover either (a) a lot; (b) house and lot or (c) condominium unit. There is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the purchase application form and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include downpayment of 20% to 30% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results in either a contract asset or contract liability.

The performance obligation is satisfied upon delivery of the completed real estate unit. The Group provides one year warranty to repair minor defects on the delivered house and lot and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2023 and 2022 amounted to ₱2.91 billion and ₱3.14 billion, respectively. Performance obligation for the transaction price amounting to ₱2.45 billion and ₱2.31 billion will be satisfied within one year as of December 31, 2023 and 2022, respectively.

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's mid-rise condominium units and high-rise condominium units are completed within three (3) and five (5) years, respectively, from start of construction while house and lots are expected to be completed within 12 months.

Rental agreements
The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space; (b) provisioning of water and electricity; (c) provision of air conditioning and CUSA services presented as tenant dues; and, (d) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within 7 to 20 days upon receipt of the bill. In case of delay in payments, a penalty of 3% to 36% per annum is charged for the amount due for the duration of delay. The lease arrangement would typically require a tenant to pay advance rental equivalent to three (3) months and a security deposit equivalent to three (3) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of lease concessions it granted to lessees. Rent discounts and concessions given vary for merchants that are: (1) allowed to operate during community quarantine and operational; (2) allowed to operate during community quarantine but not operational; and, (3) not allowed to operate during community quarantine.

Cost to Obtain Contracts and Contract Fulfillment Assets
The rollforward of the cost to obtain contract included in the other current assets is as follows:

	2023	2022
	(In Thousands)	
Balance at beginning of year	**₱473,852**	₱474,282
Additions	**632,296**	702,663
Amortization (Note 22)	**(738,634)**	(703,093)
Balance at end of year (Note 11)	**₱367,514**	₱473,852

Amortization of cost to obtain contract is recognized in the consolidated statements of comprehensive income under selling and marketing expenses.

For the years ended December 31, 2023 and 2022, additions of contract fulfillment costs amounted to ₱648.65 million and ₱786.78 million, respectively (see Note 10). Amortization of contract fulfillment costs amounted to ₱1.07 billion and ₱1.06 billion for the years ended December 31, 2023 and 2022, respectively. Contract fulfilment assets is included as part of real estate inventories.

The Group reviews its major contracts to identify indicators of impairment of contract fulfilment assets by comparing the carrying amount of the asset to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

In determining estimated amount of consideration, the Group uses the same principles in determining contract transaction price.

It is the Group's accounting policy, as set out in Note 2, that if a contract or specific performance obligation has exhibited marginal profitability or other indicators of impairment, judgement is applied to ascertain whether the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits.

7. Cash and Cash Equivalents

This account consists of:

	2023	2022
	(In Thousands)	
Cash	**₱4,604,987**	₱5,278,698
Cash equivalents	**1,127,021**	1,340,437
	₱5,732,008	₱6,619,135

Cash includes cash on hand and in banks. Cash in bank earns interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and are subject to an insignificant risk of change in value.

Interest income earned on the Group's cash and cash equivalents amounted to ₱80.39 million, ₱71.20 million and ₱23.15 million in 2023, 2022 and 2021, respectively (see Note 23).

There is no restriction on the Group's cash and cash equivalents as at December 31, 2023 and 2022.

8. Contracts Receivables

This account consists of:

	2023	2022
	(In Thousands)	
Contracts receivable	**₱1,582,486**	₱1,906,849
Receivables from government and financial institutions	**255,343**	222,032
	₱1,837,829	₱2,128,881

Real estate sales contracts are collectible over varying periods within two (2) to ten (10) years. The receivables arising from real estate sales are collateralized by the corresponding real estate properties sold. The Group records any excess of progress work over the right to an amount of consideration that is unconditional (i.e., contracts receivable) as contract assets (see Note 6).

In 2022, the Group granted relief under the Bayanihan Act during the first half of the year and had gradually removed this relief as foot traffic improved and as retail tenants recover by the end of the year. In 2021, the Group provided reliefs under Bayanihan 1 Act and Bayanihan 2 Act, which offered financial reliefs to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. These relief measures included the restructuring of existing receivables including extension of payment terms. Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

Receivables from government and financial institutions pertain to government and bank-financed real estate sales. Receivables from government and financial institutions are collectible within one year.

Interest income recognized on contracts receivable amounted to ₱174.03 million, ₱276.49 million and ₱355.06 million in 2023, 2022 and 2021, respectively (see Note 23). Interest rates per annum on contracts receivable range from 11.5% to 19.0% for these years.

The Group has a mortgage insurance contract with Philippine Guarantee Corporation (PhilGuarantee), a government insurance company for a retail guaranty line. As of December 31, 2023 and 2022, the contracts (comprise of both contract receivables and contract assets) covered by the guaranty line amounted to ₱361.45 million and ₱534.05million, respectively. As of December 31, 2023 and 2022, the remaining unutilized guaranty line amounted to ₱1.37 billion and ₱1.43 billion, respectively.

As of December 31, 2023 and 2022, no impairment losses were recognized from contracts receivables.

9. Other Receivables

This account consists of:

	2023	2022
	(In Thousands)	
Receivables from tenants	**₱2,038,850**	₱1,876,759
Due from related parties (Notes 20)	**695,344**	464,618
Advances to officers and employees	**422,954**	322,326
Receivables from homeowners' associations	**227,671**	286,148
Others	**139,383**	2,822
	3,524,202	2,952,673
Less: Allowance for expected credit losses	**59,146**	50,667
	₱3,465,056	₱2,902,006

"Receivables from tenants" represent charges to tenants for rentals and utilities normally collectible within 15-20 days from billing date. Allowance for expected credit losses related to tenants' accounts specifically determined to be impaired amounted to ₱43.28 million and ₱34.80 million as of December 31, 2023 and 2022, respectively. The Group has recognized provision for expected credit losses amounting to ₱8.49 million, ₱2.98 million and ₱7.70 million in 2023, 2022 and 2021, respectively.

"Advances to officers and employees" represent advances for project costs, marketing activities, travel and other expenses arising from the ordinary course of business which are liquidated upon the accomplishment of the purposes for which the advances were granted.

"Receivables from homeowners' associations" represent claims from the homeowners' association of the Group's projects for the payment of the expenses on behalf of the association. Allowance for expected credit losses related to these receivables, determined using collective impairment assessment, amounted to ₱15.86 million as of December 31, 2023 and 2022. The Group has not recognized provision for expected credit losses in 2023, 2022 and 2021.

"Others" represent advances for selling, marketing, and administrative expenses of international sales offices, arising from the ordinary course of business which are liquidated upon the accomplishment of the purposes for which the advances were granted.

10. Real Estate Inventories

This account consists of:

	2023	2022
	(In Thousands)	
Real estate inventories – at cost		
Lots, condominium and residential units for sale	**₱45,642,483**	₱44,623,160
Land and land development	**26,992,347**	26,703,327
	₱72,634,830	₱71,326,487

A summary of the movement in lots, condominium and residential units for sale is set out below:

	2023	2022
	(In Thousands)	
Balance at beginning of year	**₱44,623,160**	₱42,808,627
Land costs transferred from land and land development (Note 6)	**648,649**	786,781
Additions thru asset acquisition (Notes 1 and 3)	**452,578**	–
Net transfer to investment properties (Note 13)	–	(80,520)
Construction/development costs incurred	**7,319,735**	7,886,878
Capitalized borrowing costs	**699,846**	576,083
Cost of real estate sales	**(8,101,485)**	(7,354,689)
Balance at end of year	**₱45,642,483**	₱44,623,160

Capitalization rate for the capitalized borrowing costs is 5.15%, 4.7% and 4.6% in 2023, 2022 and 2021, respectively.

A summary of the movement in land and land development is set out below:

	2023	2022
	(In Thousands)	
Balance at beginning of year	**₱26,703,327**	₱25,918,293
Land acquisitions (Notes 1 and 3)	**51,111**	747,018
Land costs transferred to real estate inventories	**(648,649)**	(786,781)
Site development and incidental costs	**886,558**	824,797
Balance at end of year	**₱26,992,347**	₱26,703,327

As of December 31, 2023 and 2022, on account additions to land and land development during the year which remain outstanding amounted to ₱4.40 billion and ₱4.59 billion, respectively, and these are recognized as part of "Accounts payable and accrued expense" (see Note 17).

Borrowing costs capitalized as part of land and land development, where activities necessary to prepare it for its intended use is ongoing, amounted to ₱620.18 million, ₱430.55 million and ₱428.85 million for the years ended December 31, 2023, 2022 and 2021, respectively. Capitalization rate is 5.15%, 4.7% and 4.9% in 2023, 2022 and 2021, respectively.

Acquisition of land and land development included under cash flows used in operating activities amounted to ₱0.51 billion, ₱1.29 billion and ₱1.18 billion for the years ended December 31, 2023, 2022 and 2021, respectively.

11. **Other Current Assets**

This account consists of:

	2023	2022
	(In Thousands)	
Input taxes -net	**₱3,842,624**	₱3,706,199
Creditable withholding taxes	**1,231,664**	1,291,214
Prepaid expenses	**807,382**	313,696
Advances to contractors and suppliers	**445,383**	239,294
Construction materials and supplies	**401,535**	281,018
Cost to obtain contract (Note 6)	**367,514**	473,852
Short-term deposits (Note 30)	**96,332**	75,492
	₱7,192,434	₱6,380,765

"Input taxes" pertains to VAT passed on from purchases of goods or services which is applied against output VAT.

"Creditable withholding taxes" are the taxes withheld by the withholding agents from payments to the sellers which is creditable against the income tax payable.

"Prepaid expenses" consist of prepayments for commissions on leases, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance.

"Advances to contractors and suppliers" pertain to down payments made by the Group which are applied against future billings for development and construction contracts of real estate inventories.

"Construction materials and supplies" pertain to inventories to be used in the construction and maintenance of projects.

"Cost to obtain contract" includes accrued commissions net of amount paid to brokers relating to the sale of real estate inventories which qualify for revenue recognition.

12. **Investments in Associates**

This account consists of:

	2023	2022
	(In Thousands)	
At equity:		
Acquisition cost		
Balance at beginning of year	**₱1,018,841**	₱1,007,869
ProActive Professionals Corp. (ProActive)	**10,000**	–
Pro-excel (Note 1)	**–**	10,972
Balance at end of year	**1,028,841**	1,018,841
Accumulated equity in net earnings:		
Balance at beginning of year	**1,733,276**	1,654,320
Equity in net earnings for the year	**242,007**	78,956
Dividend declaration	**(167,125)**	–
Balance at end of year	**1,808,158**	1,733,276
Share in revaluation increment on land at deemed cost	**2,010,452**	2,010,452
Share in other components of equity	**372,449**	372,449
	₱5,219,900	₱5,135,018

As of December 31, the carrying value of the Group's investments in associates follows:

	2023	2022
	(In Thousands)	
FAI	**₱4,908,516**	₱4,854,844
DPI	**93,119**	95,500
FMI	**81,629**	80,353
CTI	**52,190**	50,218
Pro-excel	**43,406**	40,047
SharePro	**31,040**	14,056
ProActive	**10,000**	–
	₱5,219,900	₱5,135,018

<u>FAI</u>
The Parent Company has a 20% interest in FAI which is involved primarily in the development of commercial buildings, residential condominiums and land. FAI is also involved in leasing of commercial real estate and marketing.

Dividends declared by FAI and the corresponding share of the Group for the year ended December 31, 2023 amounted to ₱800.00 million and ₱160.00 million, respectively (nil for the year ended December 31, 2022).

Summarized financial information and reconciliation of investment in FAI is as follows:

	2023	2022
	(In Thousands)	
Current assets	**₱15,185,721**	₱12,036,547
Noncurrent assets	**22,398,234**	23,925,505
Total assets	**37,583,955**	35,962,052
Current liabilities	**2,327,477**	2,020,483
Noncurrent liabilities	**7,233,433**	6,500,610
Total liabilities	**9,560,910**	8,521,093
Equity	**₱28,023,045**	₱27,440,959
Proportion of the Group's ownership	**20%**	20%
Equity in net assets of associate	**₱5,604,609**	₱5,488,192
Less upstream sales	**696,093**	633,348
Carrying amount of the investment	**₱4,908,516**	₱4,854,844
Revenue and other income	**₱3,633,405**	₱2,155,434
Cost and other expenses	**(1,933,204)**	(1,341,589)
Depreciation	**(218,825)**	(220,049)
Interest expense	**(67,134)**	(95,143)
Interest income	**17,592**	7,030
Income before tax	**1,431,834**	505,683
Income tax expense	**363,482**	142,163
Net income for the year	**₱1,068,352**	₱363,520
Group's equity in net earnings of associate	**₱213,670**	₱72,704

DPI
In 2020, the 45% interest in DPI of the Parent Company was classified as an investment in associate. For the years ended December 31, 2023, 2022 and 2021, share in net earnings (loss) of DPI amounted to (₱2.38 million), (₱3.39 million) and ₱11.19 million, respectively.

FMI
In 2016, FMI was incorporated to enter into an agreement with CDC for the lease of the Mimosa Leisure Estate. The Parent Company subscribed for 47.5% of FMI's capital stock amounting to ₱37.83 million. For the years ended December 31, 2023, 2022 and 2021, share in net earnings of FMI amounted to ₱1.28 million, ₱5.77 million and ₱0.56, respectively.

CTI
In 2019, the 30% interest in CTI of the Parent Company was classified as an investment in associate. CTI is primarily involved in information technology service management. Share in net earnings (loss) of CTI amounted ₱1.97 million, (₱2.94 million) and ₱1.02 million for the years ended December 31, 2022, 2022 and 2021, respectively.

Pro-Excel
On December 28, 2022, FAI entered into a Deed of Absolute Sale of Shares to sell portion of its interest in Pro-excel to FLI for a total consideration of ₱10.97 million. The resulting ownership interest of FLI in Pro-excel after the transfer is 47.5%. Share in net earnings of Pro-Excel amounted to ₱10.49 million, ₱4.01 million and ₱2.76 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Dividends declared by Pro-Excel and the corresponding share of the Group for the year ended December 31, 2023 amounted to ₱15.00 million and ₱7.13 million, respectively (nil for the year ended December 31, 2022).

SharePro, Inc. (SPI)
SPI was incorporated and operating in the Philippines and handles the technical and project management services for the Group. In December 2021, the Parent Company subscribed for 45.0% of SPI's capital stock amounting to ₱11.25 million. Share in net earnings of SPI amounted to ₱16.99 million and ₱2.81 million for the years ended December 31, 2023 and 2022, respectively (nil in 2021).

ProActive Professionals Corp. (ProActive)
ProActive was incorporated to provide business process outsourcing services for the Group. On August 9, 2023, the Parent Company subscribed to 40.0% of ProActive's capital stock amounting to ₱10.00 million. ProActive has not started commercial operations as of December 31, 2023.

Aggregate financial information on the associates with immaterial interest (FMI, CTI, Pro-excel, DPI, SPI and ProActive) follows:

	2023	2022
	(In Thousands)	
Carrying amount	**₱311,384**	₱280,174
Share in net income	**28,337**	6,252
Share in total comprehensive income	**28,337**	6,252

The Group does not restrict profit distribution of its associates. The associates have no contingent liabilities outside of the ordinary course of business or capital commitments as at December 31, 2023 and 2022.

13. Investment Properties

The rollforward analysis of this account as of December 31 follows:

	2023					
	Land	**Buildings and Improvements**	**Machinery and Equipment**	**Construction in Progress**	**Right-of-use assets** (Note 15)	**Total**
			(In Thousands)			
Cost						
Balances at beginning of year	**₱16,533,276**	**₱29,538,271**	**₱382,015**	**₱34,327,269**	**₱5,376,136**	**₱86,156,967**
Additions	**42,404**	**2,566,522**	**25,767**	**1,218,628**	**–**	**3,853,321**
Balances at end of year	**16,575,680**	**32,104,793**	**407,782**	**35,545,897**	**5,376,136**	**90,010,288**
Accumulated Depreciation						
Balances at beginning of year	**–**	**8,150,458**	**377,477**	**–**	**607,636**	**9,135,571**
Depreciation (Note 21)	**–**	**1,049,293**	**19,235**	**–**	**146,853**	**1,215,381**
Balances at end of year	**–**	**9,199,751**	**396,712**	**–**	**754,489**	**10,350,952**
Net Book Value	**₱16,575,680**	**₱22,905,042**	**₱11,070**	**₱35,545,897**	**₱4,621,647**	**₱79,659,336**

	2022					
	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-use assets (Note 15)	Total
	(In Thousands)					
Cost						
Balances at beginning of year	₱14,461,401	₱28,945,082	₱367,238	₱30,981,015	₱5,376,136	₱80,130,872
Additions	1,977,268	647,232	14,777	3,335,283	–	5,974,560
Transfers (Note 10)	94,607	(54,043)		10,971	–	51,535
Balances at end of year	16,533,276	29,538,271	382,015	34,327,269	5,376,136	86,156,967
Accumulated Depreciation						
Balances at beginning of year	–	7,234,718	364,273	–	453,892	8,052,883
Depreciation (Note 21)	–	944,725	13,204	–	153,744	1,111,673
Transfers (Note 10)	–	(28,985)	–	–	–	(28,985)
Balances at end of year	–	8,150,458	377,477	–	607,636	9,135,571
Net Book Value	₱16,533,276	₱21,387,813	₱4,538	₱34,327,269	₱4,768,500	₱77,021,396

Construction in progress pertain to buildings under construction to be leased as retail and office spaces upon completion.

On December 12, 2022, FILRT entered into a Deed of Sale for the purchase of three (3) parcels of land with a total area of 29,086 sq.m. owned by FDC, located in Boracay, Aklan (see Note 20).

On June 1, 2022, FLI entered into a Deed of Absolute Sale with a third party for the purchase of five (5) parcels of land with a total area of 82,692 sq.m. located at San Jose Del Monte, Bulacan, for a total selling price of ₱1.31 billion. These were acquired for the development of residential mid-rise buildings and mixed-use commercial spaces such as offices, retail establishments, and data centers. As such, ₱657.44 million is presented as part of land and land development under the 'Real estate inventories' in the consolidated statement of financial position (see Note 10). The acquisition is fully paid in 2022.

Borrowing costs capitalized as part of investment properties amounted to ₱944.83 million, ₱812.02 million and ₱808.77 million in 2023, 2022 and 2021, respectively. Capitalization rates used are 4.33% to 6.68%, 3.6% to 6.12%, and 1.17% to 3.85% in 2023, 2022 and 2021, respectively.

The aggregate fair value of the Group's investment properties amounted to ₱214.64 billion and ₱214.05 billion as of December 31, 2023 and 2022, respectively based on third party appraisals performed by an SEC accredited independent appraiser and management appraisal updated using current and year-end values and assumptions. The fair value of buildings was determined using the Income Approach based on discounted cash flow analysis. The fair value of land was determined using the Income Approach based on discounted cash flow analysis and market approach.

Under the Income Approach, all expected cash flow from the use of the assets were projected and discounted using the appropriate discount rate reflective of the market expectations. The valuation of investment property is categorized as Level 3 in the fair value hierarchy since valuation is based on unobservable inputs. The significant unobservable inputs used in the valuation pertains to lease income growth rate and discount rate. Significant increases (decreases) in discount rate would result in a significantly lower (higher) fair value measurement while a change in the assumption used for the lease income growth rate is accompanied by a directionally similar change in the fair value of the Group's investment properties.

Market data approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For market data approach, the higher the price per sqm., the higher the fair value. The significant unobservable inputs to valuation of the land is the price per square meter ranging from ₱35,000 to ₱275,000.

The Group has no restrictions on the realizability of its investment properties.

Revenue from rental and related services from investment properties amounted to ₱6.80 billion, ₱6.05 billion and ₱5.38 billion in 2023, 2022 and 2021, respectively (see Note 6). Cost of rental and related services arising from investment properties is as follows:

	2023	2022	2021
		(In Thousands)	
Mall operations	**₱1,822,415**	₱1,410,754	₱1,331,730
Depreciation	**1,201,601**	993,133	1,013,013
Others	**27,721**	6,477	33,619
	₱3,051,737	₱2,410,364	₱2,378,362

"Others" pertain to cost of ticket sales and snack bar sales.

The Group classifies the depreciation of fit out cost and machinery and equipment related to the common area and air-conditioning as part of the maintenance and air-conditioning dues that are collected from the tenants. In 2023, 2022 and 2021, depreciation expense recognized as part of "Rental and related services" revenue amounted to ₱179.20 million, ₱13.42 million and ₱67.96 million, respectively.

