

COVER SHEET

SEC Registration Number

1 7 0 9 5 7

COMPANY NAME

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

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

7 9 E D S A , B r g y . 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

Form Type

1 7 - Q

Department requiring the report

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address

Company's Telephone Number

7918-8188

Mobile Number

No. of Stockholders

5,598

Annual Meeting (Month / Day)

Every 2nd to the last Friday
of April Each Year

Fiscal Year (Month / Day)

2024 (09/30)

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Venus A. Mejia

Email Address

venus.mejia@filinvestgroup.com

Telephone Number/s

7918-8188

Mobile Number

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.

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

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATIONS CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended September 30, 2024
2. SEC Identification Number 170957
3. BIR Tax ID 000-533-224
4. Exact name of issuer as specified in its charter FILINVEST LAND, INC.
5. Province, Country or other jurisdiction of incorporation or organization Philippines
6. Industry Classification Code: _____ (SEC Use Only)
- Filinvest Building, #79 EDSA, Brgy. Highway Hills, Mandaluyong City 1550
7. Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code 02-7918-8188 / 02-7588-1678

Not Applicable

9. Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Section 8 and 12 of the SRC

<u>Title of Each Class</u>	<u>Number of shares issued and outstanding</u>
Common Shares, 1.00 par value	24,249,759,506
Preferred Shares, 0.01 par value	8,000,000,000

<u>Amount of Debt Outstanding</u>	<u>In Php thousands</u>
	77,059,788

11. Are any or all of these securities listed on the Philippine Stock Exchange?
 Yes No

12. Indicate by check mark whether the issuer:

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

Yes No

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

Yes No

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PART 1 – FINANCIAL INFORMATION

FILINVEST LAND, INC. AND SUBSIDIARIES

**Unaudited Interim Condensed Consolidated
Financial Statements**

As at September 30, 2024

and

For the nine months ended September 30, 2024 and 2023

FILINVEST LAND, INC. AND SUBSIDIARIES

Interim Condensed Consolidated Statements of Financial Position

As at September 30, 2024

(Amounts in thousands)

	Notes	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	P5,479,536	P5,732,008
Contracts Receivable	7	2,320,882	1,837,829
Contract Assets	5	5,513,142	4,745,827
Other Receivables	8	3,676,088	3,465,056
Real Estate Inventories	9	69,023,401	72,634,830
Other Current Assets	10	7,945,474	7,192,434
Total Current Assets		93,958,523	95,607,984
Noncurrent Assets			
Contract Asset - net of current portion	5	2,849,578	5,037,942
Investment in Associates	11	5,364,396	5,219,900
Investment Properties	13	83,835,222	79,659,336
Property and Equipment	14	5,994,260	5,673,012
Deferred Income Tax Assets		66,697	48,483
Goodwill	3	4,567,242	4,567,242
BTO Rights	15	6,396,040	6,387,598
Other Noncurrent Assets	16	2,820,636	2,274,580
Total Noncurrent Assets		111,894,071	108,868,093
TOTAL ASSETS		P205,852,594	P204,476,077
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts Payable and Accrued Expenses	17	P10,841,266	P12,551,165
Contract Liabilities		648,225	792,402
Lease Liabilities - current portion	12	196,121	175,459
Due to Related Parties	27	247,645	488,486
Income Tax Payable		68,347	21,557
Loans Payable - current portion	18	15,209,005	16,480,438
Bonds Payable - current portion	19	11,544,188	1,697,345
Total Current Liabilities		38,754,797	32,206,852
Noncurrent Liabilities			
Loans Payable - net of current portion	18	24,318,121	20,507,489
Bonds Payable - net of current portion	19	25,988,474	35,771,167
Contract Liabilities - net of current portion		56,899	149,949
Lease Liabilities - net of current portion	12	6,691,902	6,544,402
Net Retirement Liabilities		454,337	437,913
Deferred Income Tax Liabilities - net		4,596,880	5,649,153
Accounts Payable and Accrued Expenses - net of current portion	17	12,651,745	8,938,003
Total Noncurrent Liabilities		74,758,358	77,997,356
Total Liabilities		P113,513,155	P110,204,208

(Forward)

	Notes	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Equity			
Common Stock	20	₱24,470,708	₱24,470,708
Preferred Stock	20	80,000	80,000
Additional Paid-In Capital		5,612,321	5,612,321
Treasury Stock	20	(221,041)	(221,041)
Retained Earnings	20	60,239,190	62,061,525
Revaluation Reserve on Financial Assets at Fair Value through Other Comprehensive Income		(2,619)	(2,619)
Remeasurement Gains on Retirement Plan		47,521	47,521
Share in Other Components of Equity of an Associate		372,449	372,449
Equity Attributable to Equity Holders of the Parent		90,598,529	92,420,864
Noncontrolling Interest		1,740,910	1,851,005
Total Equity		92,339,439	94,271,869
TOTAL LIABILITIES AND EQUITY		₱205,852,594	₱204,476,077

FILINVEST LAND, INC. AND SUBSIDIARIES

Interim Condensed Consolidated Statements of Income

For the nine months ended September 30

(Amounts in thousands, except earnings per share figures)

	Notes	Quarter Ended		Nine Months Period Ended	
		September 30		September 30	
		2024	2023	2024	2023
		(Unaudited)		(Unaudited)	
REVENUE					
Real Estate Sales	4, 5	P4,515,932	P3,768,932	P11,892,125	P9,827,647
Rental Services	4, 5	2,041,447	1,912,465	5,711,291	5,356,366
Total revenue		6,557,379	5,681,397	17,603,416	15,184,013
EQUITY IN NET EARNINGS OF ASSOCIATES					
		184,354	75,887	250,496	141,408
OTHER INCOME					
Interest Income	23	162,773	26,905	303,864	192,172
Others		46,732	19,073	280,108	202,538
		6,951,238	5,803,262	18,437,884	15,720,131
COSTS					
Real Estate Sales	4	2,205,434	2,039,209	5,847,370	5,498,619
Rental Services	4	927,323	888,958	2,744,881	2,432,872
OPERATING EXPENSES					
Selling And Marketing Expenses	22	480,941	361,684	1,138,375	906,325
General And Administrative Expenses	21	691,823	562,490	1,880,091	1,623,253
INTEREST AND OTHER FINANCE CHARGES					
	23	587,986	681,089	2,640,718	1,982,345
		4,893,507	4,533,430	14,251,435	12,443,414
INCOME BEFORE INCOME TAX					
		2,057,731	1,269,832	4,186,449	3,276,717
PROVISION FOR INCOME TAX					
Current	24	56,727	571,536	126,481	973,305
Deferred	24	303,302	(448,594)	591,726	(503,259)
		360,029	122,942	718,207	470,046
NET INCOME					
		P1,697,702	P1,146,890	P3,468,242	P2,806,671
NET INCOME ATTRIBUTABLE TO:					
Equity holders of the parent		P1,570,986	P1,053,468	P3,115,087	P2,441,769
Noncontrolling interest		126,716	93,422	353,155	364,902
		P1,697,702	P1,146,890	P3,468,242	P2,806,671
Earnings Per Share					
Basic		P0.06	P0.04	P0.13	P0.10
Diluted		P0.06	P0.04	P0.13	P0.10

FILINVEST LAND, INC. AND SUBSIDIARIES**Interim Condensed Consolidated Statement of Comprehensive Income
For the nine months ended September 30***(Amounts in thousands)*

	Quarter Ended September 30,		Nine Months Period Ended September 30,	
	2024 (Unaudited)	2023	2024 (Unaudited)	2023
NET INCOME FOR THE PERIOD	₱1,697,702	₱1,146,890	₱3,468,242	₱2,806,671
OTHER COMPREHENSIVE INCOME				
Other comprehensive income not to be reclassified to profit or loss	-	-	-	-
Remeasurement gain (loss) on retirement plan, net of tax	-	(20,664)	-	(14,486)
TOTAL COMPREHENSIVE INCOME	₱1,697,702	₱1,126,226	₱3,468,242	₱2,792,185
Total comprehensive income attributable to:				
Equity holders of the parent	₱1,570,986	₱1,032,804	₱3,115,087	₱2,427,283
Noncontrolling interest	126,716	93,422	353,155	364,902
	₱1,697,702	₱1,126,226	₱3,468,242	₱2,792,185

FILINVEST LAND, INC. AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Changes in Equity

For the nine months ended September 30, 2024

(Amounts in thousands)

	Attributable to Equity Holders of the Parent											Total Equity
	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Stock	Unappropriated Retained Earnings	Appropriated Retained Earnings	Revaluation Reserve on Financial Assets at FVOCI	Remeasurement Gains on Retirement Plan	Share in Other Components of Equity of an Associate	Total	Noncontrolling Interest	
For the nine months ended September 30, 2024												
Balances at the beginning of the year, as previously reported	P24,470,708	P80,000	P5,612,321	(P221,041)	P57,061,525	P5,000,000	(P2,619)	P47,521	P372,449	P92,420,864	P1,851,005	P94,271,869
Change in accounting policy: PFRS 15 Adjustment (Note 2)					(3,720,934)					(3,720,934)		(3,720,934)
Balances at the beginning of the year, as restated	24,470,708	80,000	5,612,321	(221,041)	53,340,591	5,000,000	(2,619)	47,521	372,449	88,699,930	1,851,005	90,550,935
Net income	–	–	–	–	3,115,087	–	–	–	–	3,115,087	353,155	3,468,242
Other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	3,115,087	–	–	–	–	3,115,087	353,155	3,468,242
Dividends declared	–	–	–	–	(1,216,488)	–	–	–	–	(1,216,488)	–	(1,216,488)
Dividend distribution to noncontrolling interest	–	–	–	–	–	–	–	–	–	–	(463,250)	(463,250)
Balances as at end of period	P24,470,708	P80,000	P5,612,321	(P221,041)	P55,239,190	P5,000,000	(P2,619)	P47,521	P372,449	P90,598,529	P1,740,910	P92,339,439
For the nine months ended September 30, 2023												
Balances at the beginning of the year	P24,470,708	P80,000	P5,612,321	(P221,041)	P54,172,008	P5,000,000	(P2,619)	P68,185	P372,449	P89,552,011	P1,950,730	P91,502,741
Net income	–	–	–	–	2,441,769	–	–	–	–	2,441,769	364,902	2,806,671
Other comprehensive income	–	–	–	–	–	–	–	(14,486)	–	(14,486)	–	(14,486)
Total comprehensive income	–	–	–	–	2,441,769	–	–	(14,486)	–	2,427,283	364,902	2,792,185
Dividends declared	–	–	–	–	(875,871)	–	–	–	–	(875,871)	–	(875,871)
Dividend distribution to noncontrolling interest	–	–	–	–	–	–	–	–	–	–	(462,786)	(462,786)
Net change in noncontrolling interest	–	–	–	–	–	–	–	–	–	–	30,000	30,000
Balances as at end of the period	P24,470,708	P80,000	P5,612,321	(P221,041)	P55,737,906	P5,000,000	(P2,619)	P53,699	P372,449	P91,103,423	P1,882,846	P92,986,269

FILINVEST LAND, INC. AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Cash Flows

For the nine months ended September 30

(Amounts in thousands)

	Nine Months Period Ended September 30	
	2024	2023
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P4,186,449	P3,276,717
Adjustments for:		
Interest income	(303,864)	(192,172)
Interest expense and amortization of transaction costs	2,639,388	1,982,345
Depreciation and amortization	1,416,072	1,246,969
Equity in net earnings of associates	(250,496)	(141,408)
Net pension expense, net of contribution and benefits paid	27,571	27,331
Operating income before changes in operating assets and liabilities	7,715,120	6,199,782
Changes in operating assets and liabilities		
Decrease (increase) in:		
Contracts receivables	(483,053)	48,606
Contract assets	1,421,049	1,123,886
Other receivables	(211,032)	(516,341)
Real estate inventories	(2,685,682)	781,359
Other assets	(1,149,640)	(309,291)
Increase (decrease) in:		
Accounts payable and accrued expenses	2,148,171	631,136
Contracts liabilities	(237,227)	(149,941)
Net cash generated from operations	6,517,706	7,809,196
Income taxes paid, including creditable withholding taxes	(79,692)	(959,830)
Interest received	303,864	192,172
Net cash provided by operating activities	6,741,878	7,041,538
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investment properties and property and equipment	(3,539,013)	(3,268,176)
Decrease (increase) in BTO rights	(93,792)	(438,506)
Dividends received	106,000	-
Cash used in investing activities	(3,526,805)	(3,706,682)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availments of loans payable	25,895,000	12,555,000
Payments of:		
Loans payable	(23,200,909)	(5,636,534)
Bonds payable	-	(6,000,000)
Cash dividend	(1,216,488)	(875,871)
Interest and transaction costs	(4,020,599)	(2,952,013)
Lease liability	(220,458)	(290,060)
Dividends paid to noncontrolling interest	(463,250)	(462,786)
Changes in amounts due to related parties	(240,841)	(271,941)
Investment in noncontrolling interest	-	30,000
Net cash used in financing activities	(3,467,545)	(3,904,205)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(252,472)	(569,349)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	5,732,008	6,619,135
CASH AND CASH EQUIVALENTS, END OF PERIOD	P5,479,536	P6,049,786

FILINVEST LAND, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED 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, after the expiration of its corporate life of 50 years, 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, as 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 November 6, 2024, the Board of Directors (BOD) approved and authorized the release of the accompanying unaudited interim condensed consolidated financial statements of Filinvest Land, Inc., and Subsidiaries.

2. Summary of Significant Accounting Policies

Basis of Preparation

The interim condensed 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 (Peso), which is also the functional currency of the Parent Company, its subsidiaries, and associates. Amounts are in thousand Pesos except as otherwise indicated.

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

Statement of Compliance

The unaudited interim consolidated financial statements of the Group for the nine months ended September 30, 2024 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting, as modified by the application of the following reporting reliefs issued and approved by the SEC under Memorandum Circular No. 34-2021 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 IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*).

The unaudited interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at December 31, 2023, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the reporting reliefs issued and approved by the SEC under Memorandum Circular No. 34-2020 in response to the COVID-19 pandemic.

Basis of Consolidation

The unaudited interim 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 of September 30, 2024 and December 31, 2023 are as follows. The voting rights held by the Group in these subsidiaries are in proportion to its ownership interest.

Subsidiaries	Nature of Business	2024	2023
Filinvest AII Philippines, Inc. (FAPI)	Real estate developer	100%	100%
FCGC Corporation (FCGCC)	Real estate developer	100%	100%
Filinvest BCDA Clark, Inc. (FBCI) ¹	Real estate developer	55%	55%
Gintong Parisukat Realty and Development Inc. (GPRDI)	Real estate developer	100%	100%
Homepro Realty Marketing, Inc. (Homepro)	Real estate developer	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)	Real estate developer and lessor	63%	63%
Filinvest Asia Corporation (FAC)	Real estate developer and lessor	60%	60%
Filinvest Cyberparks, Inc. (FCI)	Real estate developer and lessor	100%	100%
Filinvest Clark Mimosa, Inc. (FCMI)	Real estate developer and lessor	100%	100%
Festival Supermall, Inc. (FSI)	Property manager	100%	100%
Filinvest Lifemalls Corporation (FLC)	Real estate developer and lessor	100%	100%
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Real estate developer and lessor	100%	100%
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Real estate developer and lessor	100%	100%
ProOffice Works Services, Inc. (ProOffice)	Property manager	100%	100%
Property Specialist Resources, Inc. (Prosper)	Property manager	100%	100%
Co-Living Pro Managers Corp. (CPMC)	Real estate developer and lessor	100%	100%
FSM Cinemas, Inc. (FSM Cinemas) ³	Theater operator	60%	60%
Philippine DCS Development Corporation (PDDC)	District cooling systems, builder and operator	60%	60%
Timberland Sports and Nature Club, Inc. (TSNC)	Recreational facilities developer and operator	98%	98%
Nature Specialists, Inc. (NSI)	Property manager	75%	75%
Leisurepro, Inc. (Leisurepro)	Marketing manager	100%	100%
Proleads Philippines, Inc. (PPI)	Marketing manager	100%	100%
Property Leaders International Limited (PLIL)	Marketing manager	100%	100%
Property Maximizer Professional Corp. (Promax)	Marketing manager	100%	100%
Realpros Philippines, Inc. (RPI)	Marketing manager	100%	100%
FREIT Fund Managers, Inc.	Fund manager	100%	100%
OurSpace Solutions, Inc. (OSI)	Coworking spaces operator	70%	100%

Notes:

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

Except for 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 any material classification, merger, consolidation (except as disclosed elsewhere in this report), purchased, or sold a significant amount of assets outside the ordinary course of business.

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, 2024. 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.

- Adoption 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.

As at September 30, 2024, the Group adopted the IFRIC agenda decision using the modified retrospective approach. The Parent Company recognized the impact of the change against the beginning retained earnings in 2024 amounting to ₱3.72 billion. The impact to the comparative accounts and amounts is decreases in current assets (real estate inventories) amounting to ₱5.53 billion and noncurrent liabilities (deferred income tax) amounting to ₱1.81 billion.

Upon adoption of this IFRIC agenda, financial indicators such as the interest-bearing debt-to-equity ratio is 0.83, return on equity is 0.050, return on asset is 0.0225, and current ratio is 2.42 were affected. If the IFRIC agenda was not adopted, interest-bearing debt-to-equity ratio is 0.80, return on equity is 0.048, return on asset is 0.0219, and current ratio is 2.57.

- *Adoption 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 adopted the guidance using the modified retrospective approach. The adoption of this guidance has impact on 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. As at September 30, 2024, the Group has assessed that the impact of this adoption is insignificant.

3. Goodwill

Goodwill arising from business combinations in the Group's consolidated statements of financial position as of September 30, 2024 and December 31, 2023 consists of (amounts in thousands):

Festival Supermall structure	P3,745,945
FAC	494,744
FILRT	326,553
	<u>P4,567,242</u>

As of September 30, 2024 and December 31, 2023, 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. There are no events that have occurred and circumstances that have changed since December 31, 2023 which would indicate that an impairment indicator exists as of September 30, 2024.

4. Segment Reporting

For management purposes, the Group is organized into the following segments:

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. This also includes corporate-related business operations not classified as leasing activities.

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, Bacoar City, Tagaytay City, Cebu City and Clark.

Management monitors the operating results of its business units separately for the purpose of making decisions about 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.

No operating segments have been aggregated to form the above reportable segments. Transfer prices between segments are based on rates agreed upon by the parties and have terms equivalent to transactions entered with third parties.

For the period ended September 30, 2024 and 2023, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

The information about the financial position and result of operations of these business segments for the period ended September 30, 2024 and 2023 are summarized below.

	September 30, 2024 (Unaudited)				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of associates:					
External	P11,892,125	P5,711,291	P17,603,416	P-	P17,603,416
Inter-segment	158,605	-	158,605	(158,605)	-
	12,050,730	5,711,291	17,762,021	(158,605)	17,603,416
Equity in net earnings of associates	250,496	-	250,496	-	250,496
Other income	1,454,680	807,062	2,261,742	(1,677,770)	583,972
	P13,755,906	P6,518,353	P20,274,259	(P1,836,375)	P18,437,884
Net income	P3,163,002	P1,041,883	P4,204,885	(P736,643)	P3,468,242
EBITDA	P5,513,891	P3,522,925	P9,036,816	(P793,577)	P8,243,239
Segment assets	P88,060,522	P129,616,648	P217,677,170	(P11,824,576)	P205,582,594
Less net deferred income tax assets	-	66,697	66,697	-	66,697
Net segment assets	P88,060,522	P129,549,951	P217,610,473	(P11,824,576)	P205,785,897
Segment liabilities	P44,285,271	P69,925,325	P114,210,596	(P697,441)	P113,513,155
Less net deferred income tax liabilities	4,620,283	204,189	4,824,472	(227,592)	4,596,880
Net segment liabilities	P39,664,988	P69,721,136	P109,386,124	(P469,849)	P108,916,275
Cash flows provided by (used in):					
Operating activities	P999,217	P1,927,959	P2,927,176	P3,814,702	P6,741,878
Investing activities	(314,782)	(3,212,023)	(3,526,805)	-	(3,526,805)
Financing activities	(897,789)	(811,655)	(1,709,444)	(1,758,101)	(3,467,545)

	December 31, 2023 (Audited)				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Segment Assets	P110,882,971	P104,057,871	P214,940,842	(P10,464,765)	P204,476,077
Less net deferred tax assets	-	48,483	48,483	-	48,483
Net segment assets	P110,882,971	P104,009,388	P214,892,359	(P10,464,765)	P204,427,594
Segment Liabilities	P63,140,179	P47,438,064	P110,578,243	(P374,035)	P110,204,208
Less net deferred tax liabilities	5,802,647	56,068	5,858,715	(209,562)	5,649,153
Net segment liabilities	P57,337,532	P47,381,996	P104,719,528	(P164,473)	P104,555,055

	September 30, 2023 (Unaudited)				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of associates:					
External	₱9,827,647	₱5,356,366	₱15,184,013	₱-	₱15,184,013
Inter-segment	311,582	-	311,582	(311,582)	-
Equity in net earnings of associates	10,139,229	5,356,366	15,495,595	(311,582)	15,184,013
Other income	141,408	-	141,408	-	141,408
	1,326,789	671,917	1,998,706	(1,603,996)	394,710
	<u>₱11,607,426</u>	<u>₱6,028,283</u>	<u>₱17,635,709</u>	<u>(₱1,915,578)</u>	<u>₱15,720,131</u>
Net income	₱1,939,148	₱1,524,691	₱3,463,839	(₱657,168)	₱2,806,671
EBITDA	<u>₱3,327,099</u>	<u>₱3,808,122</u>	<u>₱7,135,221</u>	<u>(₱629,190)</u>	<u>₱6,506,031</u>
Cash flows provided by (used in):					
Operating activities	₱4,750,306	₱2,871,875	₱7,622,181	(₱580,643)	₱7,041,538
Investing activities	(680,103)	(3,026,579)	(3,706,682)	-	(3,706,682)
Financing activities	(2,378,558)	(1,899,000)	(4,277,558)	373,353	(3,904,205)

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.

(In Thousands)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
EBITDA	₱8,243,239	₱6,506,031
Depreciation and amortization	(1,416,072)	(1,246,969)
Operating profit	6,827,167	5,259,062
Interest and other finance charges	(2,640,718)	(1,982,345)
Income before income tax	₱4,186,449	₱3,276,717

5. Revenue from Contracts with Customers

Disaggregated Revenue Information

The Group's disaggregation of each source of revenue from contracts with customers are presented below:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
	(In Thousands)	
Real estate sales by market segment		
Medium income	P9,057,147	P6,498,779
Low affordable and affordable	1,341,618	2,458,939
High-end and others	965,761	604,141
Socialized	527,599	265,788
	11,892,125	9,827,647
Cinema operations by type of goods or services (included as part of rental and related services)		
Theater, snack bar, parking and amusement sales	187,442	162,285
	187,442	162,285
Tenant dues		
Office leasing	845,258	856,001
Mall operations and other	299,654	293,371
Leasing operations	1,144,912	1,149,372
	1,144,912	1,149,372
Total revenue from contracts with customers	13,224,479	11,139,304
Rental and related services		
Office leasing	2,655,878	2,547,257
Mall operations	1,352,911	1,285,538
Others	370,148	211,914
	4,378,937	4,044,709
Total Revenue	P17,603,416	P15,184,013

The Group's real estate sales are revenue from contracts with customers which are recognized over time while revenues from theaters, snack bars, parking and amusement are recognized at a point in time. Market segments classification of projects in 2023 were updated to conform with the 2024 presentation. Rental and related services – others are revenue from Co-Living, Industrial and Hospitality.

As of September 30, 2024 contract balances are as follows:

	Current	Noncurrent	Total
	(In Thousands)		
Contract receivable	P2,320,882	P–	P2,320,882
Contract assets	5,513,142	2,849,578	8,362,720
Contract liabilities	648,225	56,899	705,124

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

	Current	Noncurrent	Total
	(In Thousands)		
Contract 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

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.

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 and (c) provision of air conditioning and CUSA services (d) administration fee.

6. Cash and Cash Equivalents

This account consists of:

	September 30 2024 (Unaudited)	December 31 2023 (Audited)
	(In Thousands)	
Cash	₱4,089,434	₱4,604,987
Cash equivalents	1,390,102	1,127,021
	₱5,479,536	₱5,732,008

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 ₱68.52 million and ₱53.90 million for the nine months ended September 30, 2024 and 2023, respectively (see Note 23).

There is no restriction on the Group's cash and cash equivalents as at September 30, 2024 and December 31, 2023.

7. Contracts Receivable

This account consists of:

	September 30 2024 (Unaudited)	December 31 2023 (Audited)
	(In Thousands)	
Contracts receivable	₱2,076,168	₱1,582,486
Receivables from government and financial institutions	244,714	255,343
	₱2,320,882	₱1,837,829

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.

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 ₱222.01 million and ₱124.82 million for the nine months ended September 30, 2024 and 2023, respectively (see Note 23). Interest rates per annum on contracts receivable range from 11.5% to 19.0% for these periods.

As of September 30, 2024 and December 31, 2023, no impairment losses were recognized from contracts receivable.

As at September 30, 2024 and December 31, 2023, the analysis of contracts receivable that were past due but not impaired is as follows:

	Past due but not impaired					Total
	Less than 30 days	30 to 60 days	61 days to 90 days	91 days to 120 days	Over 120 days	
	(In Thousands)					
September 30, 2024	₱1,102,146	₱332,688	₱182,296	₱167,494	₱291,544	₱2,076,168
December 31, 2023	₱384,811	₱171,577	₱250,029	₱160,180	₱669,888	₱1,582,485

8. Other Receivables

This account consists of:

	September 30 2023 (Unaudited)	December 31 2023 (Audited)
	(In Thousands)	
Receivables from tenants	₱2,231,605	₱2,038,850
Due from related parties (Notes 11 and 27)	480,596	695,344
Advances to officers and employees	602,322	422,954
Receivables from homeowners' associations	193,322	227,671
Others	228,897	139,383
	3,736,742	3,542,202
Less: Allowance for expected credit losses	60,654	59,146
	₱3,676,088	₱3,465,056

Allowance for expected credit losses represents impairment on receivables from tenants and homeowners' associations (see Annex C).

9. Real Estate Inventories

This account consists of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Real estate inventories - at cost		
Lots, condominium and residential units for sale	P42,895,571	P45,642,483
Land and land development	26,127,830	26,992,347
	P69,023,401	P72,634,830

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Balance at beginning of year	P45,642,483	P44,623,160
Land costs transferred from land and land development	560,105	648,649
Additions thru asset acquisition	-	452,578
Construction/development costs incurred	8,030,006	7,319,735
Transfer from investment properties (Note 13)	42,952	-
Capitalized borrowing costs	-	699,846
Reversal of capitalized borrowing costs (Note 2)	(5,532,605)	-
Cost of real estate sales	(5,847,370)	(8,101,485)
	P42,895,571	P45,642,483

Capitalization rate for the capitalized borrowing costs is 5.15% for the year ended December 31, 2023 (nil in 2024).

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Balance at beginning of year	P26,992,347	P26,703,327
Land acquisitions	4,745	51,111
Land costs transferred to lots, condominium and residential units for sale	(560,105)	(648,649)
Transfer to investment properties (Note 13)	(1,429,515)	-
Site development and incidental costs	1,120,358	886,558
	P26,127,830	P26,992,347

As of September 30, 2024 and December 31, 2023, additions to land and land development during the period which remain outstanding amounted to P4.01 billion and P4.40 billion, respectively, and are recognized as part of "Accounts payable and accrued expense" (see Note 17).

10. Other Current Assets

This account consists of:	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Input taxes – net	₱3,791,842	₱3,842,624
Creditable withholding taxes	2,129,859	1,231,664
Cost to obtain contract	298,722	367,514
Prepaid expenses	714,071	807,382
Construction materials and supplies	427,838	401,535
Advances to contractors and suppliers	454,622	445,383
Short-term deposits	128,520	96,332
	₱7,945,474	₱7,192,434

11. Investment in Associates

This account consists of:	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
At equity:		
Acquisition cost		
Balance at beginning of year	₱1,028,841	₱1,018,841
ProActive Professionals Corp. (ProActive)	-	10,000
Balance at end of year	1,028,841	1,028,841
Accumulated equity in net earnings:		
Balance at beginning of year	1,808,158	1,733,276
Equity in net earnings for the year	250,496	242,007
Dividend declaration	(106,000)	(167,125)
Balance at end of year	1,952,654	1,808,158
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
	₱5,364,396	₱5,219,900

*Presented as part of retained earnings in the consolidated statement of changes in equity.

As of September 30, 2024 and December 31, 2023, the carrying value of the Group's investments in associates follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
FAI	₱5,032,724	₱4,908,516
DPI	89,325	93,119
FMI	81,681	81,629
CTI	53,761	52,190
SharePro	45,556	31,040
Pro-excel	51,349	43,406
ProActive	10,000	10,000
	₱5,364,396	₱5,219,900

12. 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 an 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 follows:

	September 30, 2024 (Unaudited)		
	Investment Properties (Note 13)	BTO Rights (Note 15)	Total
	(In Thousands)		
Cost			
At January 1 and December 31	P5,376,136	P112,424	P5,488,560
Accumulated Depreciation			
At January 1	754,489	21,037	775,526
Depreciation (Note 21)	107,034	1,295	108,329
As at September 30	861,523	22,332	883,855
Net Book Value	P4,514,613	P90,092	P4,604,705

	December 31, 2023 (Audited)		
	Investment Properties (Note 13)	BTO Rights (Note 15)	Total
	(In Thousands)		
Cost			
At January 1 and December 31	P5,376,136	P112,424	P5,488,560
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	P4,621,647	P91,387	P4,713,034

The following are the amounts recognized in the consolidated statement of income (amounts in thousands):

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
	(In Thousands)	
Amortization expense of right-of-use assets (included in general and administrative expenses)	P112,215	P113,399
Interest expense on lease liabilities (included in interest and other finance charges)	388,621	426,878
	P500,836	P540,277

The rollforward analysis of lease liabilities follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Beginning balance	P6,719,861	P6,508,490
Interest expense	388,621	583,815
Payments	(220,459)	(372,444)
At end of period	6,888,023	6,719,861
Lease Liabilities - current portion	196,121	175,459
Lease liabilities - net of current portion	P6,691,902	P6,544,402

The Group also has a 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.