14. Property and Equipment

The rollforward analysis of this account as of December 31 follows:

	2023						
	Land and Buildings	**Machinery and Equipment**	**Transportation Equipment**	**Furniture and Fixtures**	**Leasehold Improvements**	**Construction in Progress**	**Total**
				(In Thousands)			
Cost							
Balances at beginning of year	**₱3,613,237**	**₱3,166,765**	**₱185,075**	**₱166,739**	**₱213,023**	**₱220,898**	**₱7,565,737**
Additions	**86,721**	**173,532**	**38,527**	**23,868**	**109,274**	**56,312**	**488,234**
Balances at end of year	**3,699,958**	**3,340,297**	**223,602**	**190,607**	**322,297**	**277,210**	**8,053,971**
Accumulated Depreciation and Amortization							
Balances at beginning of year	**699,238**	**966,089**	**155,299**	**123,207**	**136,625**	**–**	**2,080,458**
Depreciation and amortization (Note 21)	**98,053**	**140,221**	**15,131**	**25,855**	**21,241**	**–**	**300,501**
Balances at end of year	**797,291**	**1,106,310**	**170,430**	**149,062**	**157,866**	**–**	**2,380,959**
Net Book Value	**₱2,902,667**	**₱2,233,987**	**₱53,172**	**₱41,545**	**₱164,431**	**₱277,210**	**₱5,673,012**

	2022						
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
				(In Thousands)			
Cost							
Balances at beginning of year	₱3,566,434	₱2,243,870	₱176,363	₱135,909	₱194,098	₱217,249	₱6,533,923
Additions	46,803	922,895	8,712	30,830	18,925	3,649	1,031,814
Balances at end of year	3,613,237	3,166,765	185,075	166,739	213,023	220,898	7,565,737
Accumulated Depreciation and Amortization							
Balances at beginning of year	603,913	762,784	145,131	104,786	123,288	–	1,739,902
Depreciation and amortization (Note 21)	95,325	203,305	10,168	18,421	13,337	–	340,556
Balances at end of year	699,238	966,089	155,299	123,207	136,625	–	2,080,458
Net Book Value	₱2,913,999	₱2,200,676	₱29,776	₱43,532	₱76,398	₱220,898	₱5,485,279

15. Leases

Group as lessee

The Group has lease contracts for land. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group has entered into land lease arrangements with lease terms of between 25 and 50 years. There are several leases that include extension option to lease the assets for additional 25 years based on mutual agreement of the parties.

The rollforward analysis of right-of-use assets on land as of and for the year ended December 31 follows:

	2023		
	Investment Properties (Note 13)	**Other Noncurrent Assets** (Note 16)	**Total**
		(In Thousands)	
Cost			
At January 1 and December 31	**₱5,376,136**	**₱112,424**	**₱5,488,560**
Accumulated Depreciation			
At January 1	**607,636**	**14,142**	**621,778**
Depreciation (Note 21)	**146,853**	**6,895**	**153,748**
As at December 31	**754,489**	**21,037**	**775,526**
Net Book Value	**₱4,621,647**	**₱91,387**	**₱4,713,034**

	2022		
	Investment Properties (Note 13)	Other Noncurrent Assets (Note 16)	Total
		(In Thousands)	
Cost			
At January 1 and December 31	₱5,376,136	₱112,424	₱5,488,560
Accumulated Depreciation			
At January 1	453,892	9,462	463,354
Depreciation (Note 21)	153,744	4,680	158,424
As at December 31	607,636	14,142	621,778
Net Book Value	₱4,768,500	₱98,282	₱4,866,782

The rollforward analysis of lease liabilities as of December 31 follows:

	2023	2022
	(In Thousands)	
At January 1	**₱6,508,490**	₱6,348,018
Interest expense (gross of related capitalized borrowing costs) (Note 23)	**583,815**	520,575
Payments	**(372,444)**	(360,103)
As at December 31	**6,719,861**	6,508,490
Lease liabilities – current portion	**175,459**	246,051
Lease liabilities – net of current portion	**₱6,544,402**	₱6,262,439

The Group also has certain lease of land with variable rental payments and lease of office space considered as ‘low-value assets’. The Group applies the lease of ‘low-value assets’ recognition exemptions for these leases.

The following are the amounts recognized in the consolidated statement of income for the years ended December 31:

	2023	2022	2021
		(In Thousands)	
Interest and other finance charges on lease liabilities (Note 23)	**₱487,174**	₱425,148	₱430,286
General and administrative expenses (Note 21)			
Depreciation expense of right-of-use assets	**153,748**	158,424	166,238
Variable lease payments	**8,592**	18,309	15,161
Expenses relating to leases of low-value assets	**1,872**	1,528	1,872
	₱651,386	₱603,409	₱613,557

Interest expense capitalized as part of investment properties amounted to ₱96.47 million, ₱95.43 million and ₱116.09 million in 2023, 2022 and 2021, respectively.

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

	2023	2022
	(In Thousands)	
1 year	**₱456,582**	₱376,195
more than 1 years to 2 years	**478,337**	395,440
more than 2 years to 3 years	**496,959**	414,196
more than 3 years to 4 years	**520,292**	429,725
more than 5 years	**27,756,008**	27,404,729

Group as lessor
As lessor, future minimum rental receivables under renewable operating leases as of December 31, 2023 and 2022 are as follows:

	2023	2022
	(In Thousands)	
Within one year	**₱4,172,360**	₱4,135,296
After one year but not more than five years	**9,252,477**	7,811,361
After five years	**2,165,805**	1,257,527
	₱15,590,642	₱13,204,184

The Group entered into lease agreements with third parties covering real estate properties. These leases generally provide for either (a) fixed monthly rent (b) minimum rent or a certain percentage of gross revenue, whichever is higher. Most lease terms on commercial malls are renewable within one year, except for anchor tenants with lease ranging from 5 to 15 years.

Rental income recognized based on a percentage of the gross revenue of mall tenants included in "Rental and related services" account in the consolidated statement of income amounted to ₱457.26 million, ₱391.64 million and ₱264.92 million in 2023, 2022 and 2021, respectively.

The Group granted rental concessions to its tenants which were affected by the community quarantine imposed by the government amounting to ₱70.76 million, ₱314.84 million and ₱734.27 million in 2023, 2022 and 2021, respectively. These rent concessions did not qualify as a lease modification, thus, were accounted for as negative variable lease payments and reported as reduction of lease income in 2023, 2022 and 2021 (see Note 3).

16. **Other Noncurrent Assets**

This account consists of:

	2023	2022
	(In Thousands)	
BTO rights (Note 32)	**₱6,863,079**	₱5,997,831
Advances to contractors and suppliers (Note 11)	**1,249,226**	1,181,476
Advances to joint venture partners	**311,157**	386,073
Input taxes - net of current portion	**230,170**	230,170
Creditable withholding taxes - net of current portion (Note 11)	**178,626**	178,626
Investment in bonds	**150,000**	150,000
Right-of-use assets (Note 15)	**112,424**	112,424
Deposits	**72,057**	123,422
Financial assets at FVOCI (Note 30)	**15,535**	15,535
Other assets	**67,809**	109,479
	9,250,083	8,485,036
Less accumulated amortization	**587,905**	510,405
	₱8,662,178	₱7,974,631

"BTO rights" related to the development cost, construction and operation of BPO Complex at the land properties owned by Cebu Province. As of December 31, 2022, cost of completed portion pertaining to Cebu Towers 1 and 2 of the BTO project amounted to ₱2.25 billion. Construction of Cebu Towers 3 and 4 are still on-going and are expected to be completed in 2024.

"Right-of-use assets" pertain to the related lease payments required under land lease contracts and the BTO agreement for the land where the buildings were constructed.

Interest expense capitalized amounted to ₱90.71 million, ₱46.25 million and ₱48.19 million in 2023, 2022 and 2021, respectively

The rollforward analysis of BTO rights and right-of-use assets as of December 31 follows:

	2023		
	BTO Rights	**Right-of-Use Assets** (Note 15)	**Total**
		(In Thousands)	
Cost			
Balance at beginning of year	**₱5,997,831**	**₱112,424**	**₱6,110,255**
Additions	**865,248**	**−**	**865,248**
Balance at end of year	**6,863,079**	**112,424**	**6,975,503**
Accumulated Amortization			
Balance at beginning of year	**496,263**	**14,142**	**510,405**
Amortization	**70,605**	**6,895**	**77,500**
Balance at end of year	**566,868**	**21,037**	**587,905**
Net Book Value	**₱6,296,211**	**₱91,387**	**₱6,387,598**

	2022		
	BTO Rights	Right-of-Use Assets (Note 15)	Total
		(In Thousands)	
Cost			
Balance at beginning of year	₱4,638,348	₱112,424	₱4,750,772
Additions	1,359,483	−	1,359,483
Balance at end of year	5,997,831	112,424	6,110,255
Accumulated Amortization			
Balance at beginning of year	323,134	9,462	332,596
Amortization	173,129	4,680	177,809
Balance at end of year	496,263	14,142	510,405
Net Book Value	₱5,501,568	₱98,282	₱5,599,850

In 2023, 2022 and 2021, related amortization recognized as part of "Cost of rental and related services" amounted to ₱70.61 million, ₱173.13 million and ₱52.26 million, respectively. Rental income amounting to ₱455.50 million and ₱290.56 million and ₱207.90 million in 2023, 2022 and 2021, respectively, was recognized as part of "Revenue from rental and related services".

"Deposits" includes security deposits.

"Advances to joint venture partners" are advances (e.g., property taxes and permits) which are normally applied against the share of the joint venture partners from sale of the joint venture properties reported under "Other receivables" in consolidated statements of financial position.

"Financial assets at FVOCI" consist of quoted and unquoted shares of stock (see Note 30). Unquoted investments in shares of stock include unlisted preferred shares in a public utility company which the Group will continue to carry as part of the infrastructure that it provides for its real estate development projects. The Group did not receive dividends from unquoted shares in 2023 and 2022.

"Investment in bonds" consist of a 5-year, non-interest bearing, Class A Senior Notes with a face amount of ₱150.0 million issued by a third party special purpose trust fund duly registered with the Bangko Sentral ng Pilipinas invested by the Parent Company on December 19, 2022.

"Other assets" includes utility deposits.

17. Accounts Payable and Accrued Expenses

This account consists of:

	2023			2022		
	Current	**Noncurrent**	**Total**	Current	Noncurrent	Total
			(In Thousands)			
Accounts payable	**₱5,579,664**	**₱5,017,658**	**₱10,597,322**	₱5,485,089	₱4,427,187	₱9,912,276
Deposits from tenants	**1,630,033**	**1,645,028**	**3,275,061**	1,343,518	1,486,496	2,830,014
Retention fees payable	**2,082,442**	**499,537**	**2,581,979**	2,149,741	517,790	2,667,531
Accrued expenses	**1,712,947**	**–**	**1,712,947**	1,486,147	–	1,486,147
Deposits for registration	**217,825**	**1,573,499**	**1,791,324**	200,645	1,449,396	1,650,041
Accrued interest on bonds and loans (Notes 18 and 19)	**674,345**	**–**	**674,345**	830,908	–	830,908
Other payables (Note 20)	**653,909**	**202,281**	**856,190**	452,805	166,259	619,064
	₱12,551,165	**₱8,938,003**	**₱21,489,168**	₱11,948,853	₱8,047,128	₱19,995,981

"Accounts payable" includes the outstanding balance of the costs of land acquired by the Group and is payable on scheduled due dates or upon completion of certain requirements (see Notes 10, 13 and 14). This account also includes dividends payable and amount payable to contractors and suppliers for the construction and development costs and operating expenses incurred by the Group.

"Deposits from tenants" are advance payments received for rentals, utilities and other fees. These are applied against rental obligations of tenants once due.

"Retention fees payable" pertains to the amount withheld from the progress billings of the contractors and is released generally one year from the completion of the construction agreement.

"Deposits for registration" pertain to amounts collected from buyers for payment of registration of real estate properties. This account is charged for costs incurred related to transfer of title to buyers.

"Accrued expenses" pertain to various operating expenses incurred by the Group in the course of business such as salaries and wages, professional fees, unbilled construction cost related to ongoing projects, and utilities expense, among others. These are non-interest-bearing and are normally settled within one year.

Accrued expenses account consists of:

	2023	2022
	(In Thousands)	
Suppliers and contractors	**₱1,658,604**	₱1,420,100
Professional fees	**35,975**	41,512
Payroll	**12,917**	6,594
Utilities	**4,355**	16,664
Other accruals	**1,096**	1,277
	₱1,712,947	₱1,486,147

"Other payables" pertain mainly to withholding taxes, output VAT payables and deferred income which are generally settled/earned within 12 months. This also includes the amount due to SPI for the retirement benefits of transferred employees (see Notes 20 and 25).

18. **Loans Payable**

This account consists of:

	2023	2022
	(In Thousands)	
Short term loans	**₱4,440,000**	₱3,525,000
Long-term loans	**32,645,048**	29,428,660
Developmental loans from local banks	**37,085,048**	32,953,660
Less unamortized transaction costs	**97,121**	104,176
	36,987,927	32,849,484
Less current portion of loans payable	**16,480,438**	8,446,975
Long-term portion of loans payable	**₱20,507,489**	₱24,402,509

Developmental loans from local banks will mature on various dates up to 2028. These Peso-denominated loans bear floating interest rates, which are repriced quarterly, semi-annually or annually based on either 3-month, 6-month or 1-year Bloomberg Valuation (BVAL), or Reverse Repurchase Rate (RRP), plus margin, per annum, or fixed rates of 4.43% to 6.67% per annum.

Additional loans availed by the Group in 2023, 2022 and 2021 amounted to ₱24.66 billion, ₱12.81 billion and ₱16.60 billion, respectively. These include availment of short-term loans payable amounting to ₱16.51 billion, ₱10.33 billion and ₱9.90 billion in 2023, 2022 and 2021, respectively.

Principal payments made in 2023, 2022 and 2021 amounted to ₱20.53 billion, ₱12.16 billion and ₱22.59 billion, respectively.

As of December 31, 2023 and 2022, short term loans payable, presented under current portion of loans payable amounted to ₱4.44 billion and ₱3.53 billion, respectively.

Interest incurred on these loans (gross of related capitalized borrowing costs) amounted to ₱2.20 billion, ₱1.59 billion and ₱1.89 billion for the years ended December 31, 2023, 2022, and 2021, respectively.

Transactions costs capitalized amounted to ₱102.49 million and ₱42.64 million in 2023 and 2022, respectively. Amortization of transaction costs amounted to ₱109.55 million, ₱54.92 million and ₱75.55 million in 2023, 2022 and 2021, respectively, and included under “Interest and other finance charges” (see Note 23).

The Group’s loans payable is unsecured and no assets are held as collateral for these debts. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio ranging from 2.0x to 3.0x and minimum interest coverage ratio of 1.0x.

The agreements also provide for restrictions and requirements with respect to, among others, making distribution on its share capital; purchase, redemption or acquisition of any share of stock if it would materially and adversely affect the Group’s ability to perform its obligations; sale or transfer and disposal of all or a substantial part of its capital assets other than in the ordinary course of business; restrictions on use of funds other than the purpose it was approved for; and entering into any partnership, merger, consolidation or reorganization except in the ordinary course of business and except when the Group maintains controlling interest. As of December 31, 2023 and 2022, the Group has not been cited in default on any of its outstanding obligations.

19. Bonds Payable

This account consists of:

	2023	2022
	(In Thousands)	
Bonds payable	**₱37,795,395**	₱41,400,000
Less unamortized transaction costs	**326,883**	267,214
	37,468,512	41,132,786
Less current portion of bonds payable	**1,697,345**	15,017,440
Long-term portion of bonds payable	**₱35,771,167**	₱26,115,346

a. On November 8, 2013, the Parent Company issued fixed rate bonds with aggregate principal amount of ₱7.00 billion comprised of ₱4.30 billion, 7-year bonds with interest of 4.86% per annum due in 2020 and ₱2.70 billion, 10-year bonds with interest of 5.43% per annum due in 2023. Interest for both bonds is payable quarterly in arrears starting on February 8, 2014. On November 8, 2023, the Parent Company paid the remaining balance amounting to ₱2.70 billion.

   Unamortized debt issuance cost on bonds payable amounted to ₱2.16 million as of December 31, 2022 (nil as of December 31, 2023). Accretion in 2023, 2022 and 2021 included as part of ‘Interest and other finance charges’ amounted to ₱2.16 million, ₱2.53 million and ₱2.73 million, respectively (see Note 23).

b. On December 4, 2014, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱7.00 billion comprising of ₱5.30 billion, 7-year fixed rate bonds due in 2021 and ₱1.70 billion, 10-year fixed rate bonds due in 2024. The 7-year bonds carry a fixed rate of 5.40% per annum, while the 10-year bonds have a fixed interest rate of 5.64% per annum. As of December 31, 2023, ₱1.7 billion of the related bonds payable remain outstanding.

Unamortized debt issuance cost on bonds payable amounted to ₱2.65 million and ₱2.95 million as of December 31, 2023 and 2022, respectively. Accretion in 2023, 2022 and 2021 included as part of "Interest and other finance charges" amounted to ₱0.29 million, ₱1.53 million and ₱8.29 million, respectively (see Note 23).

c. On August 20, 2015, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.00 billion comprising of ₱7.00 billion, 7-year fixed rate bonds due in 2022 and ₱1.00 billion, 10-year fixed rate bonds due in 2025. The 7-year bonds carry a fixed rate of 5.36% per annum, while the 10-year bonds have a fixed rate of 5.71% per annum. The Parent Company paid the ₱7.0 billion bonds on August 20, 2022. As of December 31, 2023, ₱1.0 billion of the related bonds payable remain outstanding.

   Unamortized debt issuance cost on bonds payable amounted to ₱3.07 million and ₱3.41 million as of December 31, 2023 and 2022, respectively. Accretion in 2023, 2022 and 2021 included as part of "Interest and other finance charges" amounted to ₱0.34 million, ₱9.54 million and ₱13.42 million, respectively (see Note 23).

d. On July 7, 2017, FILRT issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱6.00 billion and term of five and a half (5.5) years due in 2023. The bonds carry a fixed rate of 5.05% per annum, payable quarterly in arrears starting on October 7, 2017. On January 9, 2023, FILRT paid the outstanding bonds payable balance amounting to ₱6.00 billion.

   Unamortized debt issuance cost on bonds payable amounted to ₱7.44 million as of December 31, 2022, (nil as of December 31, 2023). Accretion in 2023, 2022 and 2021 included as part of "Interest and other finance charges" amounted to ₱0.24 million, ₱12.71 million, and ₱12.88 million respectively (see Note 23).

e. On November 18, 2020, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱8.1 billion comprising of ₱6.3 billion, 3-year fixed rate bonds due in 2023 and ₱1.8 billion, 5.5-year fixed rate bonds due in 2026. The 3-year bonds carry a fixed rate of 3.34% per annum, while the 5.5-year bonds have a fixed rate of 4.18% per annum. On November 18, 2023, the Parent Company paid ₱6.3 billion of the outstanding bonds payable. As of December 31, 2023, ₱1.8 billion of the related bonds payable remain outstanding.

   Unamortized debt issuance cost on bonds payable amounted to ₱7.44 million and ₱24.64 million as of December 31, 2023 and 2022, respectively. Accretion in 2023, 2022 and 2021 included as part of "Interest and other finance charges" amounted to ₱17.21 million, ₱20.32 million and ₱19.40 million respectively (see Note 23).

f. On December 21, 2021, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱10.0 billion comprising of ₱5.0 billion, 4-year fixed rate bonds due in 2025 and ₱5.0 billion, 6-year fixed rate bonds due in 2027. The 4-year bonds carry a fixed rate of 4.5300% per annum, while the 6-year bonds have a fixed rate of 5.2579% per annum. As of December 31, 2023, these bonds payable remain outstanding.

   Unamortized debt issuance cost on bonds payable amounted to ₱82.26 million and ₱103.59 million as of December 31, 2023 and 2022, respectively. Accretion in 2023, 2022 and 2021 included as part of "Interest and other finance charges" amounted to ₱21.33 million, ₱27.44 million and ₱0.75 million, respectively (see Note 23).

g. On June 23, 2022, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱11.90 billion comprising of ₱8.925 billion, 3-year fixed rate bonds due in 2025 and ₱2.975 billion, 5-year fixed rate bonds due in 2027. The 3-year bonds carry a fixed rate of 5.3455% per annum, while the 5-year bonds have a fixed rate of 6.4146% per annum. As of December 31, 2023, these bonds payable remain outstanding.

   Unamortized debt issuance cost on bonds payable amounted to ₱91.45 million and ₱130.21 million as of December 31, 2023 and 2022, respectively. Accretion in 2023 and 2022 included as part of "Interest and other finance charges" amounted to ₱38.76 million and ₱24.22 million, respectively (see Note 23).

h. On December 1, 2023, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱11.43 billion which are 3.5-year fixed rate bonds due in 2027. The bonds carry a fixed rate of 6.9829% per annum. As of December 31, 2023, these bonds payable remain outstanding.