13. Investment Properties

The rollforward analysis of this account is as follows:

	September 30, 2024 (Unaudited)					
	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-use assets	Total
	(In Thousands)					
Cost						
Balances at beginning of year	P16,575,680	P32,104,793	P407,782	P35,545,897	P5,376,136	P90,010,288
Additions	108,542	1,272,408	24,842	2,407,773	-	3,813,565
Transfers (Note 9)	1,429,515	(82,995)	-	-	-	1,346,520
Balances at end of year	18,113,737	33,294,206	432,624	37,953,670	5,376,136	95,170,373
Accumulated Depreciation						
Balances at beginning of year	-	9,199,751	396,712	-	754,489	10,350,952
Depreciation (Note 21)	-	903,822	13,386	-	107,034	1,024,242
Transfers (Note 9)	-	(40,043)	-	-	-	(40,043)
Balances at end of year	-	10,063,530	410,098	-	861,523	11,335,151
Net Book Value	P18,113,737	P 23,230,676	P22,526	P 37,953,670	P4,514,613	P83,835,222

	December 31, 2023 (Audited)					
	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-use assets	Total
	(In Thousands)					
Cost						
Balances at beginning of year	P16,533,276	P29,538,271	P382,015	P34,327,269	P5,376,136	P86,156,967
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	P16,575,680	P22,905,042	P11,070	P35,545,897	P4,621,647	P79,659,336

Borrowing costs capitalized as part of investment properties amounted to P1,057.03 million and P944.83 million as of September 30, 2024 and December 31, 2023, respectively. Capitalization rate used is 4.18% to 7.25% for the nine months ended September 30, 2024 and 4.33% to 6.68% for the year ended December 31, 2023.

The aggregate fair value of the Group's investment properties amounted to P211.95 billion as of September 30, 2024 and December 31, 2023, based on third party appraisals performed by an SEC accredited independent appraiser and management appraisal updated using current and period-end values and assumptions. 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 to valuation of the land are the price per square meter ranging from P35,000 to P275,000.

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 P2,234.60 million and P3,894.66 million as of September 30, 2024 and December 31, 2023, respectively. These will be recognized as liabilities in the Group's consolidated financial statements when the related services are received.

14. Property & Equipment

The rollforward analysis of this account is as follows:

	September 30, 2024 (Unaudited)						Total
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	
	(In Thousands)						
Cost							
Balances at beginning of year	P3,699,958	P3,340,297	P223,602	P190,607	P322,297	P277,210	P8,053,971
Additions	32,192	285,436	15,684	41,829	241,123	11,464	627,728
Balances at end of year	3,732,150	3,625,733	239,286	232,436	563,420	288,674	8,681,699
Accumulated Depreciation and Amortization							
Balances at beginning of year	797,291	1,106,310	170,430	149,062	157,866	-	2,380,959
Depreciation and amortization	73,112	174,352	12,025	37,420	9,571	-	306,480
Balances at end of year	870,403	1,280,662	182,455	186,482	167,437	-	2,687,439
Net Book Value	P 2,861,747	P 2,345,071	P 56,831	P 45,954	P 395,983	P 288,674	P 5,994,260

	December 31, 2023 (Audited)						Total
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	
	(In Thousands)						
Cost							
Balances at beginning of year	P3,613,237	P3,166,765	P185,075	P166,739	P213,023	P220,898	P7,565,737
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	P2,902,667	P2,233,987	P53,172	P41,545	P164,431	P277,210	P5,673,012

As of September 30, 2024 and December 31, 2023, additions to property and equipment which remain outstanding amounted to P2.10 million and P98.03 million, respectively, and these are recognized as part of "Accounts payable and accrued expenses" (see Note 17).

15. BTO Rights

BTO rights pertain to the cost related to the Build, Transfer and Operate agreement with The Province of Cebu (Cebu Province) entered on March 26, 2012. The BTO project relates to the development, construction, and operation of the Business Process Outsourcing (BPO) Complex by the Group at the land properties owned by Cebu Province located at Salinas, Lahug, Cebu City.

The rollforward analysis of BTO rights is as follows:

	September 30, 2024 (Unaudited)		
	BTO Rights	Right-of-Use Assets	Total
	(In Thousands)		
Cost			
Balance at beginning of year	P6,863,079	P112,424	6,975,503
Additions	93,792	–	93,792
Balance at end of year	6,956,871	112,424	7,069,295
Accumulated Amortization			
Balance at beginning of year	566,868	21,037	587,905
Depreciation	84,055	1,295	85,350
Balance at end of year	650,923	22,332	673,255
Net Book Value	P6,305,948	P90,092	P6,396,040

	December 31, 2023 (Audited)		
	BTO Rights	Right-of-Use Assets	Total
	(In Thousands)		
Cost			
Balance at beginning of year	P5,997,831	P112,424	P6,110,255
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
Depreciation	70,605	6,895	77,500
Balance at end of year	566,868	21,037	587,905
Net Book Value	P6,296,211	P91,387	P6,387,598

For the nine months period ended September 30, 2024 and 2023, and for the period ended December 31, 2023, related amortization recognized as part of “Cost of rental and related services” amounted to P82.35 million, P61.05 million and P70.61 million, respectively. Rent income amounting to P341.35 million and P161.10 million nine months period ended September 30, 2024 and 2023, respectively, was recognized as part of “Revenue from rental and related services”.

16. Other Noncurrent Assets

This account consists of:

	September 30 2024 (Unaudited)	December 31 2023 (Audited)
	(In Thousands)	
Advances to contractors and suppliers	P1,899,174	P1,249,226
Advances to joint venture partners	271,058	311,157
Input taxes - net of current portion	230,170	230,170
Creditable withholding taxes - net of current portion	178,626	178,626
Investment in bonds	150,000	150,000
Deposits	30,657	72,057
Financial assets at FVTOCI	15,535	15,535
Other assets	45,416	67,809
	P2,820,636	P2,274,580

17. Accounts Payable and Accrued Expenses

This account consists of:

	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Current	Noncurrent	Total	Current	Noncurrent	Total
	(In Thousands)					
Accounts payable	P3,176,661	P8,129,167	P11,305,828	P5,579,664	P5,017,658	P10,597,322
Deposits and advance rent from tenants	1,854,591	1,834,311	3,688,902	1,630,033	1,645,028	3,275,061
Retention fees payable	2,177,047	846,426	3,023,473	2,082,442	499,537	2,581,979
Accrued expenses	1,927,014	-	1,927,014	1,712,947	-	1,712,947
Deposits for registration	235,165	1,698,758	1,933,923	217,825	1,573,499	1,791,324
Accrued interest on bonds and loans	431,797	-	431,797	674,345	-	674,345
Other payables	1,038,991	143,083	1,182,074	653,909	202,281	856,190
	P10,841,266	P12,651,745	P23,493,011	P12,551,165	P8,938,033	P21,489,168

18. Loans Payable

This account consists of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Developmental loans from local banks	P39,779,139	P37,085,048
Less unamortized transaction costs	252,013	97,121
	39,527,126	36,987,927
Less current portion of loans payable	15,209,005	16,480,438
Long-term portion of loans payable	P24,318,121	P20,507,489

Developmental loans from local banks have floating or fixed interest rates at different terms and repayment periods. Additional bank loans availed by the Group in 2024 amounted to ₱25.74 billion, net of debt issuance cost amounting to ₱157.35 million. Principal payments made in 2024 amounted to ₱23.20 billion.

As of September 30, 2024 and December 31, 2023, short-term loans payable, presented under current portion of loans payable amounted to ₱2.0 billion and ₱16.48 billion, respectively. Interest incurred on these loans (gross of related capitalized borrowing costs) amounted to ₱29.58 million and ₱1.56 billion for the nine months ended September 30, 2024 and 2023, respectively.

Amortization of transaction costs amounted to ₱41.28 million and ₱71.32 million for the nine months ended September 30, 2024 and 2023, respectively, and included under “Interest and other financing 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 bank 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, and purchase, redemption or acquisition of any share of stock if these 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 September 30, 2024 and December 31, 2023, the Group complied with these contractual agreements and has not been cited in default on its outstanding loan obligations.

19. Bonds Payable

This account consists of:

	September 30 2024 (Unaudited)	December 31 2023 (Audited)
	(In Thousands)	
Bonds payable	₱37,795,395	₱37,795,395
Less unamortized transaction costs	262,733	326,883
	37,532,662	37,468,512
Less current portion of bonds payable	11,544,188	1,697,245
<u>Long-term portion of bonds payable</u>	<u>₱25,988,474</u>	<u>₱35,771,167</u>

On January 09, 2023, FILRT completed the payment of its five and a half (5.5) years fixed rate retail bonds in the aggregate amount of ₱6.0 billion.

The Group’s bonds payable is 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. As of December 31, 2023, the Group is not in breach of any of these covenants. As of September 30, 2024, the Group has not been cited in default on any of its outstanding obligations.

20. Equity

The details of the Parent Company's common and preferred shares as of September 30, 2024 and December 31, 2023 follow:

	Common	Preferred
	(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	–

There was no issuance of additional common shares for the nine months period ended September 30, 2024.

Retained Earnings

Retained earnings include undistributed earnings amounting to ₱1.51 billion and ₱1.31 billion as of September 30, 2024 and December 31, 2023, respectively, representing accumulated equity in net earnings of subsidiaries and associates, which are not available for dividend declaration until declared as dividends by the subsidiaries and associates.

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 September 30, 2024 and December 31, 2023.

As at September 30, 2024, the amount of retained earnings appropriated for business expansions for construction of residential, leasing and mixed-use projects amounted to ₱5.0 billion.

Dividend Declarations

On April 19, 2024, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.05 per share or a total of ₱1.21 billion for all common stockholders and P0.0005 per share or a total of P4.00 million for all preferred stockholders of record as of May 13, 2024 payable on June 05, 2024.

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 06, 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 06, 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 September 02, 2022. The Group has remaining unpaid cash dividend amounting to ₱21.09 million as of September 30, 2024.

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 September 02, 2022. The Group has remaining unpaid cash dividend amounting to ₱0.32 million as of September 30, 2024.

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 and ensure compliance with debt covenants. No changes were made in capital management objectives, policies or processes for the periods ended September 30, 2024 and December 31, 2023.

The Group monitors capital using debt-to-equity ratio, which is the interest-bearing debt (loans payable and 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 debt-to-equity ratio:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Loans Payable (Note 18)	₱39,527,126	₱36,987,927
Bonds Payable (Note 19)	37,532,662	37,468,512
	77,059,788	74,456,439
Total Equity	92,339,439	94,271,869
Debt-to-equity ratio	0.83 : 1.00	0.79 : 1.00

21. General and Administrative Expenses

The account consists of:	September 30 2024 (Unaudited)	September 30 2023 (Unaudited)
	(In Thousands)	
Salaries, wages and employee benefits	₱709,513	₱623,799
Taxes and licenses	310,073	276,438
Repairs and maintenance	237,319	245,892
Outside services	162,041	151,294
Transportation and travel	72,668	28,833
Depreciation and amortization	72,651	65,080
Entertainment, amusement and recreation	67,902	10,307
Electronic data processing charges	59,060	64,067
Dues and subscription	36,032	1,812
Insurance	35,173	27,200
Communications, light and water	34,308	39,779
Retirement Cost	27,571	27,331
Office supplies	14,770	14,216
Rent	11,609	7,012
Others	29,401	40,193
	₱1,880,091	₱1,623,253

“Others” mainly consists of other miscellaneous expenses. Accounts classifications were updated to conform with the 2024 presentation.

22. Selling and Marketing Expenses

The account consists of:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
	(In Thousands)	
Brokers' commissions	P595,185	P516,233
Selling, advertising and promotions	213,458	141,408
Service fees	181,544	145,623
Salaries and wages	102,078	81,301
Sales office direct costs	42,153	18,817
Others	3,957	2,943
	P1,138,375	P906,325

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:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
	(In Thousands)	
Interest income on:		
Contracts receivable	P222,014	P124,817
Cash and cash equivalents	68,523	53,901
Others	13,327	13,454
	P303,864	P192,172
Interest and other finance charges:		
Loans and bonds payable, net of interest capitalized	P2,052,710	P1,432,632
Lease liabilities, net of interest capitalized	388,621	362,928
Amortization of transaction costs of loans and bonds	198,057	183,669
Other finance charges	1,330	3,116
	P2,640,718	P1,982,345

24. Income Tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
	(In Thousands)	
Current	P126,481	P973,305
Deferred	591,726	(503,259)
	P718,207	P470,046

25. Financial Risk Exposures

The Group's principal financial instruments are composed of cash and cash equivalents, contracts, and other receivables, due from related parties, financial assets at FVTOCI, 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. The Group also monitors the foreign currency risk arising from all financial instruments.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; hence, they should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2023. There have been no significant changes in the risk management structure of the Group or in any risk management policies since the previous annual period.

Comparative Fair Values of Principal Financial Instrument (In Thousands of Pesos)

	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Carrying Values	Fair Values	Carrying Values	Fair Values
	(In Thousands)			
Cash and cash equivalents	P5,479,536	P5,479,536	P5,732,008	P5,732,008
Contracts receivables	2,320,882	2,320,882	1,837,829	1,837,829
Other receivables	3,676,088	3,676,088	3,465,056	3,465,056
Accounts payable and other accrued expenses	23,493,011	22,116,447	21,489,168	19,266,559
Loans and bonds payable	77,059,788	74,001,195	74,456,439	72,600,273

Due to the short-term nature of cash and cash equivalents, contracts receivables, other receivables and due to related parties, the fair value approximates the carrying amounts.

The Group categorizes the accounts payable and accrued expenses and long-term debt under Level 3.

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 rates used was 6.17% as of September 30, 2024 and 6.18% in December 31, 2023.

Long-term debt (lease liabilities, loans payable and bonds payable): The estimated fair value of long-term debts with fixed interest and not subjected to quarterly re-pricing is based on the discounted value of future cash flows using the applicable risk-free rates for similar type of loans adjusted for credit risk. Long-term debt subjected to quarterly re-pricing is not discounted since its carrying value approximates fair value. The discount

rates used range from 4.18% to 6.98% and 4.46% to 7.20% as of September 30, 2024 and December 31, 2023, respectively.

Investment in foreign securities

The Group does not have any investment in foreign securities.

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 for the nine months ended September 30, 2024 and the year ended December 31, 2023.

26. EPS Computation

Basic/diluted EPS is computed as follows:

	September 30, 2024	September 30, 2023
	(Unaudited)	(Unaudited)
	(In Thousands, Except per Share Data)	
Net income attributable to equity holders of the parent* (a)	P3,111,087	P2,438,889
Common shares issued	24,470,709	24,470,708
Less weighted average number of treasury stock	220,949	220,949
Weighted average number of common shares outstanding (b)	24,249,760	24,249,760
Earnings Per Share (a/b)	P0.13	P0.10

**After deducting the dividends for preferred shareholders (Note 20) – 2024: P4.00 million, 2023: P2.88 million*

There were no potential dilutive shares for the nine months ended September 30, 2024 and 2023.

27. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control of the Group’s ultimate parent company (referred herein as “Affiliates”). Related parties may be individuals or corporate entities.

All material Related Party Transactions (“RPT”) with a transaction value that reaches ten percent (10%) of the Group’s total consolidated assets shall be subject to the review by the RPT Committee.

Transactions that were entered into with an unrelated party that subsequently becomes a related party shall be excluded from the limits and approval of the Policy on Related Party Transactions (“Policy”). However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after a non-related party becomes a related party, shall subject it to the provisions of the Policy.

In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the Policy.