   Unamortized debt issuance cost on bonds payable amounted to ₱140.01 million as of December 31, 2023. Accretion in 2023 included as part of "Interest and other finance charges" amounted to ₱3.45 million. (see Note 23).

Interest incurred on these bonds (gross of related capitalized borrowing costs amounted to ₱1.77 billion, ₱1.97 billion and ₱1.54 billion for the years ended December 31, 2023, 2022 and 2021, respectively. Payments made on these bonds amounted to ₱15.04 billion, ₱7.0 billion and ₱5.3 billion in 2023, 2022 and 2021, respectively.

The Group's bonds payable are unsecured and no assets are held as collateral for these debts. These bonds require the Group to maintain certain financial ratios which include maximum debt-to-equity ratio ranging from 2.0x to 2.5x; minimum current ratio ranging from 1.0x to 2.0x ; and minimum debt service coverage ratio (DSCR) of 1.0x (except for FILRT bonds which requires maximum debt-to-equity ratio of 2.33x and DSCR of 1.1x). As of December 31, 2023 and 2022, the Group has not been cited in default on any of its outstanding obligations.

20. 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 be subjected 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 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.

Significant related party transactions are as follows. Outstanding liabilities are unsecured and no impairment loss was recognized on any of the assets.

	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**	–			
	₱3,581,908	**₱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**	**472,312**	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					
Share in other expenses	–	**(11,511)**	Noninterest-bearing, payable on demand	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)**			

	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)			

a. *Transactions with bank under common control of the ultimate parent (EW)*
On January 3, 2012, the Group entered into a Receivable Purchase Agreement with East West Banking Corporation (EW), an entity under common control of the ultimate parent. The Group agreed to sell, assign, transfer and convey to EW all of its rights, titles and interest on certain contracts receivables. The contracts receivables sold to EW will be serviced by the Group under an Accounts Servicing Agreement.

Under this agreement, the Group shall be responsible for the monitoring and collection of contracts receivables sold to EW, including safekeeping of the collections in trust until these are remitted to EW, 10 days after the beginning of each month.

For the performance of the said services, the Group charges EW a service fee equivalent to a certain percentage of the amounts actually received and collected. Although the Group retains the contractual rights to receive cash flows from the contracts receivables sold to EW, the same will be subsequently distributed to EW under a "pass-through arrangement".

In this transaction, the risk of default and non-payment of buyers of contracts receivable is assumed by EW and the Group has no liability to EW for such events. Due to this, the Group derecognized the contracts receivables sold and did not recognize any liability in its consolidated financial statements.

The Group's plan assets in the form of cash equivalents amounting to ₱96.60 million and ₱21.34 million as of December 31, 2023 and 2022, respectively, are maintained with EW (see Note 25). The Group also maintains cash and cash equivalents with EW.

As of December 31, 2021, the amounts payable to EW related to a purchase of land amounted to ₱2.14 billion and are presented as part of Accounts Payable under accounts payable and accrued expenses in the consolidated statement of financial position (see Note 17). The purchase was fully paid in 2022.

b. *Transactions with Ultimate Parent (ALG)*
Transactions with the Group's ultimate parent company relates to sharing of common expenses.

c. *Transactions with Parent Company (FDC)*
The Parent Company charged FDC certain common expenses paid by the Parent Company on its behalf.

On December 12, 2022, FILRT entered into a Deed of Sale for the purchase of three (3) parcels of land with a total area of 29,086 sq.m. owned by FDC, located in Boracay, Aklan. The parties agreed to a total purchase price of ₱1,047.1 million, ₱314.1 million, representing 30% of purchase price, payable upon signing of the agreement and the remaining 70% amounting to ₱732.9 million payable in equal quarterly installment up to December 2024. The land and related liability were carried at present value of future cash flow amounting to ₱1,021.8 million and ₱683.3 million, respectively.

In 2009, Promax was appointed by FDC as the marketing agent to act for and on behalf of FDC in promoting the marketing and sale of the Beaufort project. Accordingly, FDC pays Promax a marketing fee equivalent to a certain percentage of the net selling price (see Note 22).

d. *Transactions with Associates*

Filinvest Alabang, Inc (FAI)
'Due from Associate' include noninterest-bearing cash advances and various charges for management fees, marketing fees, share of expenses and commission charges.

On December 28, 2022, FAI entered into a Deed of Absolute Sale of Shares to sell portion of its interest in Pro-excel to FLI for a total consideration of ₱10.97 million. The resulting ownership interest of FLI in Pro-excel after the transfer is 47.5%.

FMI
Transactions with Filinvest Mimosa Inc. relates to sharing of common expenses.

CTI
Transactions with Corporate Technologies, Inc. relates to sharing of common expenses and service fee for information and technology services.

Pro-excel
Transactions from Pro-Excel relates to sharing of common expenses and management fee for managing the buildings of FLI.

DPI
Transactions from DreamBuilders Pro, Inc. relates to sharing of common expenses and noninterest-bearing cash advances.

SPI
Transactions with SPI, Inc. relates to sharing of common expenses and service fees for technical, project management and procurement.

In 2022 and 2021, certain employees of FLI were transferred to SPI, an associate. The related retirement benefits of these employees were also transferred with a corresponding payable to SPI under "Other payables" (see Notes 17 and 25). As of December 31, 2023 and 2022, the outstanding balance of the transferred retirement benefits amounted to ₱144.11 million.

Pro-excel and DPI rents is office space from FLI while SPI rents its office space from FILRT. Revenue earned is recorded as part of Rental Revenues in the Statements of Comprehensive Income in 2023, 2022 and 2021 (see Note 6). Outstanding receivables are recorded as part of Other Receivables in the Statements of Financial position as of December 31, 2023 and 2022 (see Note 9).

e. *Transactions with Affiliates*

Transactions with affiliates relates to sharing of common expenses paid by the Parent Company on their behalf.

FILRT entered into a service agreement with FDC Retail Electricity Sales whereby FILRT shall engage and pay the services rendered by the latter to provide the electricity requirements of its facilities.

FILRT also entered into a service agreement with Professional Operations Maintenance Experts Incorporated whereby FILRT shall pay the services rendered by the latter to operate and maintain its equipment and premises.

FILRT and FLI also entered into a service agreement with its affiliate, Parking Pro, Inc., to operate and maintain the FILRT's and FLI's parking facilities.

f. The compensation of key management personnel consists of short-term employee salaries and benefits amounting to ₱48.74 million, ₱28.40 million and ₱26.40 million in 2023, 2022 and 2021, respectively. Post-employment benefits of key management personnel amounted to ₱8.26 million, ₱9.88 million and ₱22.28 million in 2023, 2022 and 2021, respectively.

g. *Leases with related parties - Group as lessor*
Chroma Hospitality, Inc. leases the office space from FILRT. The lease term is 10 years, renewable by another 5 years upon mutual agreement by the parties.

h. *Leases with related parties - Group as lessee*
The Group has several land lease transactions with related parties:

1. Mall lease with FAI
The Parent Company, as lessee, entered into a lease agreement with FAI on a portion of the land area occupied by the Festival Supermall and its Expansion. The lease term will expire on September 30, 2056.

2. Land lease with FAI
   The Parent Company, as lessee, entered into a lease agreement with FAI for a portion of land area occupied by a third party lessee. The lease term will expire on December 31, 2034.

3. FCMI lease with FMI
   FCMI, a wholly owned subsidiary of the Parent Company, subleases the Mimosa Leisure Estate from FMI, an associate of the Parent Company. The original lessor is Clark Development Corporation. The lease term is 50 years, renewable by another 25 years upon mutual agreement by parties.

4. PDDC lease with FAI
   PDDC, a 60% owned subsidiary of the Parent Company, leases Block 50 Lot 3-B-2, Northgate District from FAI. The lease term is twenty (20) years from the date on which the Chilled Water production plants starts supplying chilled water.

As of December 31, 2023 and 2022, the amount included in lease liabilities payable to related parties is ₱5,952.3 million and ₱5,763.4 million, respectively (see Note 15).

21. General and Administrative Expenses

The account consists of:

	2023	2022	2021
		(In Thousands)	
Salaries, wages and employee benefits	**₱787,916**	₱638,921	₱470,638
Taxes and licenses	**438,209**	334,907	262,060
Repairs and maintenance	**401,137**	357,447	307,204
Depreciation and amortization (Notes 13, 14, 15 and 16)	**264,988**	388,694	381,505
Outside services	**153,558**	191,061	189,165
Electronic data processing charges	**106,848**	72,122	53,483
Entertainment, amusement and recreation	**82,684**	69,518	80,661
Transportation and travel	**81,650**	73,354	65,771
Communications, light and water	**54,357**	43,084	35,611
Insurance	**38,675**	45,933	37,208
Retirement costs (Note 25)	**33,542**	40,532	28,789
Office supplies	**16,757**	14,447	12,797
Rent (Notes 15 and 20)	**10,464**	19,837	17,033
Others	**113,811**	23,205	37,199
	₱2,584,596	₱2,313,062	₱1,979,124

"Others" mainly consists of postage and dues and subscription, parking operations, freight charges, allowance for probable losses and other miscellaneous expenses.

22. Selling and Marketing Expenses

The account consists of:

	2023	2022	2021
		(In Thousands)	
Brokers' commissions (Note 6)	**₱745,289**	₱704,281	₱497,109
Selling, advertising and promotions	**263,845**	121,010	159,604
Service fees	**180,031**	192,163	198,875
Salaries and wages	**116,533**	117,599	4,603
Sales office direct costs	**59,496**	15,074	50,669
Others	**4,941**	516	957
	₱1,370,135	₱1,150,643	₱911,817

23. Interest and Other Finance Charges

The following table shows the component of interest income, interest expense and other financing charges recognized in the consolidated statements of income:

	2023	2022	2021
		(In Thousands)	
Interest income on:			
Contracts receivable (Note 8)	**₱174,029**	₱276,494	₱355,059
Cash and cash equivalents (Notes 7 and 20)	**80,387**	71,203	23,149
Others (Note 25)	**29,562**	19,355	31,400
	₱283,978	₱367,052	₱409,608
Interest and other finance charges:			
Loans and bonds payable, net of interest capitalized (Notes 18 and 19)	**₱1,613,633**	₱1,694,005	₱1,649,610
Lease liabilities, net of interest capitalized (Note 15)	**487,174**	425,148	430,286
Amortization of transaction costs of loans and bonds (Notes 18 and 19)	**193,341**	153,215	133,020
Other finance charges (Note 25)	**140,245**	21,875	213,875
	₱2,434,393	₱2,294,243	₱2,426,791

Other finance charges include bank charges, debt issue costs for short-term loans, and other miscellaneous bank fees.

24. **Other Income**

The account consists of:

	2023	2022	2021
		(In Thousands)	
Service fees (Note 20)	**₱155,339**	68,484	24,704
Processing fees	**94,748**	107,013	183,613
Forfeited reservations and collections	**92,854**	114,937	98,925
Management, leasing and other fees (Note 20)	**1,588**	6,809	10,400
Foreign currency exchange gain (loss)	**(6,909)**	10,644	1,278
Others (Note 20)	**3,273**	3,987	32,058
	₱340,893	₱311,874	₱350,978

Others includes miscellaneous income.

25. **Retirement Costs**

The Group has a funded, noncontributory defined benefit retirement plan (the "Plan") covering substantially all of its officers and regular employees. Under the Plan, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements.

The retirement plan provides retirement benefits equivalent to 70% to 125% of the final monthly salary for every year of service. The funds are administered by the Group's Treasurer under the supervision of the Board of Trustees of the Plan and are responsible for investment strategy of the Plan.

The following tables summarize the components of retirement expense recognized in the consolidated statements of income and pension liability recognized in the consolidated statements of financial position for the existing retirement plan.

	2023		
	Present value of defined benefit obligation	**Fair value of plan asset**	**Net defined benefit liabilities**
		(In Thousands)	
Balance as at January 1, 2023	**₱452,647**	**₱21,339**	**₱431,308**
Net benefit costs in profit or loss			
Current service cost (Note 21)	**33,542**	**–**	**33,542**
Net interest (Note 23)	**27,152**	**261**	**26,891**
	60,694	**261**	**60,433**
Benefits paid	**(7,100)**	**–**	**(7,100)**
Contribution	**–**	**75,000**	**(75,000)**
Remeasurements loss in other comprehensive income	**27,552**	**–**	**27,552**
Balance as at December 31, 2023	**₱533,793**	**₱96,600**	**₱437,193**

	2022		
	Present value of defined benefit obligation	Fair value of plan asset	Net defined benefit liabilities
		(In Thousands)	
Balance as at January 1, 2022	₱504,868	₱45,238	₱459,630
Net benefit costs in profit or loss			
Current service cost (Note 21)	40,532	–	40,532
Net interest (Note 23)	19,921	834	19,087
	60,453	834	59,619
Benefits paid	(28,273)	(28,273)	–
Transfer out	(23,288)	–	(23,288)
Remeasurements in other comprehensive income			
Return on plan assets, excluding amounts included in interest income	–	3,540	(3,540)
Experience adjustments	(61,113)	–	(61,113)
	(61,113)	3,540	(64,653)
Balance as at December 31, 2022	₱452,647	₱21,339	₱431,308

The Group's plan assets comprise of cash equivalents with original maturities of three months or less from dates of placements and are subject to insignificant risk of changes in value. As of December 31, 2023 and 2022, these placements are with EW (see Note 20). As of December 31, 2023 and 2022, the carrying amount of the plan assets approximates its fair value.

In 2022 and 2021, certain employees of FLI were transferred to the SPI. The related retirement benefits of these employees were also transferred with a corresponding payable to SPI. As of December 31, 2023 and 2022, the outstanding balance of the transferred retirement benefits amounted to ₱144.11 million (see Note 20).

The costs of defined benefit pension plan as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The assumptions used in determining pension obligation for the defined benefit plan are as follows:

	2023	2022	2021
Discount rate	**5.10% - 7.30%**	5.10% - 7.30%	3.70% - 5.10%
Future salary increases	**6.00%**	6.00%	3.00% - 8.00%

The sensitivity analysis that follows has been determined based on reasonably possible changes of the assumption occurring as of the end of the reporting period, assuming if all other assumptions were held constant. Management believes that as of the reporting date, it is only the decline in discount rate that could significantly affect the pension obligation.

Management believes that pension obligation will not be sensitive to the salary rate increases because it is expected to be at the same level throughout the remaining life of the obligation.

The sensitivity analyses below have been determined based on reasonably possible changes of the significant assumption on the DBO as of the end of the financial reporting period, assuming all other assumptions were held constant.

Assumption	Increase (Decrease)	Increase (decrease) on DBO 2023	2022
Salary rate	+1%	**₱47,610**	₱40,269
	-1%	**(42,671)**	(35,101)
Discount rate	+1%	**(41,894)**	(34,423)
	-1%	**47,492**	40,136

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

	2023	2022
	(In Thousands)	
Less than one year	**₱32,253**	₱38,947
More than one year and up to five years	**160,957**	132,235
More than five years and up to 10 years	**307,553**	220,907

The Group is expecting to contribute to its plan assets in the next 12 month.

The management performs an Asset-Liability Matching (ALM) Study. The principal technique of the Group's ALM is to ensure the expected return on assets to be sufficient to support the desired level of funding arising from the defined benefit plans, as well as the liquidity of the plan assets. The Group's current investment strategy consists of 100% short-term deposit placements.

26. Equity

The details of the Parent Company's common and preferred shares as of December 31, 2023 and 2022 follow:

	Common Shares	Preferred Shares
	(In Thousands, except par value figures)	
Authorized shares	₱33,000,000	₱8,000,000
Par value per share	1	0.01
Issued and outstanding shares	24,470,708	8,000,000
Treasury shares	220,949	–

In 2023 and 2022, there was no issuance of additional common shares.

Preferred Shares

As stated in the Company's Amended Articles of Incorporation, the preferred shares may be issued from time to time in one or more series as the Board of Directors (BOD) may determine, and authority is expressly granted to the BOD to establish and designate each particular series of preferred shares, to fix the number of shares to be included in each of such series, and to determine the dividend rate and the issue price and other terms and conditions for each such shares. Dividends shall be cumulative from and after the date of issue of the preferred shares. Preferred shares of each and any sub-series shall not be entitled to any participation or share in the retained earnings remaining after dividend payments shall have been made on the preferred shares. To the extent not set forth in the Articles of Incorporation, the specific terms and restrictions of each series of preferred shares shall be specified in such resolutions as may be adopted by the BOD prior to the issuance of each of such series (the "Enabling Resolutions"), which resolutions shall thereupon be deemed a part of the Amended Articles of Incorporation.

In an Enabling Resolution approved and adopted by the BOD on October 6, 2006, it was clarified that the preferred shares are not convertible to common shares. In another Enabling Resolution approved and adopted by the BOD on January 5, 2007, the Board approved that preferred shares are entitled to cash dividend equal to one percent (1%) of the cash dividend declared and payable to common shares.

Thus, in a disclosure made by the Company to the relevant government agency and regulatory body on January 18, 2007, it was clarified that the features of the issued and subscribed preferred shares, in addition to the features indicated in the Company's Amended Articles of Incorporation so long as these features are not inconsistent with the Enabling Resolutions, are as follows: (i) voting, cumulative, and non-redeemable, (ii) par value is one centavo (PhP0.01), (iii) entitled to cash dividend equal to one percent (1%) of the cash dividend declared and payable to common shares, and (iv) not convertible to common shares.

Treasury Shares

On December 20, 2007, the Parent Company's BOD approved the buy-back of some of the issued shares of stock of the Parent Company over a period of 12 months up to an aggregate amount of ₱1.50 billion, in view of the strong financial performance of the Parent Company and the very large discrepancy that existed between the current share price and the net asset value of the Parent Company.

The Parent Company had acquired 220.95 million shares at total cost of ₱221.04 million in 2008. There were no additional acquisitions in 2023, 2022 and 2021. The retained earnings is restricted from dividend distribution to the extent of the cost of treasury shares.

Dividend Declarations

On April 24, 2023, the BOD of FLI 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. The Group has remaining unpaid cash dividend amounting to ₱21.09 million as of December 31, 2023.

On April 24, 2023, the BOD of FLI 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. The Group has remaining unpaid cash dividends amounting to ₱0.32 million as of December 31, 2023.

On April 22, 2022, the BOD of FLI 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 02, 2022. The Group has remaining unpaid cash dividend amounting to ₱21.09 million as of December 31, 2022.

On April 22, 2022, the BOD of FLI 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 02, 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.

Retained Earnings

Retained earnings include undistributed earnings amounting to ₱6.62 billion and ₱6.39 billion as of December 31, 2023 and 2022, respectively, representing accumulated equity in net earnings of subsidiaries, which are not available for dividend declaration until declared as dividends by the subsidiaries.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of the shares held in treasury and deferred tax asset recognized in profit or loss as of December 31, 2023 and 2022.

The retained earnings is being utilized to cover part of the annual expenditure requirements of the Parent Company for its expansion projects in the real estate and leasing segments.

On October 21, 2020, FLI's BOD approved the appropriation amounting to ₱5.00 billion out of its unrestricted retained earnings as of December 31, 2019. The appropriation will cover the capital expenditure of the following projects:

Project	Location	Description	Amount (In Thousands)	Estimated Completion Date
Activa	Quezon City	Mixed-use	₱3,500,000	Q4 2024
100 West Annex	Makati City	Mixed-use	1,500,000	Q4 2024
			₱5,000,000	

Capital Management

The Group monitors its capital and cash positions and manages its expenditures and disbursements. Furthermore, the Group may also, from time to time seek other sources of funding, which may include debt or equity issues depending on its financing needs and market conditions.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. No changes were made in capital management objectives, policies or processes for the years ended December 31, 2023, 2022 and 2021.

The Group monitors capital using interest-bearing debt-to-equity ratio, which is the long-term debt (loans payable, bonds payable) divided by total equity. The Group's policy is to keep the debt-to-equity ratio not to exceed 2:1. The following table shows how the Group computes for its interest-bearing debt-to-equity ratio:

	2023	2022
	(In Thousands)	
Loans payable (Note 18)	**₱36,987,927**	₱32,849,484
Bonds payable (Note 19)	**37,468,512**	41,132,786
Long-term debt	**74,456,439**	73,982,270
Total equity	**94,271,869**	91,502,741
Interest-bearing debt-to-equity ratio	**0.79 : 1.00**	0.81 : 1.00

The Group is subject to externally imposed capital requirements due to loan covenants (see Notes 18 and 19).

On August 12, 1993, SEC approved the registration of ₱2.0 billion common shares with issue price of ₱5.25 per share.

On December 15, 2006, SEC approved the registration of ₱3.7 billion common shares with issue price of ₱1.60 per share.

Below is the summary of the outstanding number of common shares and holders of security as of December 31, 2023:

Year	Number of Shares Registered (In Thousands)	Number of Holders of Securities as of Year End
January 1, 2022	24,249,759	5,646
Add/(deduct) movement	−	(21)
December 31, 2022	24,249,759	5,625
Add/(deduct) movement	−	(19)
December 31, 2023	24,249,759	5,606

**Exclusive of 220,949 treasury shares as of December 31, 2023 and 2022.*

27. Earnings Per Share

	2023	2022	2021
	(In Thousands, Except EPS Figures)		
a. Net income attributable to the equity holder of the parent*	**₱3,762,508**	₱2,886,525	₱3,800,897
b. Weighted average number of outstanding common shares (after considering treasury shares)	**24,249,759**	24,249,759	24,249,759
Basic/Diluted EPS (a/b)	**₱0.16**	₱0.12	₱0.16

**After deducting the dividends for preferred shareholders (Note 26)- 2023: ₱2.9 million, 2022: ₱3.2 million, 2021: ₱2.5 million.*

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

28. Income Tax

Provision for (benefit from) income tax consists of:

	2023	2022	2021
		(In Thousands)	
Current	**₱578,496**	₱442,539	₱350,992
Deferred	**66,843**	284,540	(1,109,344)
	₱645,339	₱727,079	(₱758,352)

The components of the Group's deferred income tax assets follow:

	2023	2022
	(In Thousands)	
Advance rentals	**₱45,753**	₱72,951
Accrued retirement benefits	**1,641**	17,343
NOLCO	**1,089**	1,089
	₱48,483	₱91,383

The components of the Group's net deferred income tax liabilities follow:

	2023	2022
	(In Thousands)	
Deferred income tax liabilities on:		
Capitalized borrowing costs	**₱4,375,705**	₱4,422,263
Right-of-use-assets	**1,056,544**	1,088,891
Excess of real estate revenue based on financial accounting policy over real estate revenue based on tax rules	**1,893,872**	1,866,698
	7,326,121	7,377,852
Deferred income tax assets on:		
Lease liabilities	**(1,171,652)**	(1,248,796)
NOLCO	**(323,611)**	(210,721)
MCIT	**–**	(143,360)
Advance rentals	**(12,666)**	(4,620)
Accrued retirement benefits charged to profit or loss	**(127,345)**	(112,171)
Remeasurement losses on retirement plan	**(25,287)**	(18,399)
Allowance for expected credit losses	**(10,243)**	(8,123)
Others	**(6,164)**	(6,452)
	(1,676,968)	(1,752,642)
	₱5,649,153	₱5,625,210

Provision for deferred income tax charged directly to other comprehensive income in 2023, 2022 and 2021 relating to remeasurement gain (loss) on defined benefit obligation amounted to (₱6.89) million, ₱5.48 million and ₱2.27 million, respectively.

The Group did not recognize deferred income tax assets on NOLCO of certain subsidiaries amounting to ₱679.70 million and ₱766.80 million as of December 31, 2023 and 2022, respectively, since management believes that their carryforward benefits may not be realized before they expire.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of the Bayanihan 2 Act which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. NOLCO incurred before taxable year 2020 can be claimed as deduction from the regular taxable income for the next three (3) years immediately following the year of such loss.

The carryforward benefits of the NOLCO, which can be claimed by the Group as credits against the RCIT, are as follows (amounts in thousands):

Year Incurred	Amount	Expiry Date
2023	₱451,559	December 31, 2026
2022	209,018	December 31, 2025
2021	301,509	December 31, 2026
2020	1,016,429	December 31, 2025
	₱1,978,515	

The following are the movements in NOLCO:

	2023	2022
	(In Thousands)	
At January 1	**₱1,614,042**	₱1,500,519
Addition	**451,559**	242,062
Applied/expired	**(87,086)**	(128,539)
At December 31	**₱1,978,515**	₱1,614,042

The reconciliation of the provision for income tax at statutory tax rate to the actual provision for income tax follows:

	2023	2022	2021
		(In Thousands)	
Income tax at statutory tax rate	**₱1,235,346**	₱1,062,054	₱886,719
Adjustments for:			
Income covered by PEZA (Note 32)	**(287,678)**	(136,828)	(519,422)
Deductible expense - Optional Standard Deduction	**(168,833)**	(38,537)	(162,757)
Income tax holiday incentive on sales of BOI-registered projects (Note 33)	**(84,093)**	(51,663)	(42,913)
Equity in net earnings of associates	**(60,502)**	(19,739)	(28,006)

(Forward)

	2023	2022	2021
		(In Thousands)	
Change in unrecognized deferred tax	**₱21,771**	(₱66,342)	₱269,940
Income subjected to final tax	**(16,054)**	(16,082)	(12,546)
Tax-exempt net income on socialized housing units	**9,344**	(10,761)	(17,877)
Interest on HGC-enrolled contracts receivables	**(8,986)**	(673)	(1,960)
Nondeductible interest expense	**5,024**	5,777	62,515
Impact of CREATE Act	**–**	–	(1,121,282)
Others – net	**–**	(127)	(70,763)
	₱645,339	₱727,079	(₱758,352)

29. Fair Value Measurement

The following table sets forth the fair value hierarchy of the Group's assets and liabilities measured at fair value and those for which fair values are required to be disclosed:

	2023				
		Fair Value			
	Carrying Value	**Total**	**Quoted Prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
			(In Thousands)		
Assets measured at fair value					
Financial assets at FVOCI (Note 16)					
Quoted	**₱6,458**	**₱6,458**	**₱6,458**	**₱–**	**₱–**
Unquoted	**9,077**	**9,077**	–	–	**9,077**
	₱15,535	**₱15,535**	**₱6,458**	**₱–**	**₱9,077**
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost					
Accounts payable and accrued expenses (Note 17)					
Accounts payable	**₱10,597,322**	**₱9,942,407**	**₱–**	**₱–**	**₱9,942,407**
Retention fees payable	**2,581,979**	**2,422,413**	–	–	**2,422,413**
Deposits for registration	**1,791,324**	**1,680,620**	–	–	**1,680,620**
	14,970,625	**14,045,440**	–	–	**14,045,440**
Lease liabilities (Note 15)	**6,719,861**	**9,527,716**	–	–	**9,527,716**
Loans payable (Note 18)	**36,987,927**	**37,173,908**	–	–	**37,173,908**
Bonds payable (Note 19)	**37,468,512**	**35,426,365**	–	–	**35,426,365**
	₱96,146,925	**₱96,173,429**	–	–	**₱96,173,429**

	2022				
		Fair Value			
	Carrying Value	Total	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In Thousands)		
Assets measured at fair value					
Financial assets at FVOCI (Note 16)					
Quoted	₱6,458	₱6,458	₱6,458	₱–	₱–
Unquoted	9,077	9,077	–	–	9,077
	₱15,535	₱15,535	₱6,458	₱–	₱9,077
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost					
Accounts payable and accrued expenses (Note 17)					
Accounts payable	₱9,912,276	₱9,721,073	₱–	₱–	₱9,721,073
Retention fees payable	2,667,531	2,645,392	–	–	2,645,392
Deposits for registration	1,650,041	1,579,491	–	–	1,579,491
	14,229,848	13,945,956	–	–	13,945,956
Lease liabilities (Note 15)	6,508,490	9,228,025	–	–	9,228,025
Loans payable (Note 18)	32,849,484	31,548,281	–	–	31,548,281
Bonds payable (Note 19)	41,132,786	39,199,556	–	–	39,199,556
	₱94,720,608	₱93,921,818	₱–	₱–	₱93,921,818

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

- *Cash and cash equivalents, due from and to related parties, other receivables and other current assets*: Due to the short-term nature of these accounts, their fair values approximate their carrying amounts.
- *Contract receivables*: Estimated fair value of contract receivables is based on the discounted value of future cash flows using the prevailing interest rates for similar types of receivables as of the reporting date. Interest rates used was 11.5% - 19% in 2023 and 2022.

  Due to the short-term nature of receivables from government and financial institutions, carrying amounts approximate fair values.

- *Financial assets at FVOCI*: Fair values were determined using quoted market prices at reporting date. Fair value of unquoted equity securities are based on the latest selling price available.

- *Accounts payable and accrued expenses*: On accounts due within one year, the fair value of accounts payable and accrued expenses approximates the carrying amounts. On accounts due for more than a year, estimated fair value is based on the discounted value of future cash flows using the prevailing interest rates on loans and similar types of payables as of the reporting date. Interest rate used was 6.18% and 4.28% in 2023 and 2022, respectively.

- *Long-term debt (lease liabilities, loans payable and bonds payable):* Estimated fair value on debts with fixed interest and not subjected to quarterly repricing is based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date.

  Long term debt subjected to quarterly repricing is not discounted since it approximates fair value. The discount rates used range from 4.46% to 7.20% and 4.21% to 6.12% as of December 31, 2023 and 2022, respectively.

During the years ended December 31, 2023, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

30. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, contracts and other receivables, due from related parties, financial assets at FVOCI, accounts payable and accrued expenses, due to related parties and long-term debt (loans payable and bonds payable). The main purpose of these financial instruments is to raise financing for the Group's operations.

The main objectives of the Group's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and,
- To provide a degree of certainty about costs.

The Group's finance and treasury functions operate as a centralized service for managing financial risks and activities, as well as providing optimum investment yield and cost-efficient funding for the Group. The Group's BOD reviews and approves the policies for managing each of these risks. The policies are not intended to eliminate risk but to manage it in such a way that opportunities to create value for the stakeholders are achieved. The Group's risk management takes place in the context of the normal business processes such as strategic planning, business planning, operational and support processes.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk.

Liquidity Risk
Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. In order to cover its financing requirements, the Group uses both internally generated funds and available long-term and short-term credit facilities.

As of December 31, 2023 and 2022, the Group has undrawn short-term credit lines amounting ₱25.78 billion and ₱12.81 billion, respectively, and undrawn long-term credit facilities amounting ₱31.18 billion and ₱24.00 billion, respectively.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues.

The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2023 and 2022 based on contractual undiscounted payments.

	2023						
	On demand	**Less than 3 months**	**3 months to 1 year**	**> 1 year but < 3 years**	**3 years to 5 years**	**Over 5 years**	**Total**
			(In Thousands)				
Financial Liabilities at Amortized Cost							
Accounts Payable and Accrued Expenses							
Accounts payable	**₱3,999,886**	**₱1,502,712**	**₱822,347**	**₱2,125,667**	**₱2,146,710**	**–**	**₱10,597,322**
Retention fees payable	**727,246**	**726,830**	**156,337**	**13,378**	**610,700**	**347,488**	**2,581,979**
Deposits for registration	**–**	**529**	**217,835**	**797,608**	**314,161**	**461,191**	**1,791,324**
Accrued expenses	**1,712,947**	**–**	**–**	**–**	**–**	**–**	**1,712,947**
Accrued interest on bonds and loans	**674,345**	**–**	**–**	**–**	**–**	**–**	**674,345**
	7,114,424	**2,230,071**	**1,196,519**	**2,936,653**	**3,071,571**	**808,679**	**17,357,917**
Other Payables	**–**	**–**	**–**	**202,281**	**–**	**–**	**202,281**
Due to Related Parties	**488,486**	**–**	**–**	**–**	**–**	**–**	**488,486**
Loans Payable	**–**	**4,615,811**	**13,847,432**	**18,976,679**	**2,282,655**	**–**	**39,722,577**
Bonds Payable	**–**	**977,953**	**2,933,860**	**18,524,610**	**20,094,336**	**–**	**42,530,759**
Lease liabilities	**–**	**456,582**	**478,337**	**496,959**	**520,292**	**27,756,008**	**29,708,178**
	₱7,602,910	**₱8,280,417**	**₱18,456,148**	**₱41,137,182**	**₱25,968,854**	**₱28,564,687**	**₱130,010,198**

	2022						
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	Total
			(In Thousands)				
Financial Liabilities at Amortized Cost							
Accounts Payable and Accrued Expenses							
Accounts payable	₱3,741,320	₱1,405,572	₱769,188	₱1,988,256	₱2,007,940	₱–	₱9,912,276
Retention fees payable	751,343	750,913	161,517	13,822	630,935	359,001	2,667,531
Deposits for registration	–	487	200,654	734,700	289,383	424,817	1,650,041
Accrued expenses	1,486,147	–	–	–	–	–	1,486,147
Accrued interest on bonds and loans	830,908	–	–	–	–	–	830,908
	6,809,718	2,156,972	1,131,359	2,736,778	2,928,258	783,818	16,546,903
Other Payables	452,805	–	–	166,259	–	–	619,064
Due to Related Parties	754,264	–	–	–	–	–	754,264
Loans Payable	–	2,536,543	7,609,630	17,412,972	9,207,968	–	36,767,113
Bonds Payable	–	4,190,199	12,570,598	19,050,675	10,579,412	–	46,390,884
Lease liabilities	–	376,195	395,440	414,196	429,725	27,404,729	29,020,285
	₱8,016,787	₱9,259,909	₱21,707,027	₱39,780,880	₱23,145,363	₱28,188,547	₱130,098,513

The tables below summarize the maturity profile of the Group's financial assets and contract assets held to manage liquidity as of December 31:

	2023						
	On demand	**Less than 3 months**	**3 months to 1 year**	**> 1 year but < 3 years**	**3 years to 5 years**	**Over 5 years**	**Total**
				(In Thousands)			
Financial Assets at Amortized Cost							
Cash and cash equivalents							
Cash on hand and in banks	**₱4,604,987**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱4,604,987**
Cash equivalents	**–**	**1,127,021**	**–**	**–**	**–**	**–**	**1,127,021**
Contracts receivable							
Contracts receivable	**1,582,486**	**–**	**–**	**–**	**–**	**–**	**1,582,486**
Receivables from government and financial institutions	**255,343**	**–**	**–**	**–**	**–**	**–**	**255,343**

(Forward)

	2023						
	On demand	**Less than 3 months**	**3 months to 1 year**	**> 1 year but < 3 years**	**3 years to 5 years**	**Over 5 years**	**Total**
				(In Thousands)			
Other receivables							
Receivable from tenants – net	**₱2,038,850**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱2,038,850**
Due from related parties	**695,344**	–	–	–	–	–	**695,344**
Investment in bonds	–	–	–	–	**150,000**	–	**150,000**
Receivable from homeowners' associations – net	**227,671**	–	–	–	–	–	**227,671**
Receivable from buyers		–	–	–	–	–	
Others	**139,383**	–	–	–	–	–	**139,383**
Short-term deposits	–	–	**96,332**	–	–	–	**96,332**
	9,544,064	**1,127,021**	**96,332**	–	**150,000**	–	**10,917,417**
Financial Assets at FVOCI							
Investments in shares of stocks:							
Quoted	–	**6,458**	–	–	–	–	**6,458**
Unquoted	–	**9,077**	–	–	–	–	**9,077**
	–	**15,535**	–	–	–	–	**15,535**
Total financial assets	**9,544,065**	**1,142,556**	**367,514**	–	**150,000**	–	**11,204,135**
Contract Assets	–	**1,186,457**	**3,559,370**	**991,671**	**440,571**	**3,605,700**	**9,783,769**
	₱9,544,065	**₱2,329,013**	**₱3,926,884**	**₱991,671**	**₱590,571**	**₱3,605,700**	**₱20,987,904**

	2022						
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	Total
				(In Thousands)			
Financial Assets at Amortized Cost							
Cash and cash equivalents							
Cash on hand and in banks	₱5,278,698	₱–	₱–	₱–	₱–	₱–	₱5,278,698
Cash equivalents	–	1,340,437	–	–	–	–	1,340,437
Contracts receivable							
Contracts receivable	1,906,849	–	–	–	–	–	1,906,849
Receivables from government and financial institutions	222,032	–	–	–	–	–	222,032
Other receivables		–	–	–	–	–	–
Receivable from tenants – net	1,876,759	–	–	–	–	–	1,876,759
Due from related parties	464,618	–	–	–	–	–	464,618
Investment in bonds	-	–	–	–	150,000	–	150,000
Receivable from homeowners' associations – net	286,148	–	–	–	–	–	286,148
Receivable from buyers	–	–	–	–	–	–	–
Others	2,822	–	–	–	–	–	2,822
Short-term deposits	-	-	75,492	-	-	-	75,492
	10,037,926	1,340,437	75,492	–	150,000	–	11,603,855
Financial Assets at FVOCI							
Investments in shares of stocks:							
Quoted	–	6,458	–	–	–	–	6,458
Unquoted	–	9,077	–	–	–	–	9,077
	–	15,535	–	–	–	–	₱15,535
Total financial assets	10,037,926	1,355,972	75,492	–	150,000	–	11,619,390
Contract Assets	–	1,691,678	5,075,033	1,613,176	739,746	1,363,323	10,482,956
	₱10,037,926	₱3,047,650	₱5,150,525	₱1,613,176	₱889,746	₱1,363,323	₱22,102,346

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for its contract receivables and other receivables.

It is the Group's policy that buyers who wish to avail the in-house financing scheme be subjected to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk. Moreover, as discussed in Note 8, the Group has a mortgage insurance contract with Home Guaranty Corporation for a retail guaranty line.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based groupings of various customer segments with similar loss patterns (i.e., by market segment and collateral type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract receivables and contract assets using a provision matrix:

		2023				
	Total	**Socialized**	**Low Affordable**	**Affordable**	**Middle Income**	**High-end**
				(In Thousands)		
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Estimated total gross carrying amount at default	**₱11,621,598**	**₱520,811**	**₱1,695,400**	**₱3,894,430**	**₱4,520,571**	**₱990,386**

		2022				
	Total	Socialized	Low Affordable	Affordable	Middle Income	High-end
				(In Thousands)		
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	₱12,611,837	₱496,215	₱1,798,591	₱4,251,894	₱4,986,835	₱1,078,302

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and financial assets at FVOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Based on the Group's experience, the said assets are highly collectible or collectible on demand. The Group holds as collaterals the corresponding properties which the third parties had bought on credit. In few cases of buyer defaults, the Group can repossess the collateralized properties and resell them at the prevailing market price.

The following tables show the credit quality by class of asset as of December 31, 2023 and 2022. The Group's high-grade receivables pertain to receivables from related parties and third parties which, based on experience, are highly collectible or collectible on demand, and of which exposure to bad debt is not significant.

Receivables assessed to be of standard grade are those which had passed a certain set of credit criteria, and of which the Group has not noted any extraordinary exposure which calls for a substandard grade classification.

As at December 31, 2023 and 2022, the analysis of contracts receivable that were past due is as follows:

	Past due					
	Less than 30 days	30 to 60 days	61 days to 90 days	91 days to 120 days	Over 120 days	Total
			(In Thousands)			
2023	**₱384,811**	**₱171,577**	**₱250,029**	**₱106,180**	**₱669,888**	**₱1,582,485**
2022	414,693	256,212	185,816	178,485	871,643	1,906,849

No individually impaired and expected credit loss have been recognized for contracts receivables.

There is no concentration risk on the Group's financial assets as of December 31, 2023 and 2022.

Interest Rate Risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's loans from various financial institutions. To manage interest rate risk, the Group renegotiates the interest rates for certain long term debts to convert them from fixed-rate debt to floating-rate debt as the Group believes that the current interest rate environment makes it more favorable to carry floating-rate debt.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings). There is no other impact on the Group's other comprehensive income other than those already affecting the profit and loss.

	Increase (decrease) in basis points	Effect on income before income tax (In Thousands)
2023	+200	₱173,361
	-200	(173,361)
2022	+200	₱100,815
	-200	(100,815)

The assumed change in rate is based on the currently observable market environment. Effect on the Group's income before tax is computed on the carrying amount of the Group's floating rate loans payable as of December 31, 2023 and 2022.

The following tables set out the carrying amount, by maturity, of the Group's loans payable that are exposed to interest rate risk (amounts in thousands):

	91-day Treasury bill plus 1% to 2% margin					
Variable interest rate	Below 1 Year	1-2 Years	>2 years but <3 years	3 years to 4 years	Over 4 years	Total
As of December 31, 2023	**₱4,731,667**	**₱3,000,000**	**₱–**	**₱1,160,000**	**₱50,100**	**₱8,941,767**
As of December 31, 2022	₱3,608,333	₱291,667	₱–	₱–	₱1,160,000	₱5,060,000

31. **Subsidiary with Material Noncontrolling Interest**

On August 12, 2021, FILRT was listed and traded in the Philippine Stock Exchange under the PSE ticker symbol FILRT. As a result of the listing, FLI's interest in Filinvest REIT Corp. decreased to 63.3%. The transaction was accounted for as an equity transaction since there was no change in control over FILRT. Net proceeds from the public offering amounted to ₱12.13 billion and resulted in additions to retained earnings and noncontrolling interest amounting to ₱10.47 billion and ₱1.66 billion, respectively as of December 31, 2021.