Outstanding balances at year-end are unsecured, interest free and require settlement in cash, unless otherwise stated. The transactions are made at terms and prices agreed upon by the parties. As of September 30, 2024 and December 31, 2023, the Group has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Composition of amounts due/to from related parties follow:

	September 30, 2024	December 31, 2023
	(In Thousands)	
Due from related parties:		
Ultimate parent (b)	P824	P598
Parent (c)	3,123	3,123
Associates (d, h)	355,704	511,724
Other affiliates (e, g)	120,945	179,899
	P480,596	P695,344
Due to related parties:		
Parent (c)	(P121,006)	(P383,191)
Associates (d, h)	(54,168)	(57,556)
Other affiliates (e, g)	(72,471)	(47,739)
	(P247,645)	(P488,486)

The level of volume of transactions and terms and conditions of the transactions are generally consistent as in prior year unless otherwise stated.

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 contract 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. There was no sale of contracts receivable for the nine months ended September 30, 2024 and year ended December 31, 2023

The Group’s plan assets in the form of cash equivalents amounting to P96.60 million as of September 30, 2024 and as of December 31, 2023 are maintained with EW. The Group also maintains cash and cash equivalents with EW.

b. Transactions with Ultimate Parent (ALG)

Transactions with the Group’s ultimate parent company relate 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 P1,047.1 million, P314.1 million, representing 30% of purchase price, payable upon signing of the agreement and the remaining 70% amounting to P732.9 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 P1,021.8 million and P683.3 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.

d. *Transactions with Associates*

FAI

Transactions with FAI include noninterest-bearing cash advances and various charges for rent, 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%.

Pro-excel

Transactions from Pro-Excel relate 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

FMI

Transactions with Filinvest Mimosa Inc. relate 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.

SPI

Transactions with Sharepro, Inc. relate to sharing of common expenses and service fee for technical and project management.

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 Note 17). As of September 30, 2024 and December 31, 2023, the outstanding balance of the transferred retirement benefits amounted to ₱144.11 million.

Pro-excel and DPI rents its 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 2024 and 2023. Outstanding receivables are recorded as part of Other Receivables in the Statements of Financial Position as of September 30, 2024 and December 31, 2023.

e. *Transactions with Affiliates*

Transactions with affiliates relate 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 engage and pay the services rendered by the latter to operate and maintain its equipment and premises.

FILRT also entered into a service agreement with its affiliate, Parking Pro, Inc., to operate and maintain its parking facilities.

f. The compensation of key management personnel consists of short-term employee salaries and benefits amounting to ₱100.14 million for the nine months ended September 30, 2024. Post-employment benefits of key management personnel is nil for the nine months ended September 30, 2024.

g. *Leases with related parties - Group as lessor*

Chroma Hospitality, Inc. leases its office 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 September 30, 2024 and December 31, 2023, the amount included in lease liability payable to related parties is ₱5,996.0 million and ₱5,952.3 million, respectively (see Note 12).

28. Events after the Reporting Date

On October 2, 2024, FLI filed a Tender Offer Report (SEC Form 19-1) with the Securities and Exchange Commission to acquire up to One Billion Eight Hundred Sixty-Six Million (1,866,000,000) common shares of FLI through a Capped Voluntary Tender Offer to all shareholders of FLI. The consideration for the Tender Offer will be paid in shares owned by FLI in Filinvest REIT Corp. (FILRT) at an exchange ratio of 0.32 FILRT shares for every 1.00 FLI share tendered and accepted for payment. FLI amended the Tender Report on October 7, 2024, and October 15, 2024, to update the exhibits and comply with the requirements of the Markets and Securities Regulation Department of the SEC, respectively. The Tender Offer commenced at 9:00 am on October 7, 2024, and will end at 12:00 pm on November 27, 2024. The cross date and settlement date shall be on December 09, 2024, and December 11, 2024, respectively.

The Tender Offer will not have any material adverse effect on the business, operations, assets, liabilities, or condition, financial or otherwise, of the Company.

On November 6, 2024, FLI's BOD approved the appropriation of its unrestricted retained earnings amounting to ₱24.8 billion for its various projects.

29. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. However, uncertainty about these assumptions could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group also included, as one of its main considerations, the continuing impact of COVID-19 pandemic in making significant judgments and assumptions.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Judgments, key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are consistent with those applied in the most recent annual audited consolidated financial statements.

Item 2. Management’s Discussion and Analyses of Financial Condition and Results of Operations

Results of operations for the nine months ended September 30, 2024 compared to nine months ended September 30, 2023

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

Revenues and other income

Total consolidated revenues and other income increased by ₱2,419.40 million or 15.93% year-on-year from ₱15,184.01 million in 2023 to ₱17,603.42 million in 2024 which was driven by the growth in residential segment.

Real estate sales grew by ₱2,064.48 million or 21.01% compared to the prior year, from ₱9,827.65 million in 2023 to ₱11,892.13 million in 2024, mainly resulting from construction percentage of completion achieved during the period and accelerated collections. Real estate sales booked during the year broken down by product type are as follows: Medium Income at 74%, inclusive of medium-rise buildings (MRB) and high-rise buildings (HRB); Affordable and low affordable at 12%; High-End and Others at 8%; and Socialized at 6%.

Rental and related services increased by ₱354.93 million or by 6.63% vs. last year, from ₱5,356.37 million in 2023 to ₱5,711.29 million in 2024. Retail leasing rose by ₱116.79 million or 7.22%, which was mainly due to higher occupancy levels, rental escalation rates, and the removal of rental concessions. Co-living (dormitel segment) contributed to the increase by ₱64.29 million or 59% from the operations of the The Crib Clark, while Office leasing contributed ₱95.84 million or 2.68% from higher gross leasable area and net effective rate.

Interest income increased by ₱111.69 million or by 58.12% compared to the prior year, from ₱192.17 million in 2023 to ₱303.86 million in 2024, mainly from installment contract receivable from buyers.

Other income increased by ₱77.57 million or by 38.30% vs. last year from ₱202.54 million in 2023 to ₱280.11 million in 2024 due to higher income generated from processing fees.

Costs and Expenses

Cost of real estate sales increased by ₱348.75 million or by 6.34%, from ₱5,498.62 million in 2023 to ₱5,847.37 million in 2024 due to higher real estate revenues realized for the period.

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

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

General and administrative expenses increased by ₱256.84 million or by 15.82%, from ₱1,623.25 million in 2023 to ₱1,880.09 million in 2024 primarily due to higher manpower costs, taxes and licenses, professional fees, security & janitorial, and dues for additional infrastructure rehabilitation.

Interest and other finance charges

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

Provision for Income Tax

Provision for income tax increased by ₱248.16 million or 52.80% in 2024 versus 2023, from ₱470.05 million to ₱718.21 million, due to higher deferred tax from temporary differences.

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

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

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

8.07% Overall Decrease in Contract Receivables and Contract Assets

26.28% increase in contract receivables; 14.52% decrease in contract assets (16.17% increase in contract assets – current portion; 43.44% decrease in contract assets – net of current portion)

Mainly due to increased collections, including receipt of bank takeouts.

6.09% Increase in Other Receivables

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

4.97% Decrease in Real Estate Inventories

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

13.72% Overall Increase in Other Assets

10.47% Increase in Other Current Assets; 24.01% Increase in Other Noncurrent Assets

Largely due to increases in input taxes, creditable withholding taxes and prepaid expenses. The increase in other noncurrent assets pertains to advances to contractors and suppliers.

37.57% Increase in Deferred Income Tax Assets

Mainly due to the increase in advance rentals.

9.32% Overall Increase in Accounts Payable and Accrued Expenses

13.62% Decrease in Accounts Payable and Accrued Expenses – current; 41.55% Increase in Accounts Payable and Accrued Expenses – non-current

Increase in non-current accounts payable and accrued expenses is primarily due to increase in retention fees, deposits from tenants and registration fees from buyers.

25.17% Overall Decrease in Contract Liabilities

18.20% decrease in contract liabilities - current; 62.05% decrease in contract liabilities – net of current portion

Overall decrease is due to construction of existing projects during the period.

49.30% Decrease in Due to Related Parties

Mainly due to partial payment by FILRT to FDC on purchase of Boracay lot.

217.06% Increase in Income Tax Payable

Due to the higher net taxable income of the Group.

6.86% Overall Increase in Loans Payable

7.71% decrease in loans payable – current portion; 18.58% increase in loans payable – net of current portion

Mainly due to availment of various loans totaling ₱25.9 billion during 2024, net of ₱23.2 billion loan repayments.

0.17% Overall Decrease in Bonds Payable

580.13% increase in bonds payable – current portion; 27.35% decrease in bonds payable – net of current portion

Movements in bonds payable are mostly attributable to the reclassification of bonds payable from non-current to current based on bonds maturities.

2.50% Overall Increase in Lease Liabilities

11.78% increase in lease liabilities – current portion; 2.25% increase in lease liabilities – net of current portion

The increase is mainly due to the amortization of interest expense on lease liabilities.

18.63% Overall Decrease in Deferred Tax Liabilities

The decrease is mainly due to the deferred tax impact on application of PFRS 15 on reversal of capitalized borrowing cost.

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

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

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

Financing activities used ₱3.47 billion primarily on payments of loan principal and interests and cash dividends, tempered by loan availments during the year. During the same period in 2023, net cash used in investing activities amounted to P3.90 billion on payments of interest expense, principal loans and bonds and cash dividends, offset by loan availments.

Net decrease in cash and cash equivalents as of September 30, 2024 amounting to P252.47 million is P316.88 million lower than the same period last year.

Performance Indicators

	September 30 2024	September 30 2023	December 31 2023
	(Unaudited)	(Unaudited)	(Audited)
1 Earnings per Share - Basic ¹	0.13	0.10	0.16
2 Earnings per Share - Diluted ²	0.13	0.10	0.16
3 Price Earnings Ratio ³	4.73	4.62	3.69
4 Interest-bearing Debt to Equity Ratio ⁴	0.83	0.81	0.79
5 Debt Ratio ⁵	0.55	0.54	0.54
6 EBITDA to Total Interest Paid ⁶	2.05	2.20	2.18

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

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

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

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

⁵ Debt Ratio is computed as total liabilities divided by total assets

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

Item 3. Business Development / New Projects

Since its incorporation, the Parent Company has invested in properties situated in what the Parent Company believes are prime locations across the Philippines for existing and future housing and land development projects. It is important for the Parent Company to have access to a steady supply of land for future projects. In addition to directly acquiring land for future projects, the Parent Company has also adopted a strategy of entering joint venture arrangements with landowners for the development of raw land into future project sites for housing and land development projects. This allows FLI to reduce its capital expenditures for land and substantially reduces the financial holding costs resulting from owning land for development.

Under the joint venture agreements, the joint venture partner contributes the land free from any liens, encumbrances, tenants, or informal settlers, while the Parent Company undertakes the development and marketing of the products. The joint venture partner is allocated either the developed lots or the proceeds from the sales of the units based on pre-agreed distribution ratio.

Potential land acquisitions and participation in joint venture projects are evaluated against several criteria, including the attractiveness of the acquisition price relative to the market, the suitability or the technical feasibility of the planned development. The Parent Company identifies land acquisitions and joint venture opportunities through active search and referrals.

As of September 30, 2024, the Parent Company had a land bank of approximately 1,865.9 hectares of raw land for the development of its various projects, including approximately 196.5 hectares of land under joint venture agreements, which the Parent Company's management believes is sufficient to sustain several years of development and sales.

Details of the Parent Company’s raw land inventory for its residential business as of September 30, 2024 are set out in the table below:

FLI Land Bank as of September 30, 2024				
In Hectares				
Location	Company Owned	Under Joint Venture	Total	% to Total
Luzon				
Metro Manila	34.4	-	34.4	1.8%
Rizal	712.3	9.2	721.5	38.7%
Bulacan	252.4	-	252.4	13.5%
Bataan	12.3	-	12.3	0.7%
Pampanga	-	24.9	24.9	1.3%
Camarines Sur	0.8	-	0.8	0.0%
Pangasinan	3.5	-	3.5	0.2%
Cavite	298.9	58.8	357.7	19.3%
Laguna	229.8	0.7	230.5	12.4%
Batangas	45.6	42.1	87.7	4.7%
	1,589.8	135.7	1,725.5	92.6%
Visayas				
Cebu	1.8	35.7	37.5	2.0%
Negros Occidental	0.2	-	0.2	0.0%
	2.0	35.7	37.7	2.0%
Mindanao				
Davao	6.3	25.1	31.4	1.7%
South Cotabato	69.6	-	69.6	3.7%
	75.9	25.1	101.0	5.4%
Total	1,667.6	196.5	1,864.1	100.0%

In addition to the above, FLI has the following landbank under a joint development or long-term leasing agreement, available to FLI for development and operations.

Location	Area in has.	Remarks
Filinvest Mimosa Plus	201.6	Being developed with FDC
New Clark City	288.0	Being developed with BCDA
Total	489.6	

City di Mare

Inspired by the world’s best-loved coastal cities, City di Mare, or “City by the Sea”, spans across 50.6 hectares at Cebu’s South Road Properties.

It is a master-planned development composed of different zones catering to a wide array of lifestyles and activities, namely Il Corso, the 10.6-hectare waterfront lifestyle mall; the 40-hectare residential clusters; and The Piazza, nestled at the heart of the residential enclaves puts lifestyle essentials such as school, church, shops, and restaurants within the neighborhood. City di Mare is envisioned to be a destination in itself, takes full advantage of the coastal ambience featuring seaside shopping, dining, beach and water sports and more, right by the water’s edge.

The 10.6-hectare retail development known as Il Corso has a gross leasable area of approximately 32,000 square meters. City di Mare has four resort-themed residential enclaves inspired by world-class resorts, with each 10-hectare development flaunting a distinct architectural character. With over 65% of the property allocated for wide, open areas and landscaped greens, City di Mare provides the generous amenity of breathing space and a refreshing dose of nature throughout the site. Residences are spread out over the sprawling development, maximizing the abundant sunlight and allowing the invigorating sea air to circulate freely.

In July 2015, FLI, Filinvest REIT Corp, (“FILRT”) and Filinvest Alabang, Inc. (“FAI”) (collectively referred to as “Filinvest Consortium”) won the bidding for a 19.20-hectare lot in Cebu’s South Road Properties (SRP). This property is referred to as SRP2.

Pampanga

Filinvest Mimosa, Inc., a company formed in 2016 by the consortium of Filinvest Development Corporation (FDC) and FLI as the winning bidder in the privatization of the former Mimosa Leisure Estate, has a lease agreement with Clark Development Corporation for a term of fifty (50) years, renewable for another twenty-five (25) years. Over this period, Filinvest Mimosa will develop, manage and operate the estate.

Tarlac

FLI signed a Joint Venture Agreement with the Bases Conversion and Development Authority (BCDA) for the development of the 288-hectare Filinvest at New Clark City in Tarlac. New Clark City is envisioned to be developed as the country’s newest sustainable urban community and globally-competitive investment center that is smart, green and disaster-resilient. The industrial and logistics park is now currently being developed. The township will also have commercial and residential components.

Laguna

Ciudad de Calamba is a 350-hectare Modern Township development in the gracious City of Calamba, Laguna. It is a master-planned affordable and middle-income township with an industrial component.

Rizal

Havila is master-planned as a mix of affordable, middle-income and high-end subdivisions in Rizal province overlooking Metro Manila. With its 306-hectare development, the township offered three major communities such as Mission Hills, Highlands Pointe and Forest Farm interconnected by linkroad of Antipolo, Taytay and Angono Rizal. Newer developments in Havila are Mira Valley, Amarilyo Crest and Amarilyo Residences.

Timberland Heights is a sprawling 677-hectare premier mountain suburban township development located in the highest peaks of San Mateo, Rizal. It captures the essence of a mountain hideaway, a sporting and leisure paradise and a luxurious country resort in a premier township development.

Manna East is a 60-hectare modern Filipino themed affordable and middle-income community in Teresa, Rizal. Housing construction is ongoing for New Fields Phase 1 (launched Jan 2018).