As of December 31, 2023 and 2022, the noncontrolling interest in FILRT represents 36.7%.

Other noncontrolling interest as of December 31, 2023 and 2022 pertains to the 45% equity interest in FBCI, 40% equity interest in FAC, 40% equity interest in FSM Cinemas, 40% equity interest in PDDC, 2% equity interest in TSNC and 25% equity interest in NSI.

Total dividends declared and paid to noncontrolling interest follows:

	Total Dividends Declared	Share of Noncontrolling Interest
	(In Thousands)	
Filinvest REIT Corp.		
2023	**₱1,389,549**	**₱510,381**
2022	1,976,682	726,035
2021	1,095,982	402,554
Filinvest Asia Corp.		
2023	**₱375,000**	**₱150,000**
2022	60,000	24,000
2021	60,000	24,000

The summarized financial information of FILRT as of and for the year December 31, 2023 and 2022 is provided below. This information is based on amounts consolidated to the Group under the same accounting policy (i.e., cost accounting for investment properties and intangible assets) before intercompany eliminations.

Summarized Statement of Financial Position:

	2023	2022
	(In Thousands)	
Current assets	**₱2,345,208**	₱2,818,826
Noncurrent assets	**11,111,540**	11,348,082
Total assets	**13,456,748**	14,166,907
Current liabilities	**1,836,368**	7,800,791
Noncurrent liabilities	**6,772,555**	1,053,920
Total liabilities	**8,608,923**	8,854,711
Equity	**₱4,847,825**	₱5,312,196

Statement of Comprehensive Income

	2023	2022
	(In Thousands)	
Revenues	**₱3,040,837**	₱3,239,589
Cost and other expenses	**1,693,406**	1,640,855
Other charges	**422,252**	293,481
Income before income tax	**925,178**	1,305,253
Net income for the year	**925,178**	1,305,253
Net income attributable to noncontrolling interest	**₱339,818**	₱479,028

Statement of Cash Flows

	2023	2022
	(In Thousands)	
Cash flows from (used in)		
Operating activities	**₱1,236,828**	₱1,832,015
Investing activities	**185,992**	(431,515)
Financing activities	**(1,823,736)**	(2,285,760)
Net increase in cash and cash equivalents	**(₱400,916)**	(₱885,260)

The entire proceeds from FILRT's listing shall be used in accordance with its reinvestment plan.

As a REIT entity, FILRT is subject to externally imposed capital requirements from its debt covenants and based on the requirements of the Aggregate Leverage Limit under the REIT Implementing Rules and Regulations. Thus, FILRT has made adjustments to its policies and processes for managing capital for the year ended December 31, 2021. Per Section 8 of the REIT Implementing Rules and Regulations issued by the SEC, the total borrowings and deferred payments of a REIT should not exceed thirty-five percent (35%) of its Deposited Property; provided, however, that the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed thirty-five percent (35%) but not more than seventy percent (70%) of its Deposited Property. Provided, further, that in no case shall a Fund Manager, borrow for the REIT from any of the funds under its management.

As of December 31, 2023 and 2022, the fair value of the deposited properties amounted to ₱49,946.2 million and ₱49,857.9 million resulting to a debt ratio of 17.2% and 17.8%, respectively. FILRT is compliant to this Aggregate Leverage Limit.

32. **Contingencies and Commitments**

Contingencies
The Group is involved in various legal actions, claims, assessments and other contingencies incidental to its ordinary course of business. Management believes that any amount the Group may have to pay in connection with any of these matters would not have a material adverse effect on the consolidated financial position or operating results. The other information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* is not disclosed as they may prejudice the outcome of the ongoing proceedings.

Build, Transfer and Operate (BTO) Agreement with Cebu Province
In connection with the BTO Agreement with the Cebu Province, the Group is committed to develop and construct a BPO Complex on the properties owned by Cebu Province located at Salinas, Lahug, Cebu City and transfer the ownership of the BPO Complex to the Cebu Province upon completion in exchange for the right to operate and manage the BPO Complex for the entire term of the agreement and its renewal (see Note 16).

Capital Commitments and Obligations
The Group has contractual commitments and obligations for the construction and development costs to be incurred for investment properties and property and equipment items aggregating ₱6.39 billion and ₱4.38 billion as of December 31, 2023 and 2022, respectively. These will be recognized as liabilities in the Group's consolidated financial statements when the related services are received.

Assignment of Development Rights under a Build, Transfer and Operate Agreement
On June 26, 2015, the Parent Company and a third party entered into an agreement whereby the latter agreed to assign its project development rights and benefits under its BTO Agreement with Cebu Province to the Parent Company. In consideration of this assignment, the Parent Company paid upfront fee amounting ₱50.0 million and ₱150.0 million in 2016 and 2015, respectively. As of December 31, 2023, project construction has not started pending approval from the Province of Cebu on cleared site and this upfront fee is recorded as part of 'Other noncurrent assets' in the consolidated statement of financial position (see Note 16).

Development Agreement with Bases Conversion Development Authority (BCDA)
In 2015, the Parent Company won the contract to develop a 288-hectare area in Clark Green City in Tarlac and paid 10% of the bid premium as bid security amounted to ₱16.0 million. On January 8, 2016, the Joint Venture Agreement with BCDA was signed and pursuant to the terms of the development of the project, the Parent Company paid the ₱160.0 million bid premium representing the right to own 55% of the equity on the joint venture company to be formed with BCDA.

On February 11, 2016, the Parent Company incorporated FCGC Corporation, the entity that will handle the development of the New Clark City (NCC) Project, formerly Clark Green City Project. The bid premium is presented as part of investment properties in the consolidated financial statements (see Note 13). On March 16, 2016, FCGC and BCDA incorporated Filinvest BCDA Clark Inc. (FBCI).

FCGC subscribed 282,880,000 shares at par value amounting to ₱282,880,000. On the other hand, BCDA subscribed 231,000,000 shares amounting ₱231,000,000 and paid its subscription thru the assignment of a 50-year Development and Usufructuary Rights (DUR) over the parcel of land where the NCC project will be developed. FBCI is 55%-owned by FCGCC and 45%-owned by BCDA.

The DUR was recorded in FBCI's books as of December 31, 2023 under investment properties.

33. Registration with PEZA

On February 13, 2002, the Parent Company, FAC and FILRT were registered with Philippine Economic Zone Authority (PEZA) pursuant to the provisions of RA No. 7916 as the Ecozone Developer/Operator to lease, sell, assign, mortgage, transfer or otherwise encumber the area designated as a Special Economic Zone (Ecozone). The same shall be known as Filinvest Technology Park-Calamba.

Under the registration, the Parent Company shall enjoy 5% preferential tax privilege on income generated from the Ecozone in lieu of the regular income tax rate.

On June 11, 2001, FAC was registered with PEZA as the developer/operator of PBCom Tower not entitled to any incentives. However, IT enterprises which shall locate in PBCom Tower shall be entitled to tax incentives pursuant to RA No. 7916.

On June 6, 2000, FILRT was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, it is also entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On December 15, 2015, PDDC was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, PDDC is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On July 3, 2019, FBCI was registered with PEZA as an ECOZONE developer/operator enterprise of New Clark City Phase I. As a registered enterprise, FBCI is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

The Group is also entitled to zero percent (0%) value-added tax for sales made to ECOZONE enterprises.

34. Registration with the Board of Investments (BOI)

The Group registered New Leaf Phases 1A and 1B as New Developers of Low-Cost Mass Housing Projects with the BOI under the Omnibus Investments Code of 1987 (Executive Order No. 226), and its validity ended on March 19, 2023. No outstanding projects are registered with the BOI as of December 31, 2023.

35. Notes to Statements of Cash Flows

The Group's noncash activities are as follows:

a) Land and land developments previously presented under inventories were reclassified to investment property in 2022 amounting to ₱94.61 million, (nil in 2023; see Notes 10 and 13).
b) Investment property previously presented under investment properties were reclassified to real estate inventories in 2022 amounting to ₱14.09 million, (nil in 2023).

c) Purchases of investment properties, property and equipment which remain unpaid amounted to ₱2,943.85 million and ₱375.57 million as of December 31, 2023; and ₱3,547.9 million and ₱20.3 million, respectively, as of December 31, 2022 (see Notes 13 and 14).
d) Increase in Other payables and decrease in retirement liabilities amounting to ₱23.2 million in 2022 due to transfer of certain employees to related parties (nil in 2023; see Notes 17 and 25).
e) The Group has remaining unpaid cash dividend amounting to ₱21.4 million out of the dividends declared as of December 31, 2023 and 2022 (see Note 26).
f) Total accretion of interest for loans and bonds payable amounted to ₱133.67 million and ₱59.67 million, respectively, in 2023; and ₱54.92 million and ₱98.30 million, respectively, in 2022 (see Notes 18 and 19).

Changes in liabilities arising from financing activities for the years ended December 31 follows:

	2023			
	January 1, 2023	**Cash flows**	**Noncash movement**	**December 31, 2023**
	(In Thousands)			
Loans payable	**₱32,849,484**	**₱4,131,388**	**₱7,055**	**₱36,987,927**
Bonds payable	**41,132,786**	**(3,604,600)**	**(59,674)**	**37,468,512**
Accrued interest	**830,908**	**(4,118,521)**	**3,961,958**	**674,345**
Dividends payable	**21,413**	**(875,871)**	**875,871**	**21,413**
Lease liabilities	**6,508,490**	**(372,444)**	**583,815**	**6,719,861**
Due to related parties	**754,264**	**(265,778)**	**–**	**488,486**
	₱82,097,345	**(₱5,105,826)**	**₱5,369,025**	**₱82,360,544**

	2022			
	January 1, 2022	Cash flows	Noncash movement	December 31, 2022
	(In Thousands)			
Loans payable	₱32,182,744	₱654,465	₱12,275	₱32,849,484
Bonds payable	36,288,922	4,900,000	(56,136)	41,132,786
Accrued interest	704,994	(3,851,408)	3,977,322	830,908
Dividends payable	19,000	(1,140,525)	1,142,938	21,413
Lease liabilities	6,348,017	(360,103)	520,576	6,508,490
Due to related parties	204,318	549,946	–	754,264
	₱75,747,995	₱752,375	₱5,596,975	₱82,097,345

	2021			
	January 1, 2021	Cash flows	Noncash movement	December 31, 2021
	(In Thousands)			
Loans payable	₱38,105,023	(₱5,997,829)	₱75,550	₱32,182,744
Bonds payable	31,663,528	4,700,000	74,606	36,288,922
Accrued interest	674,060	(3,400,306)	3,431,240	704,994
Dividends payable	49,001	(784,224)	754,223	19,000
Lease liabilities	6,152,960	(351,321)	546,378	6,348,017
Due to related parties	112,021	92,297	–	204,318
	₱76,756,593	(₱5,741,383)	₱4,881,997	₱75,747,995

'Noncash movement' column includes amortization of debt issuance costs and interest expense for loans payable and bonds payable, dividend declaration and share in the net income of noncontrolling interest.

36. **Subsequent Events**

On January 30, 2024, the Parent Company and the Province of Cebu entered into an Amendment Agreement to the BTO Agreement, recognizing the full assignment not only of the rights and benefits but also the obligations under the BTO Agreement in favor of the Parent Company as the successor proponent to the contemplated project development. This is a non-adjusting subsequent event and does not impact the Group’s financial position and performance as of and for the year ended December 31, 2023.

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Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Filinvest Land, Inc.
79 EDSA, Brgy. Highway Hills
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Land, Inc. (the Parent Company) and its subsidiaries (collectively referred to as "the Group") as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 27, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner
CPA Certificate No. 0118546
Tax Identification No. 248-679-852
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026
PTR No. 10082009, January 6, 2024, Makati City

February 27, 2024

FILINVEST LAND, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

ANNEX A

FILINVEST LAND, INC.
SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2023
(Amounts in Thousands of Pesos)

Unappropriated Retained Earnings, beginning of reporting period		₱47,486,649
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation	–	
Effect of restatements	–	
Others	912,769	912,769
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	875,871	
Retained earnings appropriated during the reporting period	–	
Effect of restatements	–	
Others	–	875,871
Unappropriated Retained Earnings, as adjusted		47,523,547
Add/Less: Net income (loss) for the current year		4,315,172
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and equivalents	–	
Unrealized fair value adjustment (marked-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain of investment property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Sub-total		–
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss FVTPL)	–	
Realized fair value gain of Investment Property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Sub-total		–

(Forward)

Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	₱–	
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value gain of Investment Property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	–	
Sub-total		–
Adjusted Net Income/Loss		4,315,172
Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
Add/Less: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others	–	
Sub-total		–
Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	125,965	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(71,385)	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Others	–	
Sub-total	54,580	54,580
Total Retained Earnings, end of reporting period available for dividend		**₱51,893,299**

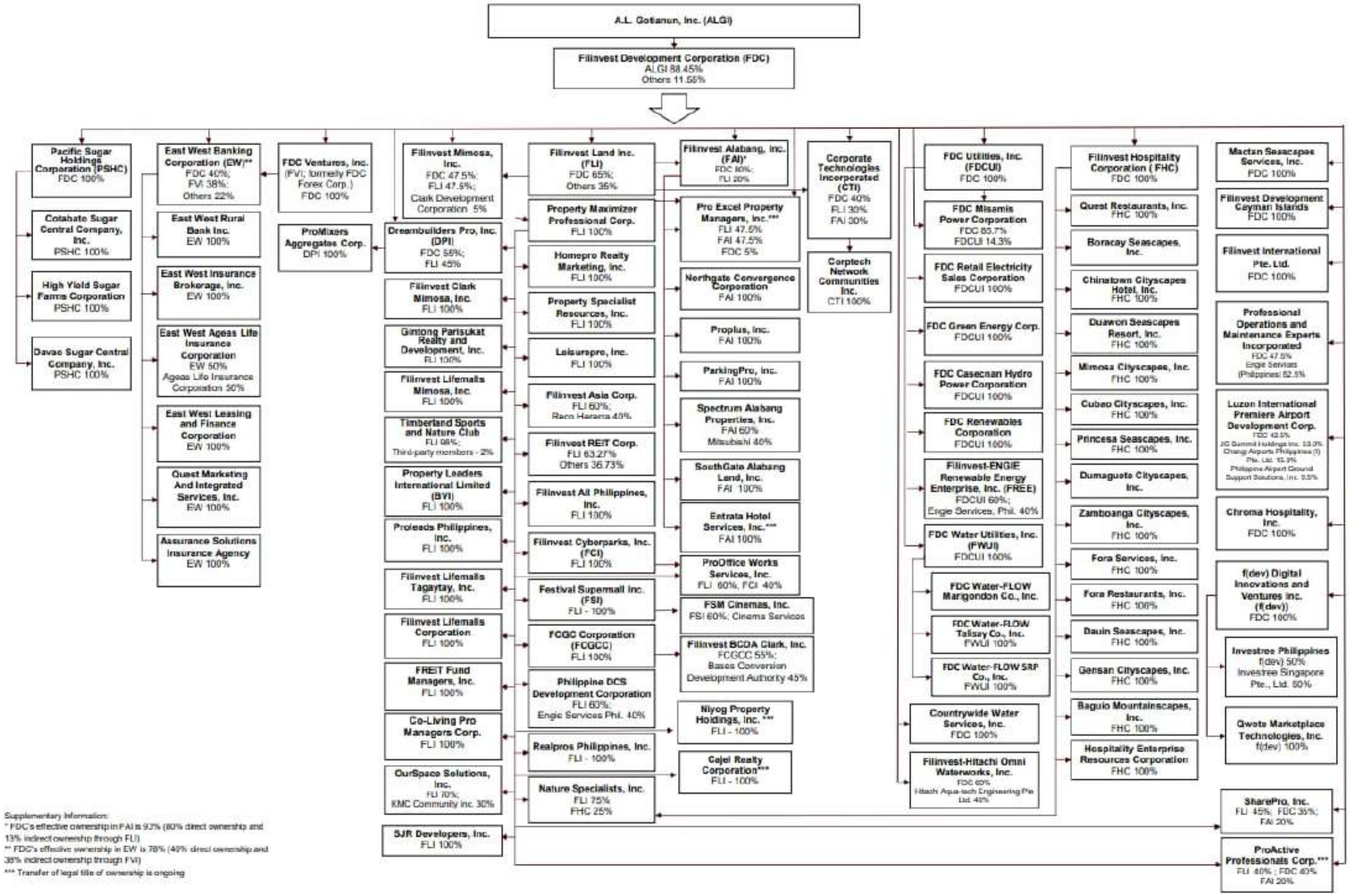
ANNEX B

FILINVEST LAND, INC. AND SUBSIDIARIES

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES

DECEMBER 31, 2023

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 December 31, 2023)



SCHEDULE A

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
DECEMBER 31, 2023

Below is the detailed schedule of the Group's financial assets in equity securities as of December 31, 2023:

Name of Issuing entity and association of each issue	Number of Shares	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at end of year	Income Received and Accrued
		(In Thousands Except Number of Shares)		
Financial assets at FVOCI				
Quoted:				
Philippine Long Distance Telephone Company	26,100	₱261	₱261	₱–
Manila Electric Company (MERALCO)	1,153,694	6,197	6,197	–
		6,458	6,458	–
Unquoted:				
The Palms Country Club, Inc.	1,000	₱3,060	₱3,060	₱–
Cebu Country Club	1	6,017	6,017	–
		9,077	9,077	–
		₱15,535	₱15,535	₱–

The Group's investment in MERALCO is an unlisted preferred shares acquired in connection with the infrastructure that it provides for the Group's real estate development projects. These are carried at cost less impairment, if any.

SCHEDULE B

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2023

As of December 31, 2023, there were no advances to employees of the Group with balances above ₱100,000.

All amounts receivable from related parties pertained to items arising in the ordinary course of business.

SCHEDULE C

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

		Volume of Transactions	Receivable
Filinvest Cyberzone Mimosa, Inc. (FCMI)	Share in expenses	**(₱1,272,950)**	**₱3,074,681**
Filinvest Cyberparks, Inc. (FCI)	Share in expenses	**885,625**	**2,043,349**
Homepro Realty Marketing, Inc. (Homepro)	Share in expenses	**(97,487)**	**714,896**
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Share in expenses	**53,345**	**631,710**
Property Maximizer Professional Corp. (Promax)	Share in expenses	**123,199**	
Property Maximizer Professional Corp. (Promax)	Marketing fee expense	**(50,746)**	**150,055**
Filinvest BCDA Clark, Inc. (FBCI)	Share in Expenses	**(25,203)**	**94,402**
Nature Specialists, Inc.	Share in expenses	**17,320**	**89,429**
Filinvest REIT Corp (FILRT)	Share in expenses	**640,694**	
Filinvest REIT Corp (FILRT)	Rental income	**(21,836)**	**75,155**
FCGC Corporation (FCGCC)	Share in expenses	**(239,999)**	**49,239**
SJR Developers	Share in expenses	**44,259**	**44,259**
Proleads Philippines, Inc. (PPI)	Share in Expenses	**320**	**27,868**
Gintong Parisukat Realty and Development Inc. (GPRDI)	Share in expenses	**4,367**	**27,618**
Timberland Sports and Nature Club, Inc. (TSNC)	Share in expenses	**125**	**19,633**
Realpros Philippines, Inc. (RPI)	Share in expenses	**21**	**15,252**
Co-Living Pro Managers Corp.	Share in expenses	**3,011**	**11,327**
Filinvest AII Philippines, Inc. (FAPI)	Share in expenses	**3,962**	**8,723**
Property Specialist Resources, Inc. (Prosper)	Share in expenses	**582**	**8,002**
Leisurepro, Inc. (Leisurepro)	Share in expenses	**60**	**6,632**
Niyog Property Holdings Inc	Share in expenses	**3,166**	**3,166**
OurSpace Solutions, Inc.	Share in expenses	**1**	**455**
Cajel Realty Corporation	Share in expenses	**449**	**449**
Festival Supermall, Inc. (FSI)	Share in expenses	**376**	**376**
FREIT Fund Managers, Inc. (FFMI)	Share in expenses	**–**	**223**
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Share in expenses	**1**	**212**
Philippine DCS Development Corporation (PDDC)	Share in expenses	**–**	**141**
Property Leaders International Limited (PLIL)	Share in expenses	**–**	**111**
ProOffice Works Services, Inc. (ProOffice)	Share in expenses	**2**	**95**
Filinvest Lifemalls Corporation (FLC)	Share in expenses	**-1**	**88**
FSM Cinemas, Inc. (FSMCI)	Share in expenses	**12**	**15**
		₱72,675	**₱7,097,561**

The table below shows the movement of the receivables from related parties:

	Balance Beginning of Year	Additions	Collections	Balance at End of Year
Filinvest Cyberzone Mimosa, Inc. (FCMI)	**₱4,347,631**	**₱328,553**	**(₱1,601,503)**	**₱3,074,681**
Filinvest Cyberparks, Inc. (FCI)	**1,157,724**	**885,625**	**–**	**2,043,349**
Homepro Realty Marketing, Inc. (Homepro)	**812,383**	**8,494**	**(105,981)**	**714,896**
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	**578,365**	**53,345**	**–**	**631,710**
Property Maximizer Professional Corp. (Promax)	**77,602**	**73,097**	**(644)**	**150,055**
Filinvest BCDA Clark, Inc. (FBCI)	**119,605**	**13,178**	**(38,381)**	**94,402**
Nature Specialists, Inc. (NSI)	**72,109**	**17,320**	**–**	**89,429**
Filinvest REIT Corp (FILRT)	**(543,703)**	**640,694**	**(21,836)**	**75,155**
FCGC Corporation (FCGCC)	**289,238**	**20,001**	**(260,000)**	**49,239**
SJR Developers	**–**	**44,259**	**–**	**44,259**
Proleads Philippines, Inc. (PPI)	**27,548**	**320**	**–**	**27,868**
Gintong Parisukat Realty and Development Inc. (GPRDI)	**23,251**	**4,367**	**–**	**27,618**
Timberland Sports and Nature Club, Inc. (TSNC)	**19,508**	**125**	**–**	**19,633**
Realpros Philippines, Inc. (RPI)	**15,231**	**21**	**–**	**15,252**
Co-Living Pro Managers Corp.	**8,316**	**3,011**	**–**	**11,327**
Filinvest AII Philippines, Inc. (FAPI)	**4,761**	**3,962**	**–**	**8,723**
Property Specialist Resources, Inc. (Prosper)	**7,420**	**811**	**(229)**	**8,002**
Leisurepro, Inc. (Leisurepro)	**6,572**	**60**	**–**	**6,632**
Niyog Property Holdings Inc	**–**	**3,166**	**–**	**3,166**
OurSpace Solutions, Inc.	**454**	**1**	**–**	**455**
Cajel Realty Corporation	**–**	**449**	**–**	**449**
Festival Supermall, Inc. (FSI)	**–**	**376**	**–**	**376**
FREIT Fund Managers, Inc. (FFMI)	**223**	**–**	**–**	**223**
Filinvest Lifemalls Mimosa, Inc. (FLMI)	**211**	**1**	**–**	**212**
Philippine DCS Development Corporation (PDDC)	**141**	**–**	**–**	**141**
Property Leaders International Limited (PLIL)	**111**	**–**	**–**	**111**
ProOffice Works Services, Inc. (ProOffice)	**93**	**2**	**–**	**95**
Filinvest Lifemalls Corporation (FLC)	**89**	**–**	**(1)**	**88**
FSM Cinemas, Inc.	**3**	**12**	**–**	**15**
	₱7,024,886	**₱2,101,250**	**(₱2,028,575)**	**₱7,097,561**

The intercompany transactions between FLI and the subsidiaries pertain to share in common expenses, rental charges, marketing fee and management fee. There were no amounts written off during the year and all amounts are expected to be settled within the year.

SCHEDULE D

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

Below is the schedule of long-term debt of the Group:

Title of Issue & Type of Obligation	Amount Authorized by Indenture/Facility Agreement	Current Portion of Long-term Debt (In Thousands)	Long-term Debt (net of Current Portion (In Thousands)	Interest Rate	No. of Periodic Installment	Maturity Date
Filinvest Land Inc.						
Bonds						
Philippine Peso	₱1,700,000	₱1,697,345	₱–	5.6400%	N/A, Bullet	December 4, 2024
Philippine Peso	8,925,000	–	8,861,211	5.3500%	N/A, Bullet	June 23, 2025
Philippine Peso	1,000,000	–	996,930	5.7100%	N/A, Bullet	November 18, 2023
Philippine Peso	5,000,000	–	4,963,257	4.5300%	N/A, Bullet	August 20, 2025
Philippine Peso	1,764,595	–	1,757,158	4.1800%	N/A, Bullet	December 21, 2025
Philippine Peso	11,430,800	–	11,290,787	6.9829%	N/A, Bullet	May 18, 2026
Philippine Peso	2,975,000	–	2,947,340	6.4100%	N/A, Bullet	June 1, 2027
Philippine Peso	5,000,000	–	4,954,484	5.2600%	N/A, Bullet	June 23, 2027
Bank Loan- Peso						
Local Bank	5,105,000	3,591,045	1,498,133	Various fixed / floating rates	Various	Various from 2024 to 2027
Local Bank	7,984,167	2,346,448	5,614,514	Various fixed / floating rates	Various	Various from 2024 to 2026
Local Bank	2,104,167	1,828,724	270,833	Various fixed rates	Various	Various from 2024 to 2025
Local Bank	2,000,000	–	1,991,022	Various fixed rates	Various	September 27, 2026
Local Bank	1,550,000	–	1,541,305	Various fixed / floating rates	Various	Various from 2026 to 2028
Local Bank	3,256,667	3,250,911	–	Various fixed / floating rates	Various	Various from 2024
Local Bank	1,500,000	1,492,902	–	Various floating rates	Various	Various from 2024
Local Bank	2,848,958	1,392,170	1,447,713	Various fixed rates	Various	Various from 2024 to 2025
Sub-total	64,144,353	15,599,545	48,134,687			

Title of Issue & Type of Obligation	Amount Authorized by Indenture/Facility Agreement	Current Portion of Long-term Debt (In Thousands)	Long-term Debt (net of Current Portion (In Thousands)	Interest Rate	No. of Periodic Installment	Maturity Date
Subsidiaries						
Bank Loan- Peso						
Local Bank	₱868,182	₱702,193	₱163,636	Various fixed rates	Various	Various from 2024 to 2025
Local Bank	5,731,667	1,232,174	4,492,169	Various fixed / floating rates	Various	Various from 2024 to 2028
Local Bank	3,000,000	–	2,999,333	Various fixed rates	Various	Various from 2025
Local Bank	260,200	–	258,623	Various fixed / floating rates	Various	Various from 2026 to 2028
Local Bank	575,000	573,038	–	Various fixed / floating rates	Various	Various from 2024
Local Bank	301,042	70,833	230,208	Various fixed rates	Various	Various from 2025
	₱74,880,443	₱18,177,783	₱56,278,656			

Each loan balance is presented net of unamortized deferred costs. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio ranging from 2.0x to 3.0x and minimum interest coverage ratio of 1.0x.

Each bond balance is presented net of unamortized deferred costs. The agreements covering the abovementioned bonds require maintaining certain financial ratios including maximum debt-to-equity ratio ranging from 2.0x to 2.5x ; minimum current ratio ranging from 1.0x to 2.0x; and minimum debt service coverage ratio (DSCR) of 1.0x (except for FILRT bonds which requires maximum debt-to-equity ratio of 2.33x and DSCR of 1.1x).

The agreements also provide for restrictions and requirements with respect to, among others, making distribution on its share capital; purchase, redemption or acquisition of any share of stock; sale or transfer and disposal of all or a substantial part of its capital assets; restrictions on use of funds; and entering into any partnership, merger, consolidation or reorganization.

The Group has complied with these contractual agreements. There was neither default nor breach noted for the year ended December 31, 2023.

SCHEDULE E

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2023

This schedule is not applicable as there are no non-current indebtedness which exceed 5% of total assets as of December 31, 2023.

SCHEDULE F

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS

DECEMBER 31, 2023

The Group does not have guarantees of securities of other issuers as of December 31, 2023.

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

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
			(In Thousands)			
Common Shares	33,000,000	24,249,760	–	16,200,420	5,525	8,043,815
Preferred Shares	8,000,000	8,000,000	–	8,000,000	–	–

SCHEDULE H

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF BOND ISSUANCES - SECURITIES OFFERED TO THE PUBLIC

DECEMBER 31, 2023

	2013 7.0 Billion Bond	2014 7.0 Billion Bond	2015 8.0 Billion Bond	2017 6.0 Billion Bond	2020 8.1 Billion Bond	2021 10.0 Billion Bond	2022 11.90 Billion Bond	2023 11.43 Billion Bond
Expected gross and net proceeds as disclosed in the prospectus								
Gross Proceeds	₱7,000,000,000	₱7,000,000,000	₱8,000,000,000	₱6,000,000,000	₱9,000,000,000	₱10,000,000,000	₱11,900,000,000	₱12,000,000,000
Less: Expenses	67,594,379	82,327,087	85,330,750	68,308,996	118,002,625	131,785,030	154,432,780	149,808,155
Net Proceeds	₱6,932,405,621	₱6,917,672,913	₱7,914,669,250	₱5,931,691,004	₱8,881,997,375	₱9,868,214,970	₱11,745,567,220	₱11,850,191,845
Actual gross and net proceeds								
Gross Proceeds	₱7,000,000,000	₱7,000,000,000	₱8,000,000,000	₱6,000,000,000	₱8,100,000,000	₱10,000,000,000	₱11,900,000,000	₱11,430,800,000
Less: Expenses	82,906,997	77,906,937	86,811,468	96,582,653	165,450,548	137,330,244	156,399,197	143,059,814
Net Proceeds	₱6,917,093,003	₱6,922,093,063	₱7,913,188,532	₱5,903,417,347	₱7,934,549,452	₱9,862,669,756	₱11,743,600,803	₱11,287,740,186
Expenditure items where the proceeds were used								
Land Acquisition	₱2,965,648,318	₱–	₱88,961,000	₱–	₱595,776,352	₱2,000,000,000	₱2,273,000,000	₱–
Project Development	1,185,554,209	2,422,093,063	2,888,760,022	–	693,494,229	532,498,565	597,600,803	2,786,885,000
Investment Property	2,765,890,476	–	4,935,467,510	5,903,417,347	2,104,200,033	1,753,544,108	273,000,000	244,299,000
Debt refinancing	–	4,500,000,000	–	–	4,356,621,959	5,308,627,083	8,600,000,000	4,000,000,000
General Corporate	–	–	–	–	184,456,880	268,000,000	–	–
Net Proceeds	₱6,917,093,003	₱6,922,093,063	₱7,913,188,532	₱5,903,417,347	₱7,934,549,452	₱9,862,669,756	₱11,743,600,803	₱7,031,184,000
Balance of the proceeds as of December 31, 2023								
Net Proceeds	₱6,917,093,003	₱6,922,093,063	₱7,913,188,532	₱5,903,417,347	₱7,934,549,452	₱9,862,669,756	₱11,743,600,803	₱11,287,740,186
Capital Expenses	6,917,093,003	2,422,093,063	7,913,188,532	5,903,417,347	3,577,927,493	4,554,042,673	3,143,600,803	3,031,184,000
Debt refinancing	–	4,500,000,000	-	-	4,356,621,959	5,308,627,083	8,600,000,000	4,000,000,000
Net Proceeds	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱4,256,556,186

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Filinvest Land, Inc.
79 EDSA, Brgy. Highway Hills
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Land, Inc. (the Parent Company) and its subsidiaries (collectively referred to as "the Group") at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 27, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission ("SEC"), and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner
CPA Certificate No. 0118546
Tax Identification No. 248-679-852
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026
PTR No. 10082009, January 6, 2024, Makati City

February 27, 2024

FILINVEST LAND, INC. AND SUBSIDIARIES

COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2023

(Amounts in Thousands of Pesos)

Ratio	Formula	2023	2022
Current Ratio [1]	Total Current Assets divided by Total Current Liabilities Total Current Assets 95,607,984 Divide by: Total Current Liabilities 32,206,852 Current Ratio 2.97	**2.97**	2.53
Interest-bearing Debt-to-Equity ratio	Interest-bearing Debt (*Sum of Consolidated Loans Payable and Consolidated Bonds Payable)* divided by Total Equity Interest-bearing Debt 74,456,439 Divide by: Equity 94,271,869 Long-term Debt-to-Equity Ratio 0.79	**0.79**	0.81
Debt Ratio	Total Liabilities divided by Total Assets Total Liabilities 110,204,208 Divide by: Total Assets 204,476,077 Debt Ratio 0.54	**0.54**	0.54
EBITDA to Total Interest Paid	Earnings before Interests and Other Charges, Income Tax, Depreciation and Amortization - 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 EBITDA 8,969,158 Divide by: Total Interest Paid 4,118,521 EBITDA to Total Interest Paid 2.18	**2.18**	2.12
Price Earnings Ratio	Closing price divided by Earnings per share Closing price [2] 0.59 Divide by: Earnings per share 0.16 Price Earnings Ratio 3.69	**3.69**	7.50
Quick Asset Ratio	Quick Assets *(total current assets less real estate inventories)* divided by Current Liabilities Total Current Assets 95,607,984 Less: Inventories 72,634,830 Quick Assets 22,973,154 Divide by: Total Current Liabilities 32,206,852 Quick Asset Ratio 0.71	**0.71**	0.62
(Forward)			

Ratio	**Formula**		**2023**	2022
Solvency Ratio	Net Income before Depreciation and Amortization *(net income plus depreciation and amortization)* divided by Total Liabilities		**0.05**	0.05
	Net Income	4,296,044		
	Add: Depreciation and Amortization	1,593,382		
	Net Income before Depreciation and Amortization	5,889,426		
	Divide by: Total Liabilities	110,204,208		
	Solvency Ratio	0.05		
Interest Coverage Ratio	Earnings before Interest and Other Finance Charges and Income Tax (EBIT) divided by Interest and Other Finance Charges		**3.03**	2.85
	EBIT	7,375,776		
	Divide by: Interest and Other Finance Charges	2,434,393		
	Interest Coverage Ratio	3.03		
Net Profit Margin	Net Income divided by Revenue		**0.19**	0.18
	Net Income	4,296,044		
	Divide by: Revenue	22,554,334		
	Net Profit Margin	0.19		
Return on Equity	Net Income divided by Total Equity		**0.05**	0.04
	Net Income	4,296,044		
	Divide by: Total Equity	94,271,869		
	Return on Equity	0.05		
Asset-to-Equity Ratio	Total Assets divided by Total Equity		**2.17**	2.19
	Total Assets	204,476,077		
	Divide by: Total Equity	94,271,869		
	Return on Equity	2.17		

(1) In computing for the Group's current ratio, current assets include cash and cash equivalents, contracts receivables, contract assets, other receivables, real estate inventories and other current assets and current liabilities include accounts payable and accrued expenses, due to related parties, income tax payable and current portion of loans payable. Determination of current accounts is based on their maturity profile of relevant assets and liabilities.
(2) Closing price at December 31, 2023 and December 31, 2022 is ₱0.59 and ₱0.90, respectively.

ANNEX "D"

Item 7. MANAGEMENT DISCUSSION AND ANALYSIS AND PLAN OF OPERATION

Plan of Operations for 2024

In terms of real property trading business segment, FLI's business strategy has placed emphasis on the development and sale of residential lots and housing units mainly to lower and middle-income markets which accounts for approximately 50% of total demand throughout the Philippines as its core. This business segment 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 intends to retain its dominant position as the leader in MRB projects by launching 4 new projects nationwide and 10 additional buildings of existing projects. 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.

As far as the leasing business is concerned, the Parent Company continues the build-up of its office and retail leasing portfolio to generate recurring revenues. Included in its pipeline expected to be completed in 2024, are 9 office spaces located in Alabang, Makati City, Quezon City, Cebu, Dumaguete and Clark Mimosa and a mall in Dumaguete. The Company has also started the leasing operations of its first dormitel, "The Crib" in Clark Mimosa and its industrial park in New Clark City.

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

	2023	2022	Change Increase (Decrease)	
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**	19,186.46	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	**340.88**	311.87	29.01	9.30%
	22,554.33	19,944.34	2,609.97	13.09%
COSTS				
Real Estate Sales	**8,101.49**	7,354.69	746.79	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	**1,370.13**	1,150.64	219.49	19.08%
INTEREST AND OTHER FINANCE CHARGES	**2,434.39**	2,294.24	140.15	6.11%
	17,612.95	15,696.12	1,916.82	12.21%

	2023	2022	Change Increase (Decrease)	
INCOME BEFORE INCOME TAX	**4,941.38**	4,248.21	693.17	16.32%
PROVISION FOR INCOME TAX				
Current	**578.50**	420.35	158.14	37.62%
Deferred	**66.84**	306.73	(239.88)	(78.21%)
	645.34	727.08	(81.74)	(11.24%)
NET INCOME	**₱4,296.04**	₱3,521.14	₱ 774.91	22.01%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the parent	**₱3,765.39**	₱2,889.91	₱875.47	30.29%
Noncontrolling interest	**530.65**	631.22	(100.57)	(15.93%)
	₱4,296.04	₱3,521.14	₱774.91	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

	2023	2022	Change Increase (Decrease)	
ASSETS				
Current Assets				
Cash And Cash Equivalents	**₱5,732.01**	₱6,619.13	₱(887.13)	(13.40%)
Contracts Receivable	**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	811.67	12.72%
Total Current Assets	**95,607.99**	94,757.07	850.92	0.90%
Noncurrent Assets				
Contract Asset - Net of Current Portion	**5,037.94**	5,083.16	(45.22)	(0.89%)
Investment 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%)

	2023	2022	Change Increase (Decrease)	
Goodwill	**4,567.24**	4,567.24	-	0.00%
Other Noncurrent Assets	**8,662.18**	7,974.63	687.55	8.62%
Total Noncurrent Assets	**108,868.09**	105,358.11	3,509.98	3.33%
TOTAL ASSETS	**₱204,476.08**	₱200,115.18	₱ 4,360.90	2.18%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts Payable and Accrued Expenses	**₱12,551.16**	₱11,948.85	₱602.31	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	(265.78)	(35.24%)
Income Tax Payable	**21.56**	19.55	2.01	10.25%
Loans Payable - Current Portion	**16,480.44**	8,446.97	8,033.46	95.10%
Bonds Payable - Current Portion	**1,697.35**	15,017.44	(13,320.09)	(88.70%)
Total Current Liabilities	**32,206.86**	37,445.43	(5,238.58)	(13.99%)
Noncurrent Liabilities				
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	5.89	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 Noncurrent Liabilities	**77,997.35**	71,167.01	6,830.35	9.60%
Total Liabilities	**110,204.21**	108,612.44	1,591.77	1.47%
Equity				
Common Stock	**24,470.71**	24,470.71	(0.00)	(0.00%)
Preferred Stock	**80.00**	80.00	(0.00)	(0.00%)
Additional Paid-In Capital	**5,612.32**	5,612.32	0.00	0.00%
Treasury Stock	**(221.04)**	(221.04)	-	0.00%
Retained Earnings	**62,061.53**	59,172.01	2,889.52	4.88%
Revaluation Reserve on Financial Assets at Fair Value Through Other Comprehensive Income	**(2.62)**	(2.62)	-	0.00%
Remeasurement Losses on Retirement Plan	**47.52**	68.19	(20.66)	(30.31%)
Share In Other Components of Equity of an Associate	**372.45**	372.45	-	0.00%
Equity Attributable to Equity Holders of the Parent	**92,420.87**	89,552.01	2,868.85	3.20%
Noncontrolling Interest	**1,851.01**	1,950.73	(99.73)	(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 Interests
Mainly due to dividend distributions higher than the income share of NCI

Performance Indicators	**2023**	2022
Earnings per Share - Basic[1]	0.16	0.12
Earnings per Share - Diluted[2]	0.16	0.12
Price Earnings Ratio[3]	3.69	7.50
Interest-bearing Debt to Equity Ratio[4]	0.79	0.81
Debt Ratio[5]	0.54	0.54
EBITDA to Total Interest Paid [6]	2.18	2.27

[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, 2023 and 2022

[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.

Results of operations for the year ended December 31, 2022 compared to year ended December 31, 2021

Pursuant to the adoption of PIC Q&A 2018-12-H, PFRS 15 - Accounting for Common Usage Service (CUSA) Charges, the figures for December 31, 2022 and 2021 were restated for comparability to current period where chargeable collections / reimbursements i.e. CAMC/CUSA and aircon charges are presented as part of the rental services revenues while chargeable expenses are presented as part of the cost of rental services.

	2022	2021 (As Restated)	Change Increase (Decrease)	
REVENUE				
Real Estate Sales	**₱12,836.06**	₱11,274.51	₱1,561.55	13.85%
Rental Services	**6,350.41**	5,591.80	758.61	13.57%
Total revenue	**19,186.46**	16,866.31	2,320.15	13.76%
EQUITY IN NET EARNINGS OF AN ASSOCIATE	**78.96**	112.02	(33.07)	(29.52%)
OTHER INCOME				
Interest Income	**367.05**	409.61	(42.56)	(10.39%)
Others	**311.87**	350.98	(39.10)	(11.14%)
	19,944.34	17,738.92	2,205.43	12.43%
COSTS				
Real Estate Sales	**7,354.69**	6,443.69	911.00	14.14%
Rental 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	238.83	26.19%
INTEREST AND OTHER FINANCE CHARGES	**2,294.24**	2,426.79	(132.55)	(5.46%)
	15,696.13	14,192.04	1,504.09	10.60%
INCOME BEFORE INCOME TAX	**4,248.21**	3,546.88	701.34	19.77%
PROVISION FOR INCOME TAX				
Current	**420.35**	350.99	69.36	19.76%
Deferred	**306.73**	(1,109.34)	1,416.07	127.65%
	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	**₱2,889.91**	₱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 by 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 69.5% (inclusive of MRB and HRB); Affordable and low affordable 20.7%; High-End 8%; Socialized 1.8%.

Rental and related services increased by ₱758.61 million or by 13.57% vs. last year, from ₱5,591.80 million in 2021 to ₱6,350.41 million in 2022. Mall rentals 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 an associate decreased by ₱33.07 million or by 29.52% 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 decreased by ₱42.56 million or by 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 ₱39.10 million or by 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 million or by 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 increased by ₱152.87 million or by 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 by 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 ₱238.83 million or by 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 ₱132.55 million or by 5.46% compared to prior year from ₱2,426.79 million in 2021 to ₱2,294.24 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

	2022	2021	Change Increase (Decrease)	
ASSETS				
Current Assets				
Cash And Cash Equivalents	**₱6,619.13**	₱9,658.26	₱ (3,039.13)	(31.47%)
Contracts Receivable	**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	191.54	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	1,447.45	29.34%
Total Current Assets	**94,757.07**	95,544.70	(787.64)	(0.82%)
Noncurrent Assets				
Contract Asset - Net of Current Portion	**5,083.16**	4,152.76	930.41	22.40%
Investment 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	0.00%
Other Noncurrent Assets	**7,974.63**	6,946.18	1,028.45	14.81%
Total Noncurrent Assets	**105,358.11**	97,678.83	7,679.29	7.86%
TOTAL ASSETS	**₱200,115.18**	₱193,223.53	₱6,891.65	3.57%
LIABILITIES AND EQUITY				
Current 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	549.95	269.16%
Income Tax Payable	**19.55**	8.52	11.03	129.44%
Loans Payable - Current Portion	**8,446.97**	4,912.20	3,534.78	71.96%
Bonds Payable - Current Portion	**15,017.44**	6,991.75	8,025.69	114.79%
Total Current Liabilities	**37,445.43**	25,275.25	12,170.18	48.15%
Noncurrent Liabilities				
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	(3,181.83)	(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 Noncurrent Liabilities	**71,167.01**	78,158.06	(6,991.05)	(8.94%)
Total Liabilities	**108,612.44**	103,433.31	5,179.13	5.01%

	2022	2021	Change Increase (Decrease)	
Equity				
Common Stock	**24,470.71**	24,470.71	0.00	0.00%
Preferred Stock	**80.00**	80.00	0.00	0.00%
Additional Paid-In Capital	**5,612.32**	5,612.32	0.00	0.00%
Treasury Stock	**(221.04)**	(221.04)	0.00	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	0.00%
Remeasurement Losses On Retirement Plan	**68.19**	(16.17)	84.35	(521.71%)
Share In Other Components Of Equity Of An Associate	**372.45**	372.45	0.00	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 the ₱193.22 billion balance as of December 31, 2021, increased by ₱6.9 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)
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.

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 continued payments for 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**.**

9.99% Overall 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]	2.27	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, 2021 and 2020

[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.

Results of operations for the year ended December 31, 2021 compared to the year ended December 31, 2020

	2021 (As Restated)	2020 (As Restated)	Change Increase (Decrease)	
REVENUE				
Real Estate Sales	**₱11,274.51**	₱9,837.12	₱1,437.39	14.61%
Rental Services	**5,591.80**	7,527.96	(1,936.16)	(25.72%)
Total revenue	**16,866.31**	17,365.08	(498.77)	(2.87%)
EQUITY IN NET EARNINGS OF AN ASSOCIATE	**112.02**	516.45	(404.43)	(78.31%)
OTHER INCOME				
Interest Income	**409.61**	404.14	5.47	1.35%
Others	**350.98**	340.71	10.27	3.01%
	17,738.92	18,626.38	(887.46)	(4.76%)
COSTS				
Real Estate Sales	**6,443.69**	5,586.83	856.85	15.34%
Rental Services	**2,430.62**	2,150.07	280.55	13.05%
OPERATING EXPENSES				
General And Administrative Expenses	**1,979.12**	2,243.60	(264.48)	(11.79%)
Selling And Marketing Expenses	**911.82**	1,078.27	(166.46)	(15.44%)
INTEREST AND OTHER FINANCE CHARGES	**2,426.79**	3,189.46	(762.67)	(23.91%)
	14,192.04	14,248.24	(56.20)	(0.39%)
INCOME BEFORE INCOME TAX	**3,546.88**	4,378.14	(831.26)	(18.99%)

PROVISION FOR INCOME TAX				
Current	**350.99**	596.53	(245.54)	(41.16%)
Deferred	**(1,109.34)**	(176.14)	(933.20)	529.81%
	(758.35)	420.39	(1,178.74)	(280.39%)
NET INCOME	**₱4,305.23**	₱3,957.75	₱347.48	8.78%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the parent	**₱3,803.38**	₱3,733.44	₱69.93	1.87%
Noncontrolling interest	**501.85**	224.31	277.54	123.73%
	₱4,305.23	₱3,957.75	₱347.48	8.78%

For the year ended December 31, 2021, FLI's net income from its business segments registered an increase of ₱347.48 million or 8.78%, from ₱3,957.75 million in 2020 to ₱4,305.23 million in 2021 primarily due to higher real estate sales coupled with lower income tax as a result of tax adjustment brought about by CREATE Act.

Revenues and other income

Total consolidated revenues and other income decreased by ₱887.46 million or 4.76% year-on-year from ₱18,626.38 million in 2020 to ₱17,738.92 million in 2021 due to lower revenues generated from leasing business tempered by increased real estate sales revenues from residential business.

Real estate sales grew by ₱1,437.39 million or by 14.61% compared to prior year, from ₱9,837.12 million in 2020 to ₱11,274.51 million in 2021 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 67.3% (inclusive of MRB and HRB); Affordable and low affordable 22.2%; High-End 7.8%; Socialized 2.8%.

Rental and related services decreased by ₱1,936.16 million or by 25.72%, from ₱7,527.96 million in 2020 to ₱5,591.80 million in 2021 mainly due to decline in mall and office revenues as a result of lower occupancy and rental concessions provided primarily to mall and retail tenants. Reduced occupancy was caused by the pre-termination of leases by POGO tenants. Prior year 2020 rental revenues include pre-covid quarantine period for 2.5 months (From January 01, 2020 to March 15, 2020).

Equity in net earnings of an associate decreased by ₱404.43 million or by 78.31% year-on-year from ₱516.45 million in 2020 to ₱112.02 million in 2021 due to lower net income reported by FAI. FAI's 2020 income included gain on sale of Spectrum Alabang Properties, Inc. (SAPI) shares to its joint venture partner, Mitsubishi.

Interest income increased by ₱5.47 million or by 1.35% compared to prior year from ₱404.14 million in 2020 to ₱409.61 million in 2021 due to higher interest income derived from installment contract receivables for in-house financing scheme.

Other income improved by ₱10.26 million or by 3.01% vs. last year from ₱340.71 million in 2020 to ₱350.98 million in 2021 due to higher income generated from processing fees.

Costs and Expenses

Cost of real estate sales increased by ₱856.85 million or by 15.34%, from ₱5,586.83 million in 2020 to ₱6,443.69 million in 2021 due to higher real estate revenues realized during the year.

Cost of rental services increased by ₱280.55 million or by 13.05% compared to prior year from ₱2,150.07 million in 2020 to ₱2,430.62 million in 2021 due to higher direct operating expenses during the year.

General and administrative expenses decreased by ₱264.48 million or by 11.79% vs. last year from ₱2,243.60 million in 2020 to ₱1,979.12 million in 2021 primarily due to lower manpower costs, depreciation and taxes tempered by increased repairs and maintenance expenses for the managed projects.

Selling & marketing expenses declined by ₱166.45 million or by 15.44% year-on-year from ₱1,078.27 million in 2020 to ₱911.82 million in 2021 due to lower sales-related advertisement and promotional expenses brought about by reduced physical selling activities during the year.

Interest and other finance charges

Interest and other finance charges decreased by ₱762.67 million or by 23.91% compared to prior year from ₱762.67 million in 2020 to ₱3,189.46 million in 2021 due to lower borrowing costs incurred coupled with higher capitalized interest during the year.

Provision for Income Tax

Total provision for income tax decreased by ₱1,178.74 million or 280.39% vs. last year from a tax expense of ₱420.39 million in 2020 to a tax benefit of ₱758.35 million in 2021 primarily due to lower taxable income, lower tax rate (from 30% to 25%) coupled with necessary adjustments made for prior year's deferred tax assets and deferred tax liabilities as a result of newly enacted CREATE Act.

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, 2021 compared to as of December 31, 2020

	2021 (Audited)	2020	Change Increase (Decrease)	
ASSETS				
Current Assets				
Cash And Cash Equivalents	**₱9,658.26**	₱6,693.56	₱2,964.70	44.29%
Contracts Receivable	**5,337.93**	4,156.94	1,180.99	28.41%
Contract Assets	**4,177.82**	5,400.33	(1,222.51)	(22.64%)
Other Receivables	**2,710.46**	3,362.18	(651.72)	(19.38%)
Real Estate Inventories	**68,726.92**	65,544.57	3,182.35	4.86%
Other Current Assets	**4,933.31**	4,637.14	296.17	6.39%
Total Current Assets	**95,544.70**	89,794.72	5,749.99	6.40%
Noncurrent Assets				
Contract Asset - Net of Current Portion	**4,152.76**	3,533.73	619.02	17.52%
Investment In Associates	**5,045.09**	4,787.79	257.30	5.37%
Investment Properties	**72,077.99**	69,264.96	2,813.03	4.06%
Property And Equipment	**4,794.02**	3,348.15	1,445.88	43.18%
Deferred Income Tax Assets	**95.55**	82.41	13.15	15.95%
Goodwill	**4,567.24**	4,567.24	0.00	0.00%
Other Noncurrent Assets	**6,946.18**	5,626.16	1,320.02	23.46%
Total Noncurrent Assets	**97,678.83**	91,210.43	6,468.40	7.09%

	2021 (Audited)	2020	Change Increase (Decrease)	
TOTAL ASSETS	**₱193,223.53**	₱181,005.15	₱12,218.39	6.75%

LIABILITIES AND EQUITY				
Current Liabilities				
Accounts Payable and Accrued Expenses	**₱11,738.49**	₱13,117.03	₱ (1,378.54)	(10.51%)
Contract Liabilities	**1,171.38**	1,249.05	(77.67)	(6.22%)
Lease Liabilities - Current Portion	**248.59**	328.80	(80.21)	(24.39%)
Due To Related Parties	**204.32**	112.02	92.30	82.39%
Income Tax Payable	**8.52**	29.02	(20.50)	(70.64%)
Loans Payable - Current Portion	**4,912.20**	8,866.37	(3,954.17)	(44.60%)
Bonds Payable - Current Portion	**6,991.75**	5,294.52	1,697.23	32.06%
Total Current Liabilities	**25,275.25**	28,996.80	(3,721.55)	(12.83%)
Noncurrent Liabilities				
Loans Payable - Net Of Current Portion	**₱27,270.55**	₱29,238.65	₱ (1,968.11)	(6.73%)
Bonds Payable - Net Of Current Portion	**29,297.17**	26,369.01	2,928.16	11.10%
Contract Liabilities - Net Of Current Portion	**774.21**	767.22	6.99	0.91%
Lease Liabilities - Net Of Current Portion	**6,099.43**	5,824.16	275.26	4.73%
Net Retirement Liabilities	**459.63**	580.12	(120.49)	(20.77%)
Deferred Income Tax Liabilities - Net	**5,317.27**	6,513.04	(1,195.77)	(18.36%)
Accounts Payable And Accrued Expenses - Net Of Current Portion	**8,939.80**	8,337.20	602.60	7.23%
Total Noncurrent Liabilities	**78,158.06**	77,629.40	528.65	0.68%
Total Liabilities	**103,433.31**	106,626.20	(3,192.90)	(2.99%)
Equity				
Common Stock	**24,470.71**	24,470.71	0.00	0.00%
Preferred Stock	**80.00**	80.00	0.00	0.00%
Additional Paid-In Capital	**5,612.32**	5,612.32	0.00	0.00%
Treasury Stock	**(221.04)**	(221.04)	0.00	0.00%
Retained Earnings	**57,425.03**	43,776.19	13,648.85	31.18%
Revaluation Reserve On Financial Assets At Fair Value Through Other Comprehensive Income	**(2.62)**	(2.62)	0.00	0.00%
Remeasurement Losses On Retirement Plan	**(16.17)**	(15.14)	(1.03)	6.82%
Share In Other Components Of Equity Of An Associate	**372.45**	372.45	0.00	0.00%
Equity attributable to equity holders of the parent	**87,720.68**	74,072.87	13,647.81	18.42%
Noncontrolling Interest	**2,069.54**	306.08	1,763.47	576.16%
Total Equity	**89,790.22**	74,378.94	15,411.28	20.72%
TOTAL LIABILITIES AND EQUITY	**₱193,223.53**	₱181,005.15	₱12,218.38	6.75%

As of December 31, 2021, FLI's total consolidated assets increased to ₱193.22 billion from the ₱181.00 billion balance as of December 31, 2020, an increase by ₱12.22 billion or by 6.75%. The following are the material changes in account balances:

44.29% Increase in Cash and cash equivalents

Primarily due to higher net cash provided by investing activities due to REIT IPO proceeds tempered by accelerated resumption of construction activities, lower net cash provided by financing activities due to principal and interests payments tempered by increased net cash provided by operating activities on account of increased collections.

4.41% Overall Increase in Contract Receivables and Contract Assets

(a) 28.41% increase in contract receivables

- Mainly due to completion of residential projects where the receivables become due and demandable. These include customers granted with extended payments in 2020 in support to "Bayanihan" Act.

(b) 6.75% decrease in contract assets (22.64% decrease in contract assets – current portion; 17.52% increase in contract assets – net of current portion)

- Mainly due to increased collections for a mixed of ongoing and completed residential developments

19.38% Decrease in Other receivables

Mainly due to decline in receivables from mall and office tenants.

15.75% Overall increase in Other assets

Mainly due to increase in BTO rights, input VAT and creditable withholding taxes

15.95% Increase in Deferred Tax Assets

Mainly due to increased advance rentals.

5.37% Increase in Investments in Associates

Mainly due to decline in share in equity in net earnings mitigated by share in revaluation increment on land in FAI.

3.62% Overall Decrease in Accounts Payable and Accrued Expenses

10.51% decrease in Accounts Payable and Accrued Expenses – current portion; 7.23% increase in Accounts Payable and Accrued Expenses – net of current portion

Mainly due to the increased payments to contractors, vendors and suppliers

3.51% Overall Decrease in Contract Liabilities

6.22% decrease in contract liabilities – current portion; 0.91% increase in contract liabilities – net of current portion

Mainly due to the accounts already qualified for revenue recognition.

82.39% Increase in Due to related parties

Mostly due to unpaid service fees and shared operational expenses to SPI.

70.64% Decrease in Income tax payable

Primarily due to the lower taxable income for the year and lower tax rate due to CREATE Act.

18.36% Decrease in Deferred Tax Liabilities

Mainly due to adjustments made as of January 1, 2021 beginning balance as a result of CREATE Act.

18.42% Increase in Total equity attributable to equity holders

Mainly due to the increase in retained earnings as a result of REIT IPO and net income during the year.

576.16% Increase in Non-controlling interests

Largely due to net income after tax share of minority interests and sale of noncontrolling interests of FILRT.

Performance Indicators	2021	2020
Earnings per Share - Basic[1]	0.16	0.15
Earnings per Share - Diluted[2]	0.16	0.15
Price Earnings Ratio[3]	6.88	7.47
Interest-bearing Debt to Equity Ratio[4]	0.76	0.94
Debt Ratio[5]	0.54	0.59
EBITDA to Total Interest Paid [6]	2.08	2.34

[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, 2020 and 2019*

[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 Subsidiary

(Filinvest REIT Corp. (FILRT) *(formerly Cyberzone Properties, Inc. – CPI)*

The table below presents FILRT's information on revenues, 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:

	FILRT		
	For the years ended December 31,		
	2021	**2022**	**2023**
	(millions)		
Gross Revenues	₱3,442.0	₱3,239.6	₱2,989.7
Net Income	1,855.1	1,305.3	925.2
As a % of FLI Group's			
Gross Revenues and Other Income	19.40%	16.24%	13.40%
Net Income	43.09%	37.07%	21.54%

	For the years ended December 31,		
	2021	2022	2023
Current Ratio[1]	2.58	0.36	1.28
Debt Ratio[2]	0.57	0.63	0.64
Net Profit Margin[3]	0.54	0.40	0.31
Return on Equity[4]	0.31	0.25	0.19
Asset-to-Equity Ratio[5]	2.34	2.67	2.78

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

All other subsidiaries do not have significant contributions to the Group.

<u>Other Disclosures</u>

Aside from the possible material increase in interest rates of the outstanding long-term debts with floating rates, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of FLI within the next 12 months. The Parent Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments, or any significant amount in its accounts payable that have not been paid within the stated terms.

There are no known trends, events or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations of FLI.

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 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 Parent Company.

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships to the Parent Company with unconsolidated entities or other persons created during the reporting period, except those discussed.

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.

ANNEX "E"

For Approval by the Stockholders at the 2024 Annual Stockholders' Meeting

FILINVEST LAND, INC.

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

Held on 24 April 2023 at 11:00 a.m.
Conducted virtually *via* Microsoft Teams

I. ATTENDANCE

STOCKHOLDERS PRESENT/REPRESENTED:

Present by proxy	25,006,777,217	77.54%
Present by remote communication and voting *in absentia*	3	<0.01%
Total Attendance	**25,006,777,220**	**77.54%**

ALSO PRESENT:

Board of Directors:

Name	Position / Board Committees
Mr. Jonathan T. Gotianun	Chairman of the Board Member – Executive Committee Member – Audit and Risk Management Oversight Committee Member – Compensation Committee Member – Corporate Governance Committee
Ms. Lourdes Josephine Gotianun Yap	Chief Executive Officer Chairperson – Executive Committee Member – Compensation Committee
Mr. Tristaneil D. Las Marias	President and Chief Strategy Officer
Mr. Francis Nathaniel D. Gotianun	Member – Executive Committee
Mr. Michael Edward T. Gotianun	Member – Executive Committee Member – Technical Committee
Atty. Efren C. Gutierrez	Member – Related-Party Transaction Committee Member – Audit and Risk Management Oversight Committee
Dr. Ernesto S. De Castro	Independent Director Chairman – Technical Committee Member – Corporate Governance Committee

Name	Position / Board Committees
Mr. Gemilo J. San Pedro	Independent Director Chairman – Audit and Risk Management Oversight Committee Member – Compensation Committee Member – Related-Party Transaction Committee Member - Corporate Governance Committee
Mr. Val Antonio B. Suarez	Independent Director Chairman – Compensation Committee Chairman – Corporate Governance Committee Chairman – Related-Party Transaction Committee Member – Audit and Risk Management Oversight Committee

Filinvest Land, Inc. Officers:

Name	Position
Ms. Ana Venus A. Mejia	Executive Vice President, Chief Finance Officer ("CFO") and Treasurer
Mr. Francis V. Ceballos	Senior Vice President - Head of the Industrial/Logistics Business
Mr. Winnifred H. Lim	Senior Vice President and Chief Technical Planning Officer
Atty. Maria Victoria Reyes-Beltran	Senior Vice President, General Counsel and Compliance Officer
Mr. Alexis Avalone Ojeda	First Vice President and Sales Channel Development Head
Ms. Harriet C. Ducepec	First Vice President, Chief of Staff and Chief Risk Officer
Ms. Rizalangela L. Reyes	First Vice President – Group HRAD Head
Ms. Mary Averose D. Valderrama	First Vice President - Brand/Product and Regional Projects Head – MRB and MM/Luzon MRB
Atty. Katrina O. Clemente-Lua	Corporate Secretary and Corporate Information Officer
Atty. Jennifer C. Lee	Assistant Corporate Secretary
Ms. Janeth B. de los Reyes	Deputy CFO
Mr. Sean Philip R. Imperial	Vice President - Business Planning
Mr. Allan J. Barquila	Vice President - Regional Sales Development, VISMIN
Ms. Ethel C. Balicanta	Vice President - Brand Product Head for Housing

Name	Position
Ms. Melissa C. Ortiz	Investor Relations Head

Representatives of the Independent External Auditor – SyCip Gorres Velayo & Co. ("SGV & Co."):

Mr. Wilson P. Tan
Ms. Maria Vivian C. Ruiz
Ms. Wanessa Salvador
Mr. Michael C. Sabado
Ms. Jane Carol U Chiu
Ms. Martin C. Guantes

Representative of the Stock Transfer Agent – Stock Transfer Service, Inc.

Mr. John Kristofer Paolo L. Herrera

II. NATIONAL ANTHEM

The meeting started with the singing of the Philippine National Anthem.

III. PRESIDING OFFICER AND SECRETARY

The Chairman of the Board of Directors of Filinvest Land, Inc. (the "Company" or "FLI"), Mr. Jonathan T. Gotianun, presided over the meeting, while the Corporate Secretary, Ms. Katrina O. Clemente-Lua, recorded the minutes thereof.

IV. CALL TO ORDER

The Chairman called the meeting to order and introduced the members of the Board of Directors. The Chairman also acknowledged the presence of the Company's senior management officers, representatives of SGV & Co., the Company's external auditor, and representatives of Stock Transfer Service, Inc., FLI's stock transfer agent, who joined the meeting through the live webcast.

V. CERTIFICATION OF SERVICE OF NOTICE AND QUORUM

The Chairman then requested the Corporate Secretary to report on the service of notice of the meeting, and whether there was a quorum at the meeting. The Corporate Secretary confirmed that, in accordance with the Securities and Exchange Commission ("SEC") Notice dated 13 March 2023, the notice of the meeting, together with a copy of the Information Statement and the Audited Financial Statements, was posted on the Company's website and disclosed through PSE EDGE. The Notice of Meeting was also published in the business sections of the Business Mirror and Malaya Business Insight on 27 March 2023, and 28 March 2023, both in print and online.

Based on the online registration and report on proxies received by the Office of the Corporate Secretary, with the assistance of the Company's stock transfer agent, Stock Transfer Service, Inc., the Corporate Secretary certified that out of the 24,249,759,506 common shares and 8,000,000,000 preferred shares of stock or a total of 32,249,759,506 shares outstanding shares of the Company as of the record date or on 10 March 2023, 25,006,777,220 shares representing 77.54% of the total issued and outstanding shares of the Company were present at the meeting.

There being a quorum, the Chairman declared the meeting duly convened and open for business.

VI. INSTRUCTIONS ON THE RULES AND CONDUCT OF VOTING PROCEDURES

The Chairman noted that the Company is holding the meeting in virtual format because of the health crisis; however, the Company endeavored to provide the shareholders the same opportunity to participate in the meeting. He then asked the Corporate Secretary to share the rules of conduct and voting procedures for the meeting.

The Corporate Secretary explained that the rules of conduct and voting procedures were set forth in the Definitive Information Statement and in the Explanation of Agenda Items, which form part of the Notice of the Annual Stockholders' Meeting. She highlighted the following points:

1. Stockholders who successfully registered under the shareholder registration system were provided the instructions to access the digital voting ballot as well as the virtual meeting.
2. The deadline for voting *in absentia* and through proxy was on April 11, 2023.
3. After the voting, the Office of the Corporate Secretary, together with the Company's stock transfer agent, tabulated all the votes cast *in absentia* as well as via proxy.
4. The results of the voting will be reported after each item is taken up during the meeting.
5. The stockholders were also given up to April 11, 2023 to submit any questions or comments they may have.

She further informed all the participants of the meeting that there would be a visual and audio recording of the entire proceedings.

VII. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON 22 APRIL 2022

The Chairman inquired if copies of the minutes of the annual meeting of the stockholders held on 22 April 2022 were furnished to the stockholders.

The Corporate Secretary certified that an electronic copy of the minutes was included in the Information Statement of this year's annual stockholders' meeting and was made available on the Company's website. She reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting based on the following tabulation of votes:

> **"RESOLVED,** That the Minutes of the Annual Meeting of the Stockholders of the Company held on 22 April 2022 is hereby approved."

	For	Against	Abstain
Number of Shares Voted	25,006,777,217	-	-
Percentage of Votes	100.00%	-	-

VIII. PRESENTATION OF THE MANAGEMENT'S REPORT

The Chief Executive Officer ("CEO") of the Company, Ms. Lourdes Josephine Gotianun Yap, and the President and Chief Strategy Officer, Mr. Tristaneil D. Las Marias, presented their pre-recorded report on the Company's operations for the year ended 31 December 2022 and outlook for the year 2023.

Thereafter, the Chief Executive Officer announced to the stockholders that the Board of Directors approved during its special meeting held before the Annual Stockholders' Meeting on 24 April 2023 the declaration of cash dividends from the unrestricted retained earnings of the Company as of 31 December 2022: (i) for common shares, regular cash dividends of Php0.036 per share representing a dividend payout ratio of 30%; and (ii) for preferred shares, total cash dividends of Php0.00036 per share. Dividends are payable on 6 June 2023 for stockholders of record as of 12 May 2023.

The Chairman thanked the Chief Executive Officer and the President and Chief Strategy Officer for their report, then proceeded to the next item in the agenda which was the ratification of the 2022 Audited Financial Statements.

IX. RATIFICATION OF THE AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2022

The Chairman asked the Corporate Secretary if the stockholders were furnished a copy of the 2022 Audited Financial Statements.

The Corporate Secretary responded that an electronic copy of the 2022 Audited Financial Statements was made available on the Company's website as well as attached to the Information Statement. She reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting based on the following tabulation of votes:

"RESOLVED, That the Company's Audited Financial Statements as of and for the year ended 31 December 2022 be approved, confirmed and ratified."

	For	Against	Abstain
Number of Shares Voted	24,993,186,467	-	13,590,750
Percentage of Votes	99.95%	-	0.05%

X. RATIFICATION OF ALL THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND MANAGEMENT UP TO 21 APRIL 2023

The next item in the agenda was the ratification of all the acts, resolutions and proceedings of the Board of Directors, Board Committees and Management from the date of the last annual stockholders' meeting until 21 April 2023, a summary of which was included in the Information Statement sent to all the stockholders of record prior to the annual stockholders' meeting.

The Corporate Secretary reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting based on the following tabulation of votes:

"RESOLVED, That all the acts, resolutions and proceedings of the Board of Directors, Board Committees and Management from the date of the last Annual Stockholders' Meeting until 21 April 2023 are hereby approved, confirmed and ratified."

	For	Against	Abstain
Number of Shares Voted	24,993,186,467	-	13,590,750
Percentage of Votes	99.95%	-	0.05%

XI. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS, INCLUDING THREE (3) INDEPENDENT DIRECTORS, TO SERVE FOR 2023-2024

The Chairman announced that the next item in the Agenda was the election of nine (9) directors, including three (3) independent directors of the Company for the year 2023 to 2024.

As requested by the Chairman, the Corporate Secretary announced the names of the persons nominated for election as directors and/or independent directors of the Company and who were pre-screened by the Corporate Governance Committee, convened as the Nominations Committee, in accordance with the Company's Revised Manual on Corporate Governance and By-Laws, viz:

Directors:

1. Mr. Jonathan T. Gotianun
2. Ms. Lourdes Josephine Gotianun Yap
3. Mr. Francis Nathaniel C. Gotianun
4. Mr. Michael Edward T. Gotianun
5. Atty. Efren C. Gutierrez
6. Mr. Tristaneil D. Las Marias

Independent Directors:

7. Dr. Ernesto S. De Castro
8. Mr. Gemilo J. San Pedro
9. Atty. Val Antonio B. Suarez

The Corporate Secretary reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting based on the following tabulation of votes:

> **"RESOLVED,** That the following persons are hereby declared as duly-elected directors of the Company, to serve for a term of one (1) year or until their successors shall have been elected and qualified in accordance with the By-Laws of the Company:
>
> 1. Mr. Jonathan T. Gotianun
> 2. Ms. Lourdes Josephine Gotianun Yap
> 3. Mr. Francis Nathaniel C. Gotianun
> 4. Mr. Michael Edward T. Gotianun
> 5. Atty. Efren C. Gutierrez
> 6. Mr. Tristaneil D. Las Marias
>
> Independent Directors:
>
> 7. Dr. Ernesto S. De Castro
> 8. Mr. Gemilo J. San Pedro
> 9. Atty. Val Antonio B. Suarez

Nominee	For	Against	Abstain	Percentage
Jonathan T. Gotianun	23,763,549,787	65,578,000	1,177,649,430	95.03%
Lourdes Josephine Gotianun-Yap	24,998,057,217	65,578,000	3,142,000	99.73%
Francis Nathaniel C. Gotianun	23,831,709,787	-	1,175,067,430	95.30%
Michael Edward T. Gotianun	23,831,709,787	-	1,175,067,430	95.30%
Efren C. Gutierrez	23,829,127,787	-	1,177,649,430	95.29%
Tristaneil D. Las Marias	23,831,709,787	-	1,175,067,430	95.30%
Ernesto S. De Castro	23,821,272,787	10,437,000	1,175,067,430	95.26%
Gemilo J. San Pedro	23,821,272,787	10,437,000	1,175,067,430	95.26%
Val Antonio B. Suarez	23,821,272,787	10,437,000	1,175,067,430	95.26%

XII. APPROVAL OF MANAGEMENT AGREEMENT BETWEEN FILINVEST LAND, INC. AND FILINVEST BCDA CLARK, INC.

The Chairman requested the Corporate Secretary to explain the next agenda item which is the approval of Management Agreement between FLI and Filinvest BCDA Clark, Inc. ("FBCI").

The Corporate Secretary explained that on 19 October 2022, the Board of Directors approved the Management Agreement between FLI and FBCI for the management of the 288-hectare property in New Clark City (the "Project"). Under the Management Agreement, FLI shall be the exclusive and overall Project Manager (Development, Operations, and Leasing and Marketing) for the Project. Pursuant to Section 43 of the Revised Corporation Code, the Management Agreement was being submitted for approval of the stockholders.

The Corporate Secretary reported that the resolution below was approved by the required affirmative votes at least a majority of the stockholders or total voting shares of the outstanding capital stock, as required under Section 43 of the Revised Corporation Code, based on the following tabulation of votes:

> "**RESOLVED,** That the Management Agreement between Filinvest Land, Inc. and Filinvest BCDA Clark, Inc. is hereby approved."

	For	Against	Abstain
Number of Shares Voted	23,761,869,787	1,179,329,430	65,578,000
Percentage of Votes	95.02% of the total voting shares represented in this meeting or 73.68% of the total outstanding capital stock	4.72% of the total voting shares represented in this meeting or 3.66% of the total outstanding capital stock	0.26% of the total voting shares represented in this meeting or 0.20% of the total outstanding capital stock

XIII. APPROVAL OF THE AMENDMENT OF BY-LAWS

The Chairman presented the next agenda item which is the approval of the amendment of By-laws.

The Corporate Secretary explained that on 24 March 2023, the Board of Directors approved the amendment of the following provisions of the By-laws:

1. Article II – Sections 4, 5, 6, and 7
2. Article III - Sections 6, 7, 8, 9 and 12
3. Article IV – Sections 1, 3, 4, 5, 9 and 12

The rationale for the amendments are as follows:

1. To allow the Assistant Corporate Secretary to act as Secretary for meetings of the stockholders in the absence of the Corporate Secretary;
2. To allow the board and stockholders to hold meetings virtually through videoconferencing or other alternative modes of communication;
3. To formalize the power of the Board to create board committees as may be required by applicable laws and regulations;
4. To clarify the principle for remuneration to be received by the Company's officers; and
5. To include the positions of the Vice-Chairman, Chief Executive Officer, and Compliance Officer, and their Duties and Responsibilities.

The Corporate Secretary reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting based on the following tabulation of votes:

> **"RESOLVED,** That the amendments to the Company's By-Laws specifically, Sections 4, 5, 6 and 7 of Article II, Sections 6, 7, 8, 9 and 12 of Article III and Sections 1, 3, 4, 5, 9 and 12 of Article IV, are hereby approved."

	For	Against	Abstain
Number of Shares Voted	24,752,764,672	254,012,545	-
Percentage of Votes	98.98% of the total voting shares represented in this meeting or 76.75% of the total outstanding capital stock	1.02% of the total voting shares represented in this meeting or 0.79% of the total outstanding capital stock	-

XIV. APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR

Upon the recommendation of the Company's Audit and Risk Management Oversight Committee and confirmed by the Board of Directors, the stockholders approved the reappointment of the accounting firm of SyCip Gorres Velayo and Co. ("SGV & Co.") as the Company's external auditor for the year 2023, as follows:

> **"RESOLVED,** That the accounting firm of SyCip Gorres Velayo and Co. (SGV & Co.) be approved for reappointment as the Company's external auditor for the year 2023."

	For	Against	Abstain
Number of Shares Voted	24,995,667,217	11,110,000	-
Percentage of Votes	99.96%	0.04%	-

XV. OTHER MATTERS

After confirming with the Corporate Secretary that there were no other matters that require consideration by the stockholders, the Chairman inquired whether there were questions or comments raised by the shareholders.

The Corporate Secretary said that shareholders were given up to 11 April 2023 to submit any questions or comments they may have on the materials distributed to all stockholders of record for this year's annual stockholders' meeting. The President Mr. Tristaneil D. Las Marias was requested to answer to such questions or comments.

The following questions were raised by the shareholders:

1. Given your nationwide footprint, what is your outlook on the Metro Manila residential market? How about Visayas and Mindanao? What are the advantages of growing your residential business in each market?

The President and Chief Strategy Officer, Mr. Las Marias, replied that the Company believes that the Metro Manila market will continue to grow especially since some companies have required employees to work on site either full-time or part-time. Most schools and universities have also required students to return on campus.

Metro Manila is still the central station for government, trade, and economic activities in the country. Commercial and retail property businesses in Metro Manila were first to rebound and even surpass pre-pandemic levels despite economic headwinds. In the residential segment, the supply of Metro Manila condominiums continued to expand and their selling prices per square meter, so far, remains to be the highest compared to other areas in the country. FLI plans to continue to develop not only residential, but also commercial and retail developments within Metro Manila, particularly products that cater to the middle and high-end market segments. This remains to be one of the Company's key strategies to attain growth in revenues and market share.

Mr. Las Marias added that there's some cadence value to develop outside the greater Metro Manila area and benefit from competitive advantage of being one of the early developers that have established housing and medium rise condominiums in key cities in the Visayas and Mindanao, as well as in Central and North Luzon. FLI started early in Cebu and Davao. FLI is also present in Cagayan De Oro and General Santos in Mindanao, and Bacolod, Dumaguete, and Iloilo in Visayas. For Luzon, FLI established its presence in Bulacan, the Clark Freeport Zone, Pampanga, Dagupan, and Naga. FLI's geographic expansion advantage allows the Company to balance and spread risks. The growth of cities in provinces will provide the Company opportunities to serve more Filipinos, while increasing revenue potential.

2. What is your outlook on the mall business?

The President replied that the outlook for the mall business is very promising. In fact, in 2022, the mall business revenues more than doubled. Revenge spending jumped sales. There was a surge in foot traffic as people raced to the malls to socialize, mingle, or simply enjoy the freedom to be mobile again. FLI will continue to expand its mall business and the Company sees opportunities for these to prime the townships and provide the much-needed retail component to complement the requirement of the Company's residential and office segments.

3. What is your expectation for the office leasing business?

Mr. Las Marias replied that the hybrid and work from home set-ups affected the office leasing business but the Company is seeing increased take-up from both BPOs and traditional offices. FLI are also negotiating with government offices as potential lessees given their mandate to expand their customer facing sections for better and faster public service. FLI is also expanding our product offering by repurposing some of our office spaces to smaller co-working spaces that will provide more accessible, furnished, and ready to use office spaces for small and medium business enterprises. The Company is seeing a lot of interests on pilot co-working projects and are looking to add more co-working spaces in the Company's office properties in key urban centers.

XVI. ADJOURNMENT

Prior to the adjournment, a tribute video was shown for Filinvest Group Co-founder and former Chairperson Emerita, Mrs. Mercedes T. Gotianun. A video presentation was also shown on the activities undertaken by the Filinvest Group to support its employees and communities.

There being no further business to transact, the Chairman declared the meeting adjourned. He conveyed his gratitude to the stockholders for attending the meeting and for their continued trust and confidence in the Company and the Management.

CERTIFIED CORRECT:

KATRINA O. CLEMENTE-LUA
Corporate Secretary

ATTESTED BY:

JONATHAN T. GOTIANUN
Chairman of the Board

ANNEX "F"

2024 ANNUAL STOCKHOLDERS MEETING

FILINVEST LAND, INC.

REQUIREMENTS AND PROCEDURE FOR ELECTRONIC VOTING *IN ABSENTIA* AND PARTICIPATION BY REMOTE COMMUNICATION

I. REGISTRATION

Filinvest Land, Inc. (the "Company") established a designated website in order to facilitate the registration of and voting *in absentia* by the stockholders at the annual meeting, as provided under Sections 23 and 57 of the Revised Corporation Code.

a. Stockholders as of 08 March 2024 may access the stockholder registration system at the web address: https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM. The deadline for registration is 08 April 2024.

b. To register, the stockholders are required to provide the following supporting documents:

i. For Individual Stockholders:

1. A scanned copy of the stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
2. A valid and active e-mail address; and
3. A valid and active contact number.

ii. For Individual Stockholders with Joint Accounts:

1. A scanned copy of an authorization letter signed by all stockholders, identifying who among them is authorized to cast the vote for the account;
2. A scanned copy of the authorized stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
3. A valid and active e-mail address; and
4. A valid and active contact number.

iii. For Individual Stockholders under Broker Accounts:

1. A broker's certification on the stockholder's number of shareholdings;
2. A scanned copy of the stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
3. A valid and active e-mail address; and
4. A valid and active contact number.

iv. For Corporate Stockholders:

a. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the corporation;

b. A scanned copy of a valid government-issued ID of the stockholder's representative showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;

c. A valid and active e-mail address of the stockholder's representative; and

d. A valid and active contact number of the stockholder's representative.

Important Note: Incomplete or inconsistent information may result in unsuccessful registration. As a result, stockholders will not be able to access to vote electronically in absentia*, but may still vote through a proxy, by submitting a duly accomplished proxy form on or before 10 April 2024.*

c. After registration, the Company, together with its stock transfer agent, Stock Transfer Service, Inc. ("STSI") will conduct the validation process. Upon validation, the Company will send an email to the stockholder, which shall be sent to the email address of the stockholder indicated in the registration form, containing instructions for voting *in absentia* and remote attendance for the meeting.

II. ELECTRONIC VOTING IN ABSENTIA

a. Registered stockholders have until 10 April 2024, 11:59 PM (Philippine time) to cast their votes *in absentia*.

b. All agenda items indicated in the Notice of Meeting will be set out in the digital absentee ballot and the registered stockholder may vote as follows:

i. For items other than the election of directors, the registered stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the stockholder's shares.

ii. For the election of directors, the registered stockholder has the option to:

a. Distribute his votes equally among all the candidates;

b. Abstain;

c. Cast such number of votes for each nominee as preferred by the stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. Should the votes cast by the stockholder exceed the number of votes he is entitled to, the votes for each nominee shall be reduced in equal proportion, rounded down to the nearest whole number. Any balance shall be considered abstained.

Once voting on the agenda items is finished, the registered stockholder can proceed to submit the accomplished ballot by clicking the "Submit" button.

The Office of the Corporate Secretary of the Company, with the assistance of representatives of the Company's stock transfer agent, STSI, will count and tabulate the votes cast *in absentia* together with the votes cast by proxy.

During the meeting, the Corporate Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried or disapproved. The total number of votes cast for each item for approval and/or ratification under the agenda will be shown on the screen.

III. PARTICIPATION BY REMOTE COMMUNICATION

a. Prior to the meeting, the Company will send email instructions to those stockholders who have successfully registered, which shall be sent to the email address of the stockholder indicated in the registration form, on how they can attend the meeting through remote communication and have access to the livestream of the meeting.

b. Only those stockholders who successfully registered in the stockholder registration system, together with the stockholders who voted *in absentia* or by proxy, will be included in determining the existence of a quorum.

c. Stockholders may send any questions and/or comments relating to the agenda on or before 10 April 2024 to FLIASM@filinvestland.com. Questions or comments received on or before 10 April 2024 may be responded to during the meeting. Any questions not answered during the meeting may be answered via email.

d. Stockholders who register and vote on the website for voting in absentia are hereby deemed to have given their consent to the collection, use, storing, disclosure, transfer, sharing and general processing of their personal data by the Company and by any other relevant third party for the purpose of electronic voting *in absentia* for the Annual Stockholders' Meeting and for all other purposes for which the stockholder can cast his/her/its vote as a stockholder of the Company.

For any clarifications, please contact us through FLIASM@filinvestland.com.