Negros Occidental

Palm Estates, 51-hectare township development designed to be a city within Talisay City. The first residential project was launched in the last quarter of 2016. Land Development for the first phase is complete and house construction is already on-going.

Wood Estates

A 94-hectare township located in Trece Martires, Cavite with easy access to schools, shopping centers and transportation hubs.

Iloilo Centrale

Iloilo Centrale is an 11.4-hectare mixed-use development in Leganes, Iloilo City where the highly anticipated Panay-Guimaras bridge will be located. Blending modern urban living with Iloilo’s timeless heritage and charm, Iloilo Centrale will be a vibrant community offering residential, commercial, retail, and recreational spaces, as well as a transport hub.

Recent Land Acquisitions

In 2023, FLI acquired from various third-party sellers the parcels of land in Bulacan, Cavite, and South Cotabato.

In 2022, FLI acquired from various third-party sellers the parcels of land in Mandaluyong City, Manila, Parañaque, Valenzuela, Dumaguete, Davao, Cavite, Rizal and Bulacan.

Residential Development

FLI will further grow its core residential real estate development business, which includes house and lots, MRBs and high-rise condominium units. Currently, FLI has the following high-rise condominium projects:

The Linear

The Linear, a master-planned residential and commercial hub in Makati City. Two (2) L-shaped towers, each twenty-four (24) storeys high, comprise this dynamic condominium community that perfectly caters to the needs of young urban professionals.

Studio City

Studio City is a community composed of a five-tower residential condominium complex within Filinvest City to serve the demand for housing of the growing number of professionals working within Filinvest City and in the nearby Madrigal Business Park.

Since it is located within Filinvest City, residents will enjoy proximity to Festival Supermall, Westgate Center, Northgate Cyberzone, Asian Hospital and Medical Center, and other commercial, educational and medical institutions. The development consists of eighteen (18) storeys per building with commercial units at the ground floor. All residential floors will have twenty-five (25) studio units per floor.

The Levels

Located at one of the highest points of Filinvest City at around 23 meters above sea level, The Levels is a one-block, four-tower residential condominium development that features laidback suburban living inside a fast-paced business district. The residential development is set in a tropical landscape, with four towers uniquely designed with terracing levels, giving it a castle-effect look. The high-rise sections will be set in lush greenery, providing residents with views of the gardens. The second tower has just been launched.

Studio N

Studio N is a 25-Storey development and is the latest addition to the studio series portfolio of Filinvest. This is located at the main business hub of Filinvest City. This is currently under construction.

Vinia Residences

Vinia is a 25-storey condominium development located along EDSA in Quezon City, right across TriNoma and just steps away from the MRT-North Avenue station. With its coveted location, it offers a world of ease and convenience to yuppies and families looking for quality homes, as well as budding entrepreneurs who want to start a home-based business at the heart of the city.

Studio Zen

Studio Zen is a 21-storey condominium development located along Taft Avenue in Metro Manila. Student-oriented amenities, Zen-inspired features, and functional building facilities make it an ideal residence for students living independently and a great investment opportunity for entrepreneurs who want to take advantage of the ready rental market in the area.

Studio A

Studio A is a single tower 34-storey hi-rise residential condominium located in Loyola Heights in Quezon City. A community conveniently situated near premier universities, the LRT 2 line and other commercial establishments.

100 West

100 West is a single tower 38-storey high-rise commercial and residential condominium with office spaces located in Gen. Gil Puyat Avenue corner Washington St. in Makati City. 100 West is in the Makati Business District and accessible to both north and south of Metro Manila.

Studio 7

Studio 7 is a mixed-use development that will have office and residential towers complemented with retail outlets, located in Quezon City along EDSA very close to the GMA-Kamuning MRT station. Studio 7 will have studios as well as one-bedroom residential units.

Activa

Activa is a mixed-use development with residential and retail components. It is entrenched in the heart of Quezon City's busiest and liveliest district, Cubao. Situated at the crossroads of two of the metro's most vital thoroughfares. Activa connects to the north and south via EDSA, and to the east and west via Aurora Boulevard. It also has direct access to the MRT and LRT lines, and accessible by various modes of transportation like buses and jeepneys.

FLI expects to remain focused on core residential real estate development business which includes landed housing, medium-rise buildings (MRB) and high-rise condominium projects, residential farm estates, entrepreneurial communities, and leisure developments in response to the demands of the Philippine market.

The following are the most recently launched projects and projects with new phases and buildings:

PROJECT	LOCATION	PROJECT	LOCATION
HORIZONTAL		MRB	
Amarilyo Crest	Rizal	One Oasis Cebu	Cebu
Pineview	Cavite	One Oasis Cagayan de Oro	Cagayan de Oro
Sandia	Batangas	Panglao Oasis	Taguig
Tierra Vista	Bulacan	One Spatial	Pasig
The Grove	Rizal	San Remo	Cebu
Savannah Place	Cavite	Centro Spatial	Davao
Futura Homes Palm Estates	Bacolod	One Spatial Iloilo	Iloilo
Futura Homes Mactan	Cebu	Marina Spatial	Dumaguete
Futura Homes Iloilo	Iloilo	8 Spatial	Davao
Futura Homes Koronadal	South Cotabato	Maui Oasis	Manila
Anila Park Residences	Rizal	Alta Spatial	Valenzuela City
Aria at Serra Monte	Rizal	Bali Oasis	Pasig
The Prominence	Quezon City	Maldives Oasis	Davao
Futura Homes Davao	Davao	Sorrento Oasis	Pasig
New Fields at Manna	Rizal	Veranda	Davao
Meridian Place	Cavite	Futura East	Cainta
Valle Dulce	Laguna	Centro Spatial	Manila
Ventura Real	Rizal	Belize	Muntinlupa
Claremont Expansion	Pampanga	Futura Vinta	Zamboanga
Southwinds	Laguna	Futura Monte	Naga City
Futura Zamboanga	Zamboanga	Futura Shores Sydney Oasis	Dumaguete Bacoor
Enclave	Muntinlupa	HRB	
New Leaf	Cavite	Activa	Quezon City
Mira Valley	Rizal	Levels	Alabang
Hampton Orchard	Pampanga	Studio City	Alabang
Futura Mira	Calamba	Studio N	Alabang
Futura Plains	Rizal	Walkup	
Tropics 4	Cainta	Futura Rise	Iloilo
New Fields at Manna	Rizal		
Alta Vida 4&5	Bulacan		
Rosewood Place	Cavite		
The Arborage C	Laguna		
New Leaf Phase 2	Cavite		
Celestia	Rizal		

On-going developments of the abovementioned projects are expected to require additional funds, but FLI believes that it will have sufficient financial resources for these anticipated requirements, from the secondary issuance of shares from Filinvest REIT Corp., (*formerly* Cyberzone Properties, Inc.), debt financing and internal cash generation from operations.

FLI expects to remain focused on core residential real estate development business which includes landed housing, medium-rise buildings (MRB) and high-rise condominium projects, residential farm estates, entrepreneurial communities, and leisure developments in response to the demands of the Philippine market.

In 2024, FLI 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.

Leasing Segment

The Company has a significant leasing portfolio comprising mostly commercial office and retail developments, including thirty-eight (38) offices and BPO buildings, its flagship mall, the Festival Supermall in Filinvest City, and three (3) other community malls. The Company was a pioneer among the Philippine landlords with the longest histories of focusing on the BPO industry as tenants. The Company believes this history and track record is a competitive advantage in gaining the continued confidence of BPO locators.

FLI has the following investment properties for lease:

Commercial Retail Leasing Properties

Festival Supermall Alabang

The landmark project, Festival Supermall, carries on its position as the prime destination for recreation and retail in southern Metro Manila. With more ‘firsts’ on its offerings and a better shopping ambiance, the mall has elevated the retail experience in the south. It is one of the country’s largest shopping malls with more than 1,000 shops.

Major improvements have been undertaken and continue to be undertaken for the existing mall and its facilities. New interiors give the mall a refreshed look and modern ambiance, complementing the recently completed 46,000 sq.m. expansion wing.

The introduction of new and unique food establishments has made Festival a gastronomic destination ushering in new traffic and strengthening its appeal to its core target market. The Water Garden, a new distinctly refreshing outdoor amenity and convergence zone in the expansion wing, continues to be favorite among mall patrons.

Fora Mall

Conveniently located right by Tagaytay Rotunda is Fora Mall, the first regional mall in the area. This prime retail destination provides about 26,000 sq. m. of leasable space amidst nature, open spaces, and a beautifully landscaped amphitheater. It primarily serves the local market and Tagaytay bound tourists. Several local and popular food concepts, along with national brands, have opened in the mall. Super Metro, a 24-hour hypermarket, serves as its anchor. Other notable shops include Ace Hardware, Power Mac and Own Days. The mall also has four (4) digital cinemas which have become the go-to place for Tagaytay City and surrounding towns for recreation.

Main Square

With a smaller format of over 18,000 sq. m leasable area, Main Square is the first and only mall along Bacoor Blvd, close to Bacoor City Hall and fronting Princeton Heights. Positioned as the reliable one-stop hub for neighboring gated villages of Bacoor, it provides basic shopping, wellness, service, and convenience offerings. The City of Bacoor has also opened its satellite offices in Main Square.

Il Corso

Il Corso is a retail development with an estimated 34,000 sq. m. of leasable area in the City di Mare estate development of Filinvest in the South Reclamation Area of Cebu City. Its opened restaurants facing the sea have become destinations in the southern edge of Cebu City. The cinema has also opened. A 10,000 sq.m. portion of the mall is being reconfigured to accommodate Business Process Outsourcing Companies.

Filinvest Mall Dumaguete

Filinvest Mall Dumaguete is a community mall situated in Dumaguete's bay-side community located in Marina Town, a mixed-use development.

Other Filinvest Lifemalls

The following table sets out a summary of the Company's other major Filinvest Lifemalls.

Mall	Location	GLA (sq.m.)	Features
Fora Mall	Taytay Rotonda	26,000	<ul style="list-style-type: none">• 24-hour super metro anchor store• Four (4) digital cinemas• Open air amphitheater and forest feature• Beside Quest Hotel
Main Square	Princeton Heights, Bacoor, Cavite	18,000	<ul style="list-style-type: none">• Robinson's Supermarket• Watsons, Ace Hardware• Anytime Fitness• Starbucks, Coffee Bean & Tea Leaf• Beside Bacoor City Hall
Il Corso	City di Mare, Cebu	34,000	<ul style="list-style-type: none">• Seaside waterfront boardwalk with al fresco dining• Central piazza with dancing fountain• Fully-functional lighthouse and battleship playground for children

Retail Space Projects in the Pipeline

As of September 30, 2024, Filinvest Mall Cubao and Filinvest Mall Mimosa are under construction. As a strategic direction, Filinvest Land will develop commercial areas to complement its residential and mixed-use developments.

Mall Locators

In the Philippines, many major shopping malls have been developed by companies which also own large retail operations that comprise a large chunk of the leasable area. The Company does not own any retail operations. Because the Company and its affiliates are focused primarily on real estate development and finance, the Company believes that this gives its Filinvest Lifemalls the flexibility to sign up tenants who can best serve its target market. The Company has successfully attracted major retailers at the Filinvest Lifemalls, such as Robinson's Retail, SM, SSI, Metro Retail, H&M, Uniqlo, Bistro Group, and Landmark.

The retail leasing business is not dependent upon a single customer or a few customers, the loss of any or more of which would not have a material adverse effect on the registrant and its subsidiaries taken as a whole. It is also not dependent on any related party.

Mall Leasing Policies

FLI manages its Filinvest Lifemalls with a view to maximizing and enhancing its value by ensuring that it has a mix of tenants that will allow it to cater to the widest possible range of market segments and to meet consumer demand in the communities which the mall serves.

Tenants enter into short- to medium-term leases, typically for periods of two (2) to five (5) years, with tenants required to make a security deposit equal to three (3) to nine (6) months' rent and to pay rent on a monthly basis. Tenants pay rents that are either fixed or are comprised of a base rent plus a variable portion ranging from 1.5% to 15.0% of the tenants' sales revenues. Typically, tenants operating restaurants and other dining establishments are charged higher variable rates than tenants who operate apparel stores and other retail establishments. The combined rent of a base amount per sq.m. plus a variable rent factor based on a percentage of sales, is subject to a minimum rent computed at an amount per sq.m. per month. The base portions of rents are primarily determined by the specific location in the mall and size of space being leased, and are typically subject to an annual escalation rate. Fixed-rate leases are generally with tenants that provide services (such as banks and foreign exchange centers), or which sell high-priced goods (such as jewelry stores and computer stores) and which do not typically generate high turnover. Tenants are charged separately for common area-related costs, such as costs for security, janitorial and other maintenance services and for utilities.

Commercial Office Properties

As of September 30, 2024, the Group owns commercial office spaces for lease to several BPO and other office locators with total gross leasable space of 601,685 sq.m. Primarily, they are located in Northgate Cyberzone in Filinvest City, Alabang, Muntinlupa. Northgate is an 18.7- hectare PEZA zone that enjoys developer incentives. Among the Company's portfolio is the PBCom tower where FLI owns 60.0% through FAC, which owns 50.0% of the 52-storey PBCom Tower in the Makati CBD. PBCom Tower is a Grade A, PEZA-registered, IT/office building located along Ayala Avenue, Makati City with a GLA of 35,148 sq.m.

The Group also owns several completed office developments, in Bay City, Pasay, at EDSA, Mandaluyong near Ortigas MRT station, at Gil Puyat, Makati City, at Clark Mimosa and at Cyberzone Cebu IT Park. A summary of the GLA is set forth below:

Location	Number of Buildings	GLA (sq. m.)
Northgate Cyberzone, Filinvest City	20	366,895
Metro Manila outside of Filinvest City	10	214,621
Outside Metro Manila	8	96,469
Total	38	677,985

The office buildings of Filinvest are mainly located in business parks or in mixed-used complexes highly accessible to public transport. The Group believes its business park model, wherein the Group builds on areas specifically suited for business and industrial establishments supported, in certain cases, by incentives from the Government, gives it a competitive advantage as business parks are the preferred site of major BPO tenants. Being in a major business park allow the tenants assurance of expansion options within proximity thereby giving the Group an advantage over stand-alone developments.

- Northgate Cyberzone, an 18-hectare, PEZA-registered IT park located in Filinvest City in Alabang. The office buildings of the Group sit within the 10-hectare parcel of land in the Northgate district owned by FLI.
- Mimosa Workplus, an office village that is comprised of eight buildings set amidst the lush natural environment of the Filinvest Mimosa+ Leisure City.
- Cyberzone Cebu and Filinvest IT Park are two distinct developments on two separate Build-Transfer-Operate (BTO) arrangements with the Cebu Province. The two parcels of land totaling 2.9 hectares are near the city center located along Banilad and Salinas Avenue in Cebu. Together these comprise 7 office towers, a mall, and a hotel development. The office and mall portions are pre-certified LEED Gold rating.
- Filinvest Cyberzone Bay City, a 4-tower office complex in the bustling section of the Bay Area. Its four towers are already completed and operating. The complex is also certified LEED Silver rating.

- 100 West is part of a mixed-used building in the Makati Central Business District. Office space allocated is approximately 14,333 sq. m.
- Marinatown Dumaguete is a mixed-use development with residential, office and retail components located in the Dumaguete Bay. Filinvest Buendia located in the Makati Business District.

Ongoing Construction

- One Filinvest in Ortigas CBD is a 34-storey building envisioned to be a preferred premium office building.
- Activa is a 1.37-hectare mixed use development at the corner of EDSA and Aurora Boulevard and lies in close proximity to the Cubao LRT and Cubao MRT Stations. The development will have the following: BPO office tower, a traditional office tower, residential tower, hotel and a retail mall. The designs for the BPO office and mall portions are pre-certified with LEED Gold rating.

Studio 7 is a two (2)-tower mixed-use complex comprising of residential and office buildings on a retail and parking podium. Located along major thoroughfare EDSA in Quezon City, it is strategically located close to the GMA Kamuning Metro Rail Transit 3 Station and is a pre-certified LEED Silver rating. Columna located in Manila City is a 13-storey office development strategically located in Binondo.

New Leasing Formats

Co-living units or Dormitels: The Crib Clark located in the Clark Mimosa Leisure estate serves as temporary living accommodations for employees within the Clark Economic Zone. Four buildings have been completed and fully leased out.

- Industrial Parks: Filinvest Innovation Parks in Filinvest New Clark City and Ciudad de Calamba targets industrial locators who will lease land or ready built factory buildings.
- Co-working spaces: Management of co-working spaces in a joint venture with KMC Community which will be located in Filinvest office buildings. One branch is currently operating, and another will be launched in 2024.

Hospitality business operations

FLI created the following projects which operates under the hospitality business. However, the totality of these operations is not significant to be classified as a separate segment. The results of operations of the following are classified under the recurring or leasing business.

- Grand Cenia located within the Cebu Business District
- Fora is located right beside the Fora Mall at the center of Tagaytay City
- Timberland located in Rizal

Lease Profiles

The Company's office tenants are principally companies in the BPO sector with customer care, medical transcription, software development, graphic design and animation services. Firms that provide corporate backroom support operations, such as accounting and bookkeeping, account maintenance, accounts payable administration, payroll processing, expense and revenue reporting, legal, financial reporting and other finance-related services, have also established a growing presence in the Philippines. Aside from the BPO sector, there are Traditional HQ tenants and small database of POGO tenants.

Office space leases for FLI are typically for periods ranging from three (3) to five (5) years, although "built-to-suit" buildings are typically leased for ten years. The lease agreements generally require tenants to make a three-month security deposit and three (3) months advance rent. Rent is paid on a fixed per sq. m. basis, depending on unit size and location.

Leases with POGO tenants, which account for approximately 4% of total office space in aggregate, are usually for terms of minimum three (3) to five (5) years with nine (6) months deposit and nine (6) months advance rent (to be applied at the end of the lease term but these are payable upfront upon handover) for such tenants.

The office leasing business is not dependent upon a single customer or a few customers, the loss of any or more of which would not have a material adverse effect on the registrant and its subsidiaries taken as a whole. It is also not dependent on any related party.

FLI's current tenants include Top Multinational BPO Companies - which are some of the most recognized players in the BPO space. FLI enjoys relatively high repeat business from its existing clients with about 90% of its current tenants being original tenants who have opted to either renew or extend their respective lease contracts, suggesting the company's strong ability to retain quality lessees.

Residential Housing

Since it began commercial operations, FLI's core business has been developing and selling residential subdivisions and housing units in the Philippines. In the 1990s, FLI started developing affordable housing units in the Philippines. Since then, the Company has ventured into the development of other real estate products, such as MRBs and HRBs. The Company believes that its long-standing brands, built over a five (5)-decade history of success and innovation, provides it with an advantage in the marketing and sales of its core affordable housing products nationwide.

The Company's residential projects include houses, lots, MRBs and HRBs, which are offered in the socialized, affordable, middle income and high-end housing segments. Except for FLI's socialized housing products, which are categorized based on criteria set by the Government, FLI's residential product lines are categorized based on criteria determined solely by the Company, taking into consideration factors such as the price points for each category and the target market for each project. The criteria set by the Company in determining which of its projects are affordable, middle-income and high-end may differ from those set by its competitors and by industry associations.

The Company's customer base consists of both domestic and overseas Filipinos. The Company believes the OFW population and expatriate Filipinos contribute a significant portion of the demand for FLI's affordable and middle-income housing by remitting funds to family members in the Philippines to purchase property and by purchasing properties from abroad.

Landed Residential Housing

Socialized Housing

These developments are marketed and sold under FLI's Pabahay brand and consist of projects where lots typically sell for P=160,000 or less per lot and housing units typically sell for P580,000 or less per unit. Buyers for these projects are eligible to obtain financing from the Government-mandated PAGIBIG Fund. Maximum sale prices for FLI's specialized housing products do not exceed the Government-mandated ceiling of P580,000 per unit. Any income realized from the development and improvement of socialized housing sites is exempt from taxation. In October 2023, the price limit for socialized housing was increased to P850,000.

Affordable Housing

These developments are marketed and sold under FLI's Futura Homes brand and consist of projects where lots are typically sold at prices ranging from above P60,000 to P750,000 and housing units from above P850,000 to P2,500,000. FLI designs and constructs homes in this sector with the capacity and structural strength to give the owner the option to place an additional storey, which can double the available floor area. Affordable housing projects are typically located in provinces bordering Metro Manila, including Bulacan, Laguna, Batangas and Cavite, and in key regional cities and provinces such as Tarlac, Cebu, Davao, Palawan, Bacolod and Koronadal. Construction of a house in this sector is usually completed approximately nine months from the completion of the required down payment.

Middle-Income Housing

These developments are marketed and sold under FLI's Aspire brand and consist of projects where lots are typically sold at prices ranging from above P750,000 to P1,200,000 and housing units from above P2,500,000 to P4,000,000. Middle-income projects are typically located within Metro Manila, nearby provinces such as Rizal, Cavite, Pampanga and Laguna, and major regional urban centers in Cebu, Davao, and Zamboanga.

High-end Housing

Marketed under Filinvest Prestige brand, these developments consist of projects where lots are sold at prices above P1,200,000 and housing units for above P4,000,000. FLI's high-end projects are located both within Metro Manila and in areas immediately outside Metro Manila.

Vertical Residential Housing

Medium-Rise Buildings

MRB projects are designed in clusters of buildings that surround amenities with the intention of providing a quiet environment within an urban setting. MRBs are typically five (5) stories with an elevator and include studio, one bedroom and two (2) bedroom units. The Company's policy is to commence construction of an MRB building when at least 50.0% of the units in the building have been sold. From a developer's perspective, MRBs offer several benefits compared to high-rise developments. MRBs can generally be constructed in less than one year once all approvals have been obtained, which reduces the risk borne by FLI between the launch and delivery of a project. The lower height of MRBs also reduces construction costs compared with high-rises which require extra reinforcement to protect against earthquake damage.

MRBs are marketed under FLI's "Oasis" brand for the middle-income market and under FLI's "Spatial" brand for the affordable housing market. MRBs under the "Oasis" brand typically have per-unit prices ranging from ₱2,000,000.00 to ₱4,400,000.00 depending on the size of the unit, while MRBs under the "Spatial" brand typically have per-unit prices ranging from ₱1,700,000.00 to ₱3,600,000.00. MRBs offer low-density development and lower association dues compared with high-rise condominium buildings, in addition to a lower price per sq.m. MRBs are generally located in prime urban zones. Further, MRBs are developed to maximize open space, with buildings typically occupying 30% to 35% of the development's land area. In contrast with its other developments, which generally require the down payment to be paid within 12 months, FLI generally allows MRB purchasers to pay the down payment in installments over a 24-month period.

As of the reporting date, the Company has 27 MRB projects with more than 100 buildings throughout Luzon, Visayas and Mindanao.

High-Rise Buildings ("HRBs")

The Company develops HRBs in prime areas. HRBs are at least eighteen (18) stories, with various floor plans and designs depending upon the demographics of the target market for each building. FLI's policy is to commence construction of a HRB when at least 50% of the units in the building has been sold. From a development perspective, HRBs generally can be constructed in two (2) years once all Government approvals have been obtained.

Leisure Projects

The Company's leisure projects consist of its condotels, residential farm estates, residential resort developments.

Condotels

FLI developed the 25-storey Grand Cenia Hotel and Residences, which is strategically located across the Cebu Business Park, a joint venture project of FLI, as developer, and Gotianun Family-owned GCK Realty Corporation, as landowner. Under the terms of the joint venture agreement, GCK Realty Corporation contributed 4,211 sq.m. of land to be developed in accordance with a master development plan in exchange for an 8% interest in the joint venture. The condotel units are targeted to business travelers, returning OFWs and expatriate Filipinos. Owners of individual condotel units are required to place their units in a rental pool that will be operated as a business hotel. Owners are entitled to use the unit for 14 days annually. The units were handed over to the condotel buyers for preparation for hospitality operations. In 2012, the hotel started operating as the Quest Hotel and Conference Center, Cebu, a three-star hotel with business and conference facilities. The Company has also developed the Fora Hotel Tagaytay.

Residential Farm Estates

The Company began marketing its residential farm estate projects to customers in 2003, after FLI's in-house market research indicated that there was demand among customers, such as retirees and farming enthusiasts, for leisure farms that can serve as alternative primary homes near Metro Manila. To help attract buyers, the Company maintains demonstration farms in its farm estate projects and also has personnel on site to provide buyers with technical advice on farming. Customers can purchase lots (with a minimum lot size of 750 sq.m.) on which they are allowed to build a residential unit (using up to 25.0% of the total lot area). The remaining lot area can be used for small-scale farming, such as fish farming or vegetable farming. Residential farm estates are sold on a lot-only basis, with buyers responsible for the construction of residential units on their lots.

As of the reporting date, the Company has three (3) residential farm estates under FLI, Nusa Dua Farm Estate, Mandala Residential Farm Estate and Forest Farms Residential Farm Estate. Nusa Dua Farm Estate is located in Cavite, just south of Metro Manila. Mandala Residential Farm Estate ("Mandala") is located in Rizal province and integrated in FLI's Timberland Heights township project. Forest Farms Residential Farm Estate ("Forest Farms") is

also located in Rizal province as part of FLI's Havila township project. It is an exclusive mountain retreat and nature park, located between the hills of Antipolo and the forested area of Angono, Rizal.

Residential Resort Development

FLI entered the high-end residential resort market in 2007 with the launching of the Laeuna de Taal project located along Tagaytay Ridge, Batangas and the Kembali Coast project and Veranda Resort Condominium in Samal Island, Davao. The residential resorts capture the growing demand for second homes and leisure and retirement destinations of the high-end market segment. Laeuna de Taal, provides scenic views of the Taal Lake, and offers three (3) residential enclaves: Arista, Bahia, and Orilla. Located on the water from Laeuna de Taal is the Lake Club, a lakeside amenity designed for wellness, recreation and events. Kembali Coast is an Asian-Balinese inspired beachfront residential development with a 1.8-kilometer beach, providing seaside resort-style living in the Mindanao area. Kembali has a total land area of 50 hectares while the Laeuna de Taal project has a total land area of 60 hectares.

Other Infrastructure

District Cooling System

FLI has also partnered with Engie Services Philippines pursuant to a 60:40 joint venture to develop in Northgate Cyberzone, Filinvest City what is expected to be the first and largest district cooling system in Northern Luzon with an expected capacity of up to 12,000 tons of refrigeration. The district cooling system is expected to provide sustainable energy solutions by conserving energy through lower use of electricity, water, and chemicals, and reducing greenhouse gas emissions and ozone-destroying refrigerants.

The joint venture entity, Philippine DCS Development Corporation ("PDDC"), was registered with the Philippine SEC on July 31, 2015 and started its commercial operations in September 2017. PDDC's primary purpose is to engage in the business of the construction and operation of a district cooling system, the supply of chilled water, and the development of, and search for, new district cooling system and heating, ventilation, and air-conditioning projects.

Real Estate Investment Trust (REIT)

In preparation for the FILRT's transition to a REIT company, FLI and FILRT identified and selected the properties of FILRT that will comprise the initial REIT portfolio based on the requirements of the REIT Law as well the Company's investment criteria. As such, FLI and FILRT determined that certain of FILRT's assets (as enumerated below) will be transferred from FILRT to FLI in the form of property dividends or through assignment of rights. On December 4, 2021, the FILRT Board approved the declaration of property dividends consisting of one building (which has been operational for less than three years) in Northgate Cyberzone (Axis Tower 2), two (2) buildings under construction in Northgate Cyberzone (Axis Tower 3 and Axis Tower 4), and a parcel of land in South Road Properties, Cebu City to stockholders of record as of November 30, 2021. On February 11, 2022, the FILRT Board also approved the declaration of property dividends to stockholders of record as of February 15, 2022, consisting of four (4) existing buildings, (i) Concentrix Building in Northgate Cyberzone, (ii) IT School in Northgate Cyberzone, (iii) the Filinvest Building at EDSA, Wack, Mandaluyong City, all of which have been identified for redevelopment, and (iv) Cebu Tower 2 in Filinvest Cyberzone Cebu, which has been operating for less than three (3) years. On February 11, 2022, the FILRT Board also approved the transfer of its rights under its "build-transfer-operate" ("BTO") arrangement with the Cebu Provincial Government relating to two buildings under construction (Cebu Tower 3 and Cebu Tower 4) in Filinvest Cyberzone Cebu, to FLI. These transactions do not affect the consolidated financial statements of FLI and its subsidiaries.

On August 12, 2021, Filinvest REIT Corp., the real estate investment trust (REIT) of Filinvest Land, Inc., was listed on the PSE with an offer price of ₱7.00 per share. The base offer of the IPO was 1,634,187,850 common shares, with an overallotment option of up to 163,418,785 common shares.

FLI previously owned 100% of FILRT and sold 36.7% or 1,797.61 million shares in its initial public offering (IPO). The gross proceeds from the IPO amounted to ₱12,583,246,445.00.

REIT Reinvestment Plan

As sponsor of FILRT, the REIT Law requires the Company to reinvest (a) any proceeds realized by it from the sale of FILRT shares or other securities issued in exchange for income-generating real estate transferred to the FILRT and (b) any money raised by the Company from the sale of any of its income generating real estate to FILRT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines within one (1) year of receipt of the proceeds.

Filinvest Land shall monitor the actual disbursements of projects proposed in the Reinvestment Plan on a quarterly basis. For the purposes of monitoring, Filinvest Land prepares quarterly progress reports of actual disbursements on the projects covered by the Reinvestment Plan. In the event of changes in the actual disbursements of projects proposed in the Reinvestment Plan, Filinvest Land, shall inform the SEC, PSE, BIR or the appropriate government agency, by sending a written notice to that effect.

As of September 30, 2024, FLI already disbursed the total net proceeds amounting to ₱12,264.02 million based on REIT reinvestment plans.

A copy of Filinvest Land, Inc.'s REIT Reinvestment Plan Final Report is shown under Item 7 attached in this quarterly report.

Registration with the Board of Investments (BOI)

As of September 30, 2024, FLI has registered no projects with the BOI under the Omnibus Investments Code of 1987 (Executive order No. 226).

Item 4. Other Disclosures

1. Except as disclosed in the Notes to Unaudited Interim Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
2. The Company's unaudited interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated annual financial statements as of and for the year ended December 31, 2023 (PAS 34, par 15).
3. The accounting policies and methods of computation adopted in the preparation of the unaudited interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended December 31, 2023.
4. Aside from any probable material increase in interest rates on the outstanding long-term debt with floating rates, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months.
5. There are no changes in estimates of amounts reported in prior year (2023) that have material effects in the current interim period.
6. Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no other issuances, repurchases and repayments of debt and equity securities.
7. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, Financial Risk Exposures, and Events after the Reporting Date, there are no material events subsequent to September 30, 2024 up to the date of this report that have not been reflected in the financial statements for the interim period.
8. There are no changes in contingent liabilities or contingent assets since December 31, 2023.
9. There are no material contingencies and any other events or transactions affecting the current interim period.
10. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments, or any significant amount of the Group's payables that has not been paid within the stated trade terms.
11. There are no significant elements of income that did not arise from the Group's continuing operations.
12. There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the Group.
13. Except for those discussed above, there are no material changes in the financial statements of the Group from December 31, 2023 to September 30, 2024.
14. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period other than those that were previously reported.
15. Other information
16. Please refer to Annex C for the Aging Schedule for the Group's receivables as of September 30, 2024. Annex D are Supplementary Information and Disclosures required on SRC rules 68 and 68.1 as amended for the nine months ended September 30, 2024.
17. There is no other information required to be reported that has not been previously reported in SEC Form 17-C.

FILINVEST LAND, INC. AND SUBSIDIARIES INDEX TO SUPPLEMENTARY SCHEDULES

Annex A:	Reconciliation of Retained Earnings Available for Dividend Declaration
Annex B:	Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
Annex C:	Aging of Receivables
Annex D:	Supplementary Schedules Required by Annex 68-J
	Schedule A. Financial Assets
	Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
	Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
	Schedule D. Long-term Debt
	Schedule E. Indebtedness to Related Parties
	Schedule F. Guarantees of Securities of Other Issuers
	Schedule G. Capital Stock
	Schedule H. Bond Issuances - Securities Offered to the Public

Annex A

Unappropriated Retained Earnings, beginning of reporting period		₱51,893,299
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation	—	
Effect of restatements	—	
Others	936,414	936,414
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	1,216,488	
Retained earnings appropriated during the reporting period	—	
Effect of restatements	3,720,934	
Others	—	(4,937,422)
Unappropriated Retained Earnings, as adjusted		<u>47,892,291</u>
Add/Less: Net income (loss) for the current year		3,232,969
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		—

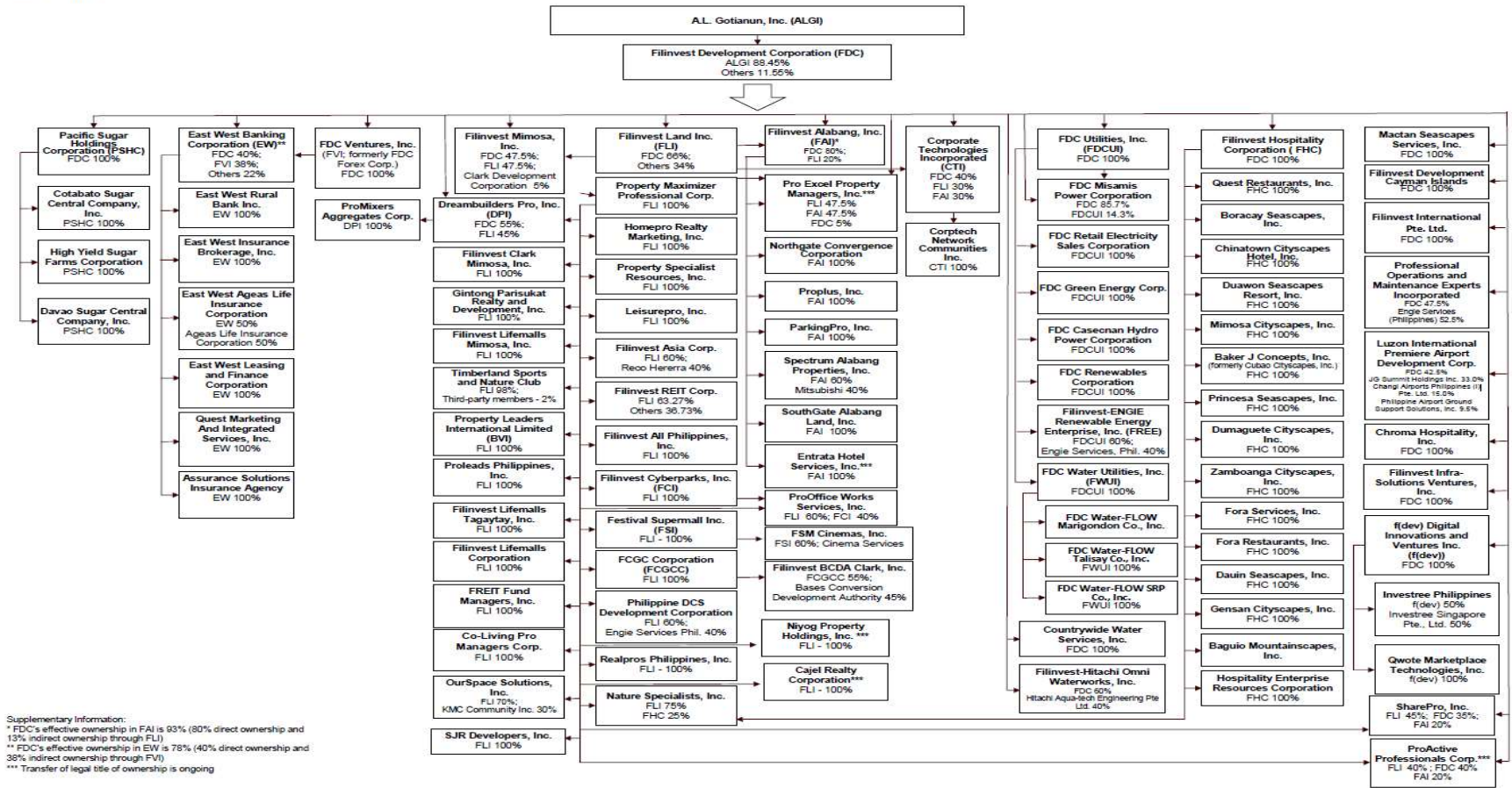
(Forward)

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	P-	-
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		3,232,969
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)	(221,041)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(18,790)	
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	(53,273)	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total	(293,104)	(293,104)
Total Retained Earnings, end of reporting period available for dividend		P50,832,157

FILINVEST LAND, INC. AND SUBSIDIARIES

Map Showing the Relationship Between and Among the Companies in the Group, Its Ultimate Parent Company and Co-Subsidiaries
September 30, 2024

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



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

FILINVEST LAND, INC. AND SUBSIDIARIES**Aging of Receivables****September 30, 2024**

(Amounts in thousands)

	Neither past due nor impaired	Past Due but not impaired				Impaired
		Less than 30 days	31-90 days	91-120 days	Over 120 days	
Type of Account Receivable						
a) Mortgage, Notes & Installment Contract Receivable						
Installment Contracts Receivable and Contract Assets	P8,362,720	P1,102,146	P332,688	P182,296	P459,038	P-
Receivable from Financing Institutions	244,714	-	-	-	-	-
Sub-total	8,607,434	1,102,146	332,688	182,296	459,038	-
b) Other Receivables	3,736,742	-	-	-	-	60,654
Receivables from tenants	2,231,605	-	-	-	-	44,790
Due from related parties	480,596	-	-	-	-	-
Advances to officers and employees	602,322	-	-	-	-	-
Receivables from homeowners' associations	193,322	-	-	-	-	15,864
Others	228,897	-	-	-	-	-
	P12,344,176	P1,102,146	P332,688	P182,296	P459,039	P60,654

Account Receivable Description	Nature/Description	Collection Period
Type of Receivables		
Installment contracts receivables	This is the Group's in-house financing, where buyers are required to make down payment and the balance will be in the form of a mortgage loan to be paid in equal monthly installments.	5-10 years
Receivable from financing institution	This represents proceeds from buyers' financing under one or more of the government programs granted to finance buyers of housing units and mortgage house financing of private banks.	Within 1 year
Other receivables	This represents claims from other parties arising from the ordinary course of business. It also includes receivables from tenants, related parties, advances to officers and employees and homeowners' associations.	1 to 2 years

Normal Operating Cycle: 12 calendar months

Schedule A

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Financial Assets September 30, 2024

Below is the detailed schedule of the Group's financial assets in equity securities as of September 30, 2024:

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.

FILINVEST LAND, INC. AND SUBSIDIARIES

**Supplementary Schedule of Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
September 30, 2024**

As of September 30, 2024, there were no advances to employees of the Group with balances above ₱1.0 million.

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 (Payable) from Related Parties which are Eliminated during the Consolidation of Financial Statements September 30, 2024

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of September 30, 2024. All are noninterest-bearing and to be settled within the year:

	Volume of Transactions	Receivable (Payable)	
		(In Thousands)	
Filinvest Cyberzone Mimoso, Inc. (FCMI)	Share in Expenses	P708,237	P3,782,918
Filinvest Cyberparks, Inc. (FCI)	Share in expenses	749,124	2,792,473
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Share in expenses	1,017,304	1,649,014
Homepro Realty Marketing, Inc. (Homepro)	Share in expenses	11,151	726,047
Property Maximizer Professional Corp. (Promax)	Share in expenses	(37,906)	172,655
Property Maximizer Professional Corp. (Promax)	Marketing Fee Expenses	60,506	–
Nature Specialists, Inc.	Share in Expenses	17,104	106,533
Filinvest BCDA Clark, Inc. (FBCI)	Share in expenses	(48)	94,354
Filinvest REIT Corp (FILRT)	Share in expenses	(7,049)	68,106
FCGC Corporation (FCGCC)	Share in expenses	13,059	62,298
SJR Developers	Share in expenses	1,023	45,282
Gintong Parisukat Realty and Development Inc. (GPRDI)	Share in expenses	1,711	29,329
Proleads Philippines, Inc. (PPI)	Share in expenses	290	28,158
Timberland Sports and Nature Club, Inc. (TSNC)	Share in expenses	291	19,924
Realpros Philippines, Inc. (RPI)	Share in expenses	108	15,360
Co-Living Pro Managers Corp.	Share in Expenses	797	12,124
Filinvest Lifemalls Corporation (FLC)	Share in expenses	11,503	11,591
Property Specialist Resources, Inc. (Prosper)	Share in expenses	273	8,275
Leisurepro, Inc. (Leisurepro)	Share in expenses	156	6,788
Niyog Property Holdings Inc	Share in expenses	725	3,891
FREIT Fund Managers, Inc. (FFMI)	Share in expenses	531	754
OurSpace Solutions, Inc.	Share in expenses	297	752
Cajel Realty Corporation	Share in expenses	198	647
Filinvest Asia Corporation (FAC)	Share in expenses	341	341
ProOffice Works Services, Inc. (ProOffice)	Share in expenses	154	249
Property Leaders International Limited (PLIL)	Share in expenses	134	245
Filinvest Lifemalls Mimoso, Inc. (FLMI)	Share in expenses	2	214
Philippine DCS Development Corporation (PDDC)	Share in expenses	45	186
FSM Cinemas, Inc.	Share in expenses	92	107
Festival Supermall, Inc. (FSI)	Share in expenses	(6,874)	(6,498)
Filinvest AII Philippines, Inc. (FAPI)	Share in expenses	(98,836)	(90,113)
		P2,444,443	P9,542,004

Schedule C

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Amounts Receivable (Payable) from Related Parties which are Eliminated during the Consolidation of Financial Statements September 30, 2024

The table below shows the movement of the receivables (payables) from related parties:

	December 31 2023	Additions	Collections	September 30 2024
		(In Thousands)		
Filinvest Cyberzone Mimosa, Inc. (FCMI)	P3,074,681	P708,237	P-	P3,782,918
Filinvest Cyberparks, Inc. (FCI)	2,043,349	749,124	-	2,792,473
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	631,710	1,017,306	-	1,649,014
Homepro Realty Marketing, Inc. (Homepro)	714,896	11,151	-	726,047
Property Maximizer Professional Corp. (Promax)	150,055	23,607	(1,007)	172,655
Nature Specialists, Inc. (NSI)	89,429	17,104	-	106,533
Filinvest BCDA Clark, Inc. (FBCI)	94,402	1,240	(1,288)	94,354
Filinvest REIT Corp (FILRT)	75,155	(7,049)	-	68,106
FCGC Corporation (FCGCC)	49,239	13,059	-	62,298
SJR Developers	44,259	1,023	-	45,282
Gintong Parisukat Realty and Development Inc. (GPRDI)	27,618	1,711	-	29,329
Proleads Philippines, Inc. (PPI)	27,868	290	-	28,158
Timberland Sports and Nature Club, Inc. (TSNC)	19,633	291	-	19,924
Realpros Philippines, Inc. (RPI)	15,252	108	-	15,360
Co-Living Pro Managers Corp.	11,327	797	-	12,124
Filinvest Lifemalls Corporation (FLC)	88	11,503	-	11,591
Property Specialist Resources, Inc. (Prosper)	8,002	458	(185)	8,275
Leisurepro, Inc. (Leisurepro)	6,632	156	-	6,788
Niyog Property Holdings Inc	3,166	725	-	3,891
FREIT Fund Managers, Inc. (FFMI)	223	531	-	754
OurSpace Solutions, Inc.	455	297	-	752
Cajel Realty Corporation	449	198	-	647
Filinvest Asia Corporation (FAC)	-	343	(2)	341
ProOffice Works Services, Inc. (ProOffice)	95	154	-	249
Property Leaders International Limited (PLIL)	111	134	-	245
Filinvest Lifemalls Mimosa, Inc. (FLMI)	212	2	-	214
Philippine DCS Development Corporation (PDDC)	141	45	-	186
FSM Cinemas, Inc.	15	92	-	107
Festival Supermall, Inc. (FSI)	376	(6,874)	-	(6,498)
Filinvest AII Philippines, Inc. (FAPI)	8,723	(98,836)	-	(90,113)
	P7,097,561	P2,446,927	(P2,484)	P9,542,004

The intercompany transactions between FLI and the subsidiaries pertain to share in common expenses, rental charges, marketing fee, management fee, subscription receivables and dividends. There were no amounts written off during the year and all amounts are expected to be settled within the year.

FILINVEST LAND, INC. AND SUBSIDIARIES**Supplementary Schedule of Long-term Debt
September 30, 2024**

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	1,693,485	–	5.6400%	N/A, Bullet	December 4, 2024
Philippine Peso	8,925,000	8,855,928	–	5.3500%	N/A, Bullet	September 23, 2025
Philippine Peso	1,000,000	994,775	–	5.7100%	N/A, Bullet	August 20, 2025
Philippine Peso	5,000,000	–	4,975,446	4.5300%	N/A, Bullet	December 21, 2025
Philippine Peso	1,764,600	–	1,760,053	4.1800%	N/A, Bullet	May 18, 2026
Philippine Peso	11,430,800	–	11,332,874	6.9829%	N/A, Bullet	September 1, 2027
Philippine Peso	2,975,000	–	2,954,637	6.4100%	N/A, Bullet	September 23, 2027
Philippine Peso	5,000,000	–	4,965,464	5.2600%	N/A, Bullet	December 21, 2027
Bank Loan- Peso						
Local Bank	2,005,000	695,416	1,296,931	Various fixed / floating rates	Various	Various from 2024 to 2027
Local Bank	12,830,000	3,285,518	9,402,139	Various fixed / floating rates	Various	Various from 2024 to 2031
Local Bank	500,000	502,724	–	Various floating rates	Various	December 2, 2024
Local Bank	291,667	286,152	–	Various fixed rates	Various	January 24, 2025
Local Bank	2,000,000	–	1,995,516	Various fixed rates	Various	September 27, 2026
Local Bank	5,500,000	–	5,473,794	Various fixed / floating rates	Various	Various from 2026 to 2029
Local Bank	5,633,333	1,436,176	4,162,379	Various fixed / floating rates	Various	Various from 2024 to 2029
Local Bank	1,552,083	1,539,308	–	Various fixed rates	Various	Various from 2024 to 2025
Sub-total	68,107,483	19,289,482	48,319,233			

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 Thousand)	Interest Rate	No. of Periodic Installment	Maturity Date
Subsidiaries						
Bank Loan- Peso						
Local Bank	677,273	675,294	–	Various fixed rates	Various	Various from 2024 to 2025
Local Bank	4,756,667	3,542,786	1,207,401	Various fixed / floating rates	Various	Various from 2024 to 2029
Local Bank	3,000,000	2,999,584	–	Various fixed rates	Various	Various within 2025
Local Bank	785,200	–	779,961	Various fixed / floating rates	Various	Various from 2026 to 2028
Local Bank	247,916	246,047	–	Various fixed rates	Various	Various within 2025
	₱ 77,574,539	₱ 26,753,193	₱50,306,595			

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 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.

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 reporting period.

Schedule E

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Indebtedness to Related Parties September 30, 2024

This schedule is not applicable as there are no non-current indebtedness which exceed 5% of total assets as of September 30, 2024, and December 31, 2023.

FILINVEST LAND, INC. AND SUBSIDIARIES

**Supplementary Schedule of Guarantees of Securities of Other Issuers
September 30, 2024**

The Group does not have guarantees of securities of other issuers as of September 30, 2024.

Schedule G

FILINVEST LAND, INC. AND SUBSIDIARIES
Supplementary Schedule of Guarantees of Capital Stock
September 30, 2024

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	–	16,267,682	58,663	7,923,415
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 September 30, 2024

	2013	2014	2015	2017	2020	2021	2022	2023
	7.0 Billion Bond	7.0 Billion Bond	8.0 Billion Bond	6.0 Billion Bond	8.1 Billion Bond	10.0 Billion Bond	11.90 Billion Bond	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	6,072,085,559
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	1,215,654,627
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	₱11,287,740,186
Balance of the proceeds as of September 30, 2024								
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	7,287,740,186
Debt refinancing	-	4,500,000,000	-	-	4,356,621,959	5,308,627,083	8,600,000,000	4,000,000,000
Net Proceeds	₱-	₱-	₱-	₱-	₱-	₱-	₱-	₱-

FILINVEST LAND, INC. AND SUBSIDIARIES
Components of Financial Soundness Indicators
September 30, 2024

	September 30 2024 (Unaudited)	September 30 2023 (Unaudited)	December 31 2023 (Audited)
Current Ratio ¹	2.42	2.43	2.97
Interest-bearing debt-to-Equity ratio, ²	0.83	0.81	0.79
Debt Ratio ³	0.55	0.54	0.54
EBITDA to Total Interest Paid ⁴	2.05	2.20	2.18
Price Earnings Ratio ⁵	4.73	4.62	3.69
Quick Asset Ratio ⁶	0.64	0.58	0.71
Solvency Ratio ⁷	0.06	0.04	0.05
Interest Coverage Ratio ⁸	2.59	2.65	3.03
Net Profit Margin ⁹	0.19	0.18	0.19
Return on Equity ¹⁰	0.05	0.04	0.05
Asset-to-Equity Ratio ¹¹	2.23	2.18	2.17

¹Current Assets divided by Current Liabilities.

²Interest-bearing debt-to-Equity Ratio is computed as the sum of consolidated loans payable and consolidated bonds payable divided by total equity.

³Total Liabilities divided by Total Assets

⁴EBITDA 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

⁵Closing price divided by Annualized Earnings per share

⁶Quick Assets (total current assets less inventories) divided by Current Liabilities

⁷Net Income before Depreciation (net income plus depreciation) divided by Total Liabilities

⁸Earnings before Interest and Other Charges and Income Tax (EBIT) divided by Interest Expense

⁹Net Income divided by Gross Revenues

¹⁰Annualized Net Income divided by Total Equity

¹¹Total Assets divided by Total Equity

SIGNATURES

Pursuant to the requirements of Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FILINVEST LAND, INC.

Signature:



Name:

TRISTANEIL D. LAS MARIAS

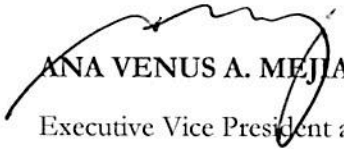
Title:

President and Chief Executive Officer

Date:

December 12, 2024

Signature:



Name:

ANA VENUS A. MEJIA

Title:

Executive Vice President and Chief Finance Officer

Date:

December 12, 2024

FILINVEST

LAND, INCORPORATED

79 EDSA, Highway Hills, Mandaluyong City
Metro Manila 1000, Philippines
Trunk Line: (632) 7918-8188
Customer hotline: (632) 8588-1688
www.filinvestland.com

September 28, 2022

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza 6th
Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Ms. Alexandra Tom Wong
OIC, Disclosure Department

Subject: Final Report on the Disbursement of Proceeds from the Initial Public Offering ("IPO") of Filinvest REIT Corp. ("FILRT")

Dear Ms. Tom Wong,

We are pleased to submit our Final Report on the Application of Proceeds for the IPO of FILRT, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On August 12, 2021, Filinvest Land, Inc received net proceeds from the IPO of FILRT amounting to Twelve Billion Two Hundred Sixty Four Million Nineteen Thousand Three Hundred Thirty Nine Pesos (Php12,264,019,339).

As of August 11, 2022, FLI already disbursed the total net proceeds amounting to Twelve Billion Two Hundred Sixty Four Million Nineteen Thousand Three Hundred Thirty Nine Pesos (Php12,264,019,339).

The details of the disbursements are as follows:

Gross Proceeds from IPO	Php	12,583,246,445
Purchase of shares during the stabilization period	-	2,281,800
Underwriters and IPO-related fees	-	316,945,306
Net Proceeds received		<u>12,264,019,339</u>
Disbursements for Transaction Costs, Aug. 12- Sept. 30	-	132,542,601
Disbursements for Transaction Costs, Oct. 1- Dec. 31	-	<u>1,571,600</u>
Available for Reinvestment		12,129,905,138
Disbursements for Reinvestment Aug 12- Sept 30	-	1,566,787,667
Disbursements for Reinvestment Oct 1-Dec. 31	-	872,622,139
Disbursements for Reinvestment Jan.1- March 31, 2022	-	2,016,678,604
Disbursements for Reinvestment April 1-June 30, 2022	-	2,725,572,490
Disbursements for Reinvestment July 1-August 11, 2022	-	<u>4,948,244,238</u>
Balance of IPO Proceeds as of August 11, 2022		<u>0</u>

Thank you.

Very truly yours,


ANA VENUS A. MEJIA
Chief Finance Officer

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)

CITY OF MANDALUYONG) S.S.

SEP 28 2022

I certify that on _____, before me a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

Competent Evidence of Identity

Date / Place Issued

Filinvest Land, Inc.

TIN:

Represented by:

Ana Venus Mejia

Unified Multi Purpose ID CRN –

who were identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that their signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 325;
Page No. 46;
Book No. 30;
Series of 2022.

JOVEN G. S. MILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-21 UNTIL DECEMBER 31, 2022
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 4864924; 1-3-22; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY

FILINVEST LAND, INC.

79 EDSA, Highway Hills
Mandaluyong City, Metro Manila
Trunk line: (632) 918-8188
Customer hotline: (632) 588-1688
Fax number: (632) 918-9189
www.filinvestland.com

ANNEX A- Disbursements for the period July 1, 2022 to August 11, 2022

Project Name	Disbursing Entity	July 1, 2022-Aug. 11, 2022
Axis Three	Filinvest Land, Inc.	6,012,172
Axis Four	Filinvest Land, Inc.	640,399
Cebu Tower 3	Filinvest Land, Inc.	74,097,795
Cebu Tower 4	Filinvest Land, Inc.	75,685,665
Marina Town	Filinvest Land, Inc.	16,075,999
Columna	Filinvest Land, Inc.	9,355,918
387 Gil Puyat	Filinvest Cyberparks Inc	19,883,453
4Workplus	Filinvest Clark Mimosa Inc	4,107,727
7 Workplus	Filinvest Clark Mimosa Inc	1,399,801
The Crib Clark	Filinvest Clark Mimosa Inc	70,247,339
PDDC	Phil. DCS Development Corp.	177,408
Filinvest Innovation Park	Filinvest BCDA Clark Inc.	26,347,543
Marina Town Mall	Filinvest Land, Inc.	40,448,458
Clark Lifestyle Mall	Filinvest Clark Mimosa Inc	139,815,812
Panglao Oasis	Filinvest Land, Inc.	80,653,940
Alta Spatial	Filinvest Land, Inc.	58,716,265
Verde Spatial	Filinvest Land, Inc.	14,925,915
Bali Oasis	Filinvest Land, Inc.	22,282,320
Belize Oasis	Filinvest Land, Inc.	27,907,521
Raw Land	Filinvest Land, Inc.	17,242,043
Dreambuilders capex	Filinvest Land, Inc.	348,014,356
Futura East	Filinvest Land, Inc.	281,108,503
The Levels 2	Filinvest Land, Inc.	324,873,755

FILINVEST LAND, INC.

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Studio Towers	Filinvest Land, Inc.	94,370,290
Activa- Residential	Filinvest Land, Inc.	255,018,115
Activa - Offices	Filinvest Land, Inc.	95,670,383
One Filinvest	Filinvest Land, Inc.	422,300,388
Studio 7	Filinvest Land, Inc.	153,941,286
Futura Centro	Filinvest Land, Inc.	174,101,942
Sorrento Oasis	Filinvest Land, Inc.	155,760,833
Asiana Oasis	Filinvest Land, Inc.	7,145,354
Claremont	Filinvest Land, Inc.	157,524,758
Maldives Oasis	Filinvest Land, Inc.	150,351,401
New Leaf	Filinvest Land, Inc.	171,018,715
Ciudad de Calamba	Filinvest Land, Inc.	321,963,183
Centro Spatial Davao	Filinvest Land, Inc.	215,980,687
Fora Dagupan	Filinvest Land, Inc.	168,013,945
Marina Spatial Dumaguete	Filinvest Land, Inc.	124,741,978
New Fields	Filinvest Land, Inc.	200,468,808
Savannah Fields	Filinvest Land, Inc.	138,492,662
Alta Vida	Filinvest Land, Inc.	23,036,888
Anila Park	Filinvest Land, Inc.	49,622,112
Eight Spatial Davao	Filinvest Land, Inc.	74,033,034
Teresa	Filinvest Land, Inc.	94,700,011
The Leaf	Filinvest Land, Inc.	39,967,358
TOTAL		4,948,244,238

AGREED-UPON PROCEDURES REPORT ON FINAL REPORT ON USE OF PROCEEDS FROM THE LISTING OF FILINVEST REIT CORP.

Ms. Ana Venus A. Mejia
Executive Vice President and Chief Finance Officer
Filinvest Land, Inc.
Filinvest Building, 79 EDSA, Highway Hills
Mandaluyong City 1550, Metro Manila

Purpose of this Agreed-upon Procedures Report

We have performed the procedures which were agreed to by Filinvest Land, Inc. (the "Company") solely to assist you in complying with the requirements of the Philippine Stock Exchange ("PSE") in relation to the Final Report on the use of proceeds from the initial public offering ("IPO") of the shares of Filinvest REIT Corp. ("FILRT") on August 12, 2022. This report covers additional disbursements for the period from July 1, 2022 to August 11, 2022 ("Subject Matter"). Accordingly, this may not be suitable for another purpose.

Restriction on Use

This agreed-upon procedures report ("AUP Report") is intended solely for the information and use of the Company and the PSE and is not intended to be and should not be used by anyone else.

Responsibilities of the Company

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the Subject Matter on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We are not required to be independent for the purpose of this engagement. We are the independent auditor of the Company and complied with the independence requirements of the Code of Ethics that apply in context of the financial statement audit.

Our firm applies Philippine Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the terms of engagement dated April 13, 2022, on the Subject Matter.

1. We obtained the Final Report on Use of Proceeds from the IPO of FILRT for the period from August 12, 2021 to August 11, 2022 (the "Final Report") and checked the mathematical accuracy of the Final Report. No exceptions were noted.
2. We compared the "Disbursements for Reinvestment July 1, 2022 to August 11, 2022" in the Final Report to the list of disbursements for the period from July 1, 2022 to August 11, 2022 (the "Disbursement Schedule") and noted the amounts to be in agreement. Further, we noted that of the total disbursements reported for the period from July 1, 2022 to August 11, 2022 in the Disbursement Schedule, Php3,453.41 million and Php362.90 million pertain to disbursements made prior to July 1, 2022 and after August 11, 2022, respectively.
3. We compared the Disbursements Schedule with the schedule of Planned use of IPO proceeds as documented in the Amended Sponsor Reinvestment Plan dated July 22, 2022 (the "Amended Sponsor Reinvestment Plan") and noted that the projects in the Disbursement Schedule are included in the Amended Sponsor Reinvestment Plan and disbursements for each project are within the amount allocated in the Amended Sponsor Reinvestment Plan except for 21 projects as summarized in Appendix I.
4. We traced disbursements exceeding Php50 million to supporting documents such as bank statements and collection receipts. Differences in the amount per Disbursement Schedule samples selected and the related collection receipts pertain to withholding taxes.

Explanatory paragraph

The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures. Furthermore, we have not performed any procedures with respect to the preparation or verification of any of the source documents. We have no responsibility for the verification of any underlying information upon which we relied in forming our findings.

The agreed-upon procedures do not constitute an audit or a review of financial statements or part thereof, the objective of which is the expression of an opinion or conclusion on the financial statements or part thereof.

We undertake no responsibility to update this AUP Report for events and circumstances occurring after the AUP Report is issued.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner

September 28, 2022
Manila, Philippines

Appendix I – Projects which exceeded the allocation based on the Amended Sponsor Reinvestment Plan (in millions):

Project	Budget	Total Disbursements Aug 12, 2021 - Aug 11, 2022	Excess over Allocated Budget
Cebu Tower 4	Php230.00	Php255.27	(Php25.27)
Filinvest Innovation Park	21.00	26.35	(5.35)
Clark Lifestyle Mall	442.00	481.35	(39.35)
Futura East	200.00	281.11	(81.11)
The Levels 2	215.00	324.87	(109.87)
Activa- Residential	300.00	350.69	(50.69)
One Filinvest	237.00	422.30	(185.30)
Studio 7	100.00	153.94	(53.94)
Futura Centro	100.00	174.10	(74.10)
Sorrento Oasis	100.00	155.76	(55.76)
Claremont	132.00	157.52	(25.52)
Maldives Oasis	100.00	150.35	(50.35)
New Leaf	58.00	171.02	(113.02)
Ciudad de Calamba	58.00	321.96	(263.96)
Centro Spatial Davao	170.00	215.98	(45.98)
Fora Dagupan	80.00	168.01	(88.01)
Marina Spatial Dumaguete	120.00	124.74	(4.74)
New Fields	136.00	200.47	(64.47)
Savannah Fields	110.00	138.49	(28.49)
Eight Spatial Davao	49.00	74.03	(25.03)
Teresa	55.00	94.70	(39.70)
Total	Php3,013.00	Php4,443.03	(Php1,430.03)

SUBSCRIBED AND SWORN TO before me this 28th day of September 2022 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

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Book No. 30 ;
Series of 2022.

JOVEN G. SIZILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-21 UNTIL DECEMBER 31, 2022
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 4864924; 1-3-22; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY