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	Department requiring the report	Secondary License Type, If Applicable
1 7 - Q		

COMPANY INFORMATION

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

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5,611	Every 2nd to the last Friday of April Each Year	2023 (09/30)

CONTACT PERSON INFORMATION

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

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

CONTACT PERSON's ADDRESS

79 EDSA, Brgy. Highway Hills, Mandaluyong City

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

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

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, 2023**

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

Title of Each Class	Number of shares issued and outstanding
Common Shares, 1.00 par value	24,249,759,506
Preferred Shares, 0.01 par value	8,000,000,000
Amount of Debt Outstanding	**In Php thousands** 74,938,158

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

(b) has been subject to such filing requirements for the past 90 days.
Yes [x] No [ ]

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PART 1 – FINANCIAL INFORMATION

FILINVEST LAND, INC. AND SUBSIDIARIES

Unaudited Interim Consolidated
Financial Statements

As at September 30, 2023
and
For the nine months ended September 30, 2023 and 2022

FILINVEST LAND, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023 WITH COMPARATIVE AUDITED FIGURES AS AT DECEMBER 31, 2022

(Amounts in thousands)

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱6,049,786**	₱6,619,135
Contracts receivable (Note 5 and 7)	**2,080,275**	2,128,881
Contract assets (Note 5)	**4,748,130**	5,399,792
Other receivables (Note 8)	**3,418,347**	2,902,006
Real estate inventories (Note 9)	**72,448,318**	71,326,487
Other current assets (Note 10)	**6,690,000**	6,380,765
Total Current Assets	**95,434,856**	94,757,066
Noncurrent Assets		
Contract assets - net of current portion (Note 5)	**4,610,940**	5,083,164
Investments in associates (Note 11)	**5,286,426**	5,135,018
Investment properties (Note 13)	**78,630,884**	77,021,396
Property and equipment (Note 14)	**5,590,520**	5,485,279
Deferred income tax assets	**127,391**	91,383
Goodwill (Note 3)	**4,567,242**	4,567,242
Other noncurrent assets (Note 15)	**8,374,496**	7,974,631
Total Noncurrent Assets	**107,187,899**	105,358,113
TOTAL ASSETS	**₱202,622,755**	₱200,115,179

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 16)	**₱11,965,522**	₱11,948,853
Contract liabilities (Note 5)	**934,969**	1,012,294
Lease liabilities - current portion (Note 12)	**201,770**	246,051
Due to related parties (Note 26)	**482,323**	754,264
Income tax payable	**33,028**	19,553
Loans payable - current portion (Note 17)	**16,684,101**	8,446,975
Bonds payable - current portion (Note 18)	**9,021,723**	15,017,440
Total Current Liabilities	**39,323,436**	37,445,430

(Forward)

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Noncurrent Liabilities		
Loans payable - net of current portion (Note 17)	**₱23,070,327**	₱24,402,509
Bonds payable - net of current portion (Note 18)	**26,162,007**	26,115,346
Contract liabilities - net of current portion (Note 5)	**210,452**	283,068
Lease liabilities - net of current portion (Note 12)	**6,443,537**	6,262,439
Net retirement liabilities	**450,144**	431,308
Deferred income tax liabilities - net (Note 23)	**5,380,334**	5,625,210
Accounts payable and accrued expenses - net of current portion (Note 16)	**8,596,249**	8,047,128
Total Noncurrent Liabilities	**70,313,050**	71,167,008
Total Liabilities	**109,636,486**	108,612,438
Equity		
Common stock (Note 19)	**24,470,708**	24,470,708
Preferred stock (Note 19)	**80,000**	80,000
Additional paid-in capital	**5,612,321**	5,612,321
Treasury stock (Note 19)	**(221,041)**	(221,041)
Retained earnings (Note 19)	**60,737,906**	59,172,008
Revaluation reserve on financial assets at fair value through other comprehensive income	**(2,619)**	(2,619)
Remeasurement gains on retirement plan - net of tax	**53,699**	68,185
Share in other components of equity of an associate	**372,449**	372,449
Equity attributable to equity holders of the parent	**91,103,423**	89,552,011
Noncontrolling interest	**1,882,846**	1,950,730
Total Equity	**92,986,269**	91,502,741
TOTAL LIABILITIES AND EQUITY	**₱202,622,755**	₱200,115,179

See accompanying Notes to Interim Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER

(Amounts in thousands, except earnings per share figures)

	Quarter Ended September 30		Nine Months Period Ended September 30	
	2023	2022	**2023**	2022
	(Unaudited)		**(Unaudited)**	
REVENUE				
Real estate sales (Notes 4 and 5)	**₱3,768,932**	₱3,151,336	**₱9,827,647**	₱8,981,848
Rental services (Notes 4 and 5)	**1,912,465**	1,697,038	**5,356,366**	4,680,224
Total revenue	**5,681,397**	4,848,374	**15,184,013**	13,662,072
EQUITY IN NET EARNINGS OF ASSOCIATES	**75,887**	23,391	**141,408**	46,686
OTHER INCOME				
Interest income (Note 22)	**26,905**	87,186	**192,172**	257,771
Others	**19,073**	81,896	**202,538**	220,870
	5,803,262	5,040,847	**15,720,131**	14,187,399
COSTS				
Real estate sales (Note 4)	**2,039,209**	1,859,482	**5,498,619**	5,188,704
Rental services (Note 4)	**888,958**	838,960	**2,432,872**	2,210,277
OPERATING EXPENSES				
Selling and marketing expenses (Note 21)	**361,684**	326,057	**906,325**	856,610
General and administrative expenses (Note 20)	**562,490**	508,675	**1,623,253**	1,479,293
INTEREST AND OTHER FINANCE CHARGES (Note 22)	**681,089**	616,862	**1,982,345**	1,799,977
	4,533,430	4,150,036	**12,443,414**	11,534,861
INCOME BEFORE INCOME TAX	**1,269,832**	890,811	**3,276,717**	2,652,538
PROVISION FOR INCOME TAX (Note 23)				
Current	**571,536**	161,485	**973,305**	474,707
Deferred	**(448,594)**	(32,287)	**(503,259)**	(92,878)
	122,942	129,198	**470,046**	381,829
NET INCOME	**₱1,146,890**	₱761,613	**₱2,806,671**	₱2,270,709
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the parent	**₱1,053,468**	₱799,415	**₱2,441,769**	₱2,004,163
Noncontrolling interest	**93,422**	(37,802)	**364,902**	266,546
	₱1,146,890	₱761,613	**₱2,806,671**	₱2,270,709
Earnings Per Share				
Basic	**₱0.04**	₱0.03	**₱0.10**	₱0.08
Diluted	**₱0.04**	₱0.03	**₱0.10**	₱0.08

See accompanying Notes to Interim Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER

(Amounts in thousands)

	Quarter Ended September 30,		Nine Months Period Ended September 30,	
	2023 (Unaudited)	2022	**2023** **(Unaudited)**	2022
NET INCOME FOR THE PERIOD	**₱1,146,890**	₱761,613	**₱2,806,671**	₱2,270,709
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)**	1,692
TOTAL COMPREHENSIVE INCOME	**₱1,126,226**	₱761,613	**₱2,792,185**	₱2,272,401
Total comprehensive income attributable to:				
Equity holders of the parent	**₱1,032,804**	₱799,415	**₱2,427,283**	₱2,005,855
Noncontrolling interest	**93,422**	(37,802)	**364,902**	266,546
	₱1,126,226	₱761,613	**₱2,792,185**	₱2,272,401

See accompanying Notes to Interim Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in thousands)

	Attributable to Equity Holders of the Parent											
	Common Stock (Note 19)	Preferred Stock (Note 19)	Additional Paid-in Capita (Note 19)l	Treasury Stock (Note 19)	Unappropriated Retained Earnings (Note 19)	Appropriated Retained Earnings (Note 19)	Revaluation Reserve on Financial Assets at FVOCI (Note 15)	Remeasurement Losses on Retirement Plan	Share in Other Components of Equity of an Associate (Note 11)	Total	Noncontrolling Interest	Total Equity
						For the nine months ended September 30, 2023						
Balances as at January 1, 2023	**₱24,470,708**	**₱80,000**	**₱5,612,321**	**(₱221,041)**	**₱54,172,008**	**₱5,000,000**	**(₱2,619)**	**₱68,185**	**₱372,449**	**₱89,552,011**	**₱1,950,730**	**₱91,502,741**
Net income	–	–	–	–	**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 (Note 19)	–	–	–	–	**(875,871)**	–	–	–	–	**(875,871)**	–	**(875,871)**
Dividend distribution to non-controlling interest	–	–	–	–	–	–	–	–	–	–	**(462,786)**	**(462,786)**
Net change in non-controlling interest	–	–	–	–	–	–	–	–	–	–	**30,000**	**30,000**
Balances as at September 30, 2023	**₱24,470,708**	**₱80,000**	**₱5,612,321**	**(₱221,041)**	**₱55,737,906**	**₱5,000,000**	**(₱2,619)**	**₱53,699**	**₱372,449**	**₱91,103,423**	**₱1,882,846**	**₱92,986,269**
						For the nine months ended September 30, 2022						
Balances as at January 1, 2022	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱52,425,032	₱5,000,000	(₱2,619)	(₱16,169)	₱372,449	₱87,720,682	₱2,069,543	₱89,790,225
Net income	–	–	–	–	2,004,163	–	–	–	–	2,004,163	266,546	2,270,709
Other comprehensive income	–	–	–	–		–	–	1,692	–	1,692	0	1,692
Total comprehensive income	–	–	–	–	2,004,163	–	–	1,692	–	2,005,855	266,546	2,272,401
Dividends declared (Note 19)	–	–	–	–	(1,142,939)	–	–	0	–	(1,142,939)	0	(1,142,939)
Balances as at September 30, 2022	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱53,286,256	₱5,000,000	(₱2,619)	(₱14,477)	₱372,449	₱88,583,598	₱2,336,088	₱90,919,687

See accompanying Notes to Interim Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands)

	Nine months Period Ended September 30	
	2023	2022
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,276,717**	₱2,652,538
Adjustments for:		
Interest income (Note 22)	**(192,172)**	(257,771)
Interest expense and amortization of transaction costs (Note 22)	**1,982,345**	1,872,015
Depreciation and amortization (Note 13, 14 and 15)	**1,246,969**	1,182,126
Equity in net earnings of associates	**(141,408)**	(46,686)
Net pension expense, net of contribution and benefits paid	**27,331**	31,123
Operating income before changes in operating assets and liabilities	**6,199,782**	5,433,345
Changes in operating assets and liabilities		
Decrease (increase) in:		
Contracts receivables	**48,606**	(317,641)
Contract assets	**1,123,886**	(657,803)
Other receivables	**(516,341)**	(13,040)
Real estate inventories	**781,359**	(2,823,880)
Other assets	**(309,291)**	(818,795)
Increase (decrease) in:		
Accounts payable and accrued expenses	**631,136**	980,431
Contracts liabilities	**(149,941)**	12,986
Net cash generated from operations	**7,809,196**	1,795,603
Income taxes paid, including creditable withholding taxes	**(959,830)**	(415,809)
Interest received	**192,172**	257,771
Net cash provided by operating activities	**7,041,538**	1,637,565
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investment properties and property and equipment (Note 14)	**(3,268,176)**	(5,030,495)
Increase in BTO rights (Note 15)	**(438,506)**	(95,239)
Cash used in investing activities	**(3,706,682)**	(5,125,734)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availments of:		
Loans payable (Notes 17 and 18)	**12,555,000**	10,129,900
Bonds payable (Notes 17 and 18)	–	11,900,000
Payments of:		
Loans payable (Note 17)	**(5,636,534)**	(10,997,976)
Bonds payable (Note 18)	**(6,000,000)**	(7,000,000)
Interest and transaction costs	**(2,952,013)**	(1,319,594)
Lease liability (Note 12)	**(290,060)**	(274,659)
Cash dividends (Note 19)	**(875,871)**	(1,121,526)
Dividends paid to noncontrolling interest	**(462,786)**	–
Changes in amounts due to related parties	**(271,941)**	(49,834)
Investment in noncontrolling interest	**30,000**	–
Net cash provided by (used in) financing activities	**(3,904,205)**	1,266,311
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(569,349)**	(2,221,858)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**6,619,135**	9,658,260
CASH AND CASH EQUIVALENTS, END OF PERIOD	**₱6,049,786**	₱7,436,402

See accompanying Notes to Interim Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Filinvest Land, Inc. (the "Parent Company" or "FLI") is a property developer engaged mainly in the development of residential subdivisions, construction of housing units and leasing activities. It was incorporated and is domiciled in the Philippines where its shares are publicly traded. Formerly Citation Homes, Inc., the Parent Company was incorporated on November 24, 1989 and later changed to its present name on July 12, 1993. The Parent Company and its subsidiaries (collectively referred to as "the Group") offer a range of real estate products from socialized and affordable housing to middle-income and high-end housing, various types of subdivision lots, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, condotels, and condominium buildings. The Group also leases out commercial and office spaces in Muntinlupa City, Makati City, Pasay City, Cebu City, Tagaytay City, Cavite, and Clark Mimosa, 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.

2. Summary of Significant Accounting Policies

<u>Basis of Preparation</u>
The interim 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 consolidated financial statements provide comparative information in respect of the previous period.

<u>Statement of Compliance</u>
The unaudited interim consolidated financial statements of the Group for the nine months ended September 30, 2023 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, 2022, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the following 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, 2023 and December 31, 2022 are as follows. The voting rights held by the Group in these subsidiaries are in proportion to its ownership interest.

Subsidiaries	Nature of Business	**2023**	2022
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%
Niyog Property Holdings, Inc. (NPHI) [2]	Real estate developer	**100%**	−
Cajel Realty Corporation (CRC) [2]	Real estate developer	**100%**	−
Co-Living Pro Managers Corp. (CPMC)	Real estate developer	**100%**	100%
SJR Developers, Inc. (SDI) [3]	Real estate developer	**100%**	100%
Filinvest REIT Corp. (FILRT) [4]	Leasing	**63%**	63%
Filinvest Asia Corporation (FAC)	Leasing	**60%**	60%
Filinvest Cyberparks, Inc. (FCI) [5]	Leasing	**100%**	100%
Filinvest Clark Mimosa, Inc. (FCMI)	Leasing	**100%**	100%
OurSpace Solutions, Inc. (OSI) [6]	Leasing	**70%**	100%
Festival Supermall, Inc. (FSI)	Property management	**100%**	100%
Filinvest Lifemalls Corporation (FLC)	Property management	**100%**	100%
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Property management	**100%**	100%
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Property management	**100%**	100%
ProOffice Works Services, Inc. (ProOffice)	Property management	**100%**	100%
Property Specialist Resources, Inc. (Prosper)	Property management	**100%**	100%
FSM Cinemas, Inc. (FSM Cinemas) [7]	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 Sports and Natures Club	**98%**	98%
Nature Specialists, Inc. (NSI)	Recreational Sports and Natures Club	**75%**	75%
Leisurepro, Inc. (Leisurepro)	Marketing	**100%**	100%
Proleads Philippines, Inc. (PPI)	Marketing	**100%**	100%
Property Leaders International Limited (PLIL)	Marketing	**100%**	100%
Property Maximizer Professional Corp. (Promax)	Marketing	**100%**	100%
Realpros Philippines, Inc. (RPI)	Marketing	**100%**	100%
FREIT Fund Managers, Inc.	Fund Manager	**100%**	100%

Notes:

1. *FBCI is owned indirectly through FCGCC.*
2. *On July 14, 2023, FLI purchased from Rizal Commercial Banking Corporation (RCBC) all outstanding shares of stock of Niyog Property Holdings, Inc. (NPHI) and Cajel Realty Corporation (CRC), taking over the two latter companies' joint land development activities in Bacoor City, Cavite.*
3. *SJR Developer's Inc. (SDI) On December 14, 2022, FLI entered a Deed of Assignment to purchase 100% ownership in SDI. The primary purpose of SDI is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartment and other structures.*
4. *On August 12, 2021, FILRT shares were listed at the PSE. FLI previously owned 100% of FILRT and sold 36.7% or 1,797.61 million shares in its initial public offering.*
5. *40% interest is owned by FCI. Effectively, FLI owns 100% of ProOffice.*
6. *OurSpace Solutions, Inc. (OSI) issued a resolution authorizing the issuance of additional shares out of its unissued authorized capital stock, pursuant to the provisions of the Joint Venture Agreement entered into by KMC Community, Inc. (KCI) and FLI on May 22, 2023. On August 2, 2023, a Subscription Agreement was executed to issue the 30 million common shares of OSI to KCI, resulting to FLI's 70% ownership in OSI.*
7. *FSM Cinemas is owned indirectly through FSI.*

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.

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

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

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The Group adopted the amendment beginning January 1, 2023.

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

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

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments do not have a material impact on the Group.

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

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

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

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments do not have a material impact on the Group.

Future Changes in Accounting Policy

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

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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

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

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

  The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

  a. The accounting policies applied.
  b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
  c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
  d. Should any of the deferral options result into a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

  After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021. The Group availed of the SEC 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 and would have resulted in restatement of prior year financial statements in case a full retrospective approach is applied. Depending on the approach of adoption, the adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability for all years presented (full retrospective approach), and the opening balance of retained earnings (full retrospective approach and modified retrospective approach). The Group has yet to assess if the mismatch constitutes a significant financing component for its contracts to sell. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach. The Group has yet to decide on whether the adoption will be using a full retrospective or modified retrospective approach.

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

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

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

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

  Effective January 1, 2024, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC agenda decision.

  For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.

  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. This adjustment should have been applied retrospectively and would have resulted to restatement of prior year financial statements. A restatement would have impacted interest expense, cost of sales, provision for deferred income tax, real estate inventories, deferred tax liability and opening balance of retained earnings. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach. The Group has yet to decide on whether the adoption will be using a full retrospective or modified retrospective approach.

3. Goodwill

Goodwill arising from business combinations in the Group's consolidated statements of financial position as of September 30, 2023 and December 31, 2022 consists of (amounts in thousands):

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

As of September 30, 2023 and December 31, 2022, the recoverable value of the cash generating units to which the goodwill pertains is in excess of the carrying value of the cash generating units, thus, no impairment has been recognized. There are no events that have occurred and circumstances that have changed since December 31, 2022 which would indicate that an impairment indicator exists as of September 30, 2023.

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, Bacoor 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, 2023 and 2022, 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, 2023 and 2022 are summarized below (amounts in thousands).

	September 30, 2023 (Unaudited)				
	Real Estate Operations	**Leasing Operations**	**Combined**	**Adjustments and Eliminations**	**Consolidated**
Revenue					
External	**₱9,827,647**	**₱5,356,366**	**₱15,184,013**	**₱–**	**₱15,184,013**
Inter-segment	**311,582**	**–**	**311,582**	**(311,582)**	**–**
	10,139,229	**5,356,366**	**15,495,595**	**(311,582)**	**15,184,013**
Equity in net earnings of associates	**141,408**	**–**	**141,408**	**–**	**141,408**
Other income	**1,326,789**	**671,917**	**1,998,706**	**(1,603,996)**	**394,710**
	₱11,607,426	**₱6,028,283**	**₱17,635,709**	**(₱1,915,578)**	**₱15,720,131**
Net income	**₱1,939,148**	**₱1,524,691**	**₱3,463,839**	**(₱657,168)**	**₱2,806,671**
EBITDA	**₱3,327,099**	**₱3,808,122**	**₱7,135,221**	**(₱629,190)**	**₱6,506,031**
Segment assets	**₱117,501,765**	**₱100,326,100**	**₱217,827,865**	**(₱15,205,110)**	**₱202,622,755**
Less net deferred income tax assets	**–**	**127,391**	**127,391**	**–**	**127,391**
Net segment assets	**₱117,501,765**	**₱100,198,709**	**₱217,700,474**	**(15,205,110)**	**₱202,495,364**
Segment liabilities	**₱70,796,489**	**₱44,160,377**	**₱114,956,866**	**(₱5,320,380)**	**₱109,636,486**
Less net deferred income tax liabilities	**5,225,870**	**130,337**	**5,356,207**	**24,127**	**5,380,334**
Net segment liabilities	**₱65,570,619**	**₱44,030,040**	**₱109,600,659**	**(₱5,344,507)**	**₱104,256,152**
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)**

	December 31, 2022 (Audited)				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Segment assets	₱113,610,862	₱98,669,097	₱212,279,959	(₱12,164,780)	₱200,115,179
Less net deferred income tax assets	–	91,383	91,383	–	91,383
Net segment assets	₱113,610,862	₱98,577,714	₱212,188,576	(₱12,164,780)	₱200,023,796
Segment liabilities	69,622,905	44,627,867	114,250,772	(5,638,334)	108,612,438
Less net deferred income tax liabilities	5,547,080	19,612	5,566,692	58,518	5,625,210
Net segment liabilities	₱64,075,825	₱44,608,255	₱108,684,080	(5,696,852)	₱102,987,228

	September 30, 2022 (Unaudited)				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue					
External	₱8,981,848	₱4,680,224	₱13,662,072	₱–	₱13,662,072
Inter-segment	252,923	–	252,923	(252,923)	–
	9,234,771	4,680,224	13,914,995	(252,923)	13,662,072
Equity in net earnings of associates	46,686	–	46,686	–	46,686
Other income	1,420,724	765,990	2,186,714	(1,708,073)	478,641
	₱10,702,181	₱5,446,214	₱16,148,395	(₱1,960,996)	₱14,187,399
Net income	₱2,407,240	₱1,168,732	₱3,575,972	(₱1,305,263)	₱2,270,709
EBITDA	₱3,460,984	₱3,325,045	₱6,786,029	(₱1,151,388)	₱5,634,641
Cash flows provided by (used in):					
Operating activities	₱248,279	₱2,744,391	₱2,992,670	(₱1,355,105)	₱1,637,565
Investing activities	(3,231,152)	(1,894,582)	(5,125,734)	–	(5,125,734)
Financing activities	453,570	(86,441)	367,129	899,182	1,266,311

Seasonality

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

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.

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
	(In Thousands)	
EBITDA	**₱6,506,031**	₱5,634,641
Depreciation and amortization	**(1,246,969)**	(1,182,126)
Operating profit	**5,259,062**	4,452,515
Interest and other finance charges	**(1,982,345)**	(1,799,977)
Income before income tax	**₱3,276,717**	₱2,652,538

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, 2023 (Unaudited)	September 30, 2022 (Unaudited)
	(In Thousands)	
Real estate sales by market segment		
Medium income	**₱6,498,779**	₱6,021,218
Low affordable and affordable	**2,458,939**	1,884,303
High-end and others	**604,141**	897,247
Socialized	**265,788**	179,080
	9,827,647	8,981,848
Cinema operations by type of goods or services (included as part of rental and related services)		
Theater, snack bar, parking and amusement sales	**162,285**	117,637
Tenant dues		
Office leasing	**856,001**	867,352
Mall operations and others	**293,371**	258,104
	1,149,372	1,125,456
Total revenue from contracts with customers	**11,139,304**	10,224,941
Rental and related services		
Office leasing	**2,547,257**	2,611,911
Mall operations and others	**1,497,452**	825,220
	4,044,709	3,437,131
Total Revenue	**₱15,184,013**	₱13,662,072

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

As of September 30, 2023 contract balances are as follows:

	Current	**Noncurrent**	**Total**
		(In Thousands)	
Contracts receivable	**₱2,080,275**	**₱–**	**₱2,080,275**
Contract assets	**4,748,130**	**4,610,940**	**9,359,070**
Contract liabilities	**934,969**	**210,452**	**1,145,421**

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

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

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

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

As of September 30, 2023 and December 31, 2022, the Parent Company entered into an Agreement for Purchase of Contract Assets with a local bank. The bank agreed to buy the contract assets on a without recourse basis, and the Parent Company agreed to sell, assign, transfer and convey to the bank all its rights, titles, and interest in and to the contract assets. Total proceeds from these transactions equivalent to the carrying value of the contract assets sold as of September 30, 2023 and December 31, 2022 amounted to ₱3.10 billion and ₱2.18 billion, respectively.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred based on percentage of completion. The movement in contract liability arise mainly from revenue recognition of completed performance obligations.

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.

Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations is recognized when services are rendered. The tenant is required to settle within 7 to 20 days upon receipt of the bill. In case of delay in payments, a penalty of 3% to 36% per annum is charged for the amount due for the duration of delay. The lease arrangement would typically require a tenant to pay advance rental equivalent to three (3) months and a security deposit equivalent to three (3) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

Rent discounts and concessions given vary for merchants that are (1) allowed to operate during community quarantine and operational (2) allowed to operate during community quarantine but not operational (3) not allowed to operate during community quarantine.

6. Cash and Cash Equivalents

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Cash	**₱3,730,760**	₱5,278,698
Cash equivalents	**2,319,026**	1,340,437
	₱6,049,786	₱6,619,135

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

Interest income earned on the Group's cash and cash equivalents amounted to ₱53.90 million and ₱43.92 million for the nine months ended September 30, 2023 and 2022, respectively (see Note 22).

There is no restriction on the Group's cash and cash equivalents as at September 30, 2023 and December 31, 2022.

7. Contracts Receivable

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Contracts receivable	**₱1,820,181**	₱1,906,849
Receivables from government and financial institutions	**260,094**	222,032
	₱2,080,275	₱2,128,881

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

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 ₱124.82 million and ₱199.15 million for the nine months ended September 30, 2023 and 2022, respectively (see Note 22). Interest rates per annum on contracts receivable range from 11.5% to 19.0% for these periods.

The Group has a mortgage insurance contract with Philippine Guarantee Corporation (then, Home Guaranty Corporation), a government insurance company for a retail guaranty line. As of September 30, 2023 and December 31, 2022, the contracts (comprise of both contracts receivable and contract assets) covered by the guaranty line amounted to ₱373.64 million and ₱534.05 million, respectively.

As of September 30, 2023 and December 31, 2022, the remaining unutilized guaranty line amounted to ₱1.37 billion and ₱1.43 billion, respectively.

As of September 30, 2023 and December 31, 2022, no impairment losses were recognized from contracts receivable.

8. Other Receivables

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Receivables from tenants	**₱2,301,292**	₱1,876,759
Advances to officers and employees	**385,290**	322,326
Due from related parties (Notes 11 and 26)	**505,794**	464,618
Receivables from homeowners' associations	**289,565**	286,148
Receivables from buyers	**6**	917
Others	**1,948**	1,905
	3,483,895	2,952,673
Less: Allowance for expected credit losses	**65,548**	50,667
	₱3,418,347	₱2,902,006

Receivables from tenants represent charges to tenants for rentals and utilities normally collectible within a year.

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

Receivables from homeowners' associations represent claims from the homeowners' association of the Group's projects for the payment of the expenses on behalf of the association.

Receivables from buyers mainly pertain to advances for fit-out funds and other advances relating to insurance and other chargeable expenses to buyers which are normally collectible within a year.

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

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

9. Real Estate Inventories

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Real estate inventories - at cost		
Lots, condominium and residential units for sale	**₱45,307,198**	₱44,623,160
Land and land development	**27,141,120**	26,703,327
	₱72,448,318	₱71,326,487

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

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Balance at beginning of year	**₱44,623,160**	₱42,808,627
Land costs transferred from land and land development	**173,928**	786,781
Net transfer to investment properties and property and equipment	**–**	(80,520)
Construction/development costs incurred	**5,719,264**	7,886,878
Capitalized borrowing costs	**289,465**	576,083
Cost of real estate sales	**(5,498,619)**	(7,354,689)
	₱45,307,198	₱44,623,160

Capitalization rate for the capitalized borrowing costs is 4.92% and 4.7% for the nine months ended September 30, 2023 and for the year ended December 31, 2022, respectively.

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

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Balance at beginning of year	**₱26,703,327**	₱25,918,293
Land acquisitions	**49,340**	747,018
Land costs transferred to lots, condominium and residential units for sale	**(173,928)**	(786,781)
Site development and incidental costs	**562,381**	824,797
	₱27,141,120	₱26,703,327

As of September 30, 2023 and December 31, 2022, on account additions to land and land development which remain outstanding amounted to ₱2,508.58 million and ₱4,594.88 million, respectively, and these are recognized as part of "Accounts payable and accrued expense" (see Note 16).

Borrowing costs capitalized as part of land and land development, where activities necessary to prepare it for its intended use is ongoing, amounted to ₱444.89 million and ₱430.55 million for the nine months ended September 30, 2023 and for the year ended December 31, 2022, respectively.

10. **Other Current Assets**

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Input taxes - net	**₱3,817,515**	₱3,706,199
Creditable withholding taxes	**1,005,679**	1,291,214
Cost to obtain contract	**509,449**	473,852
Prepaid expenses	**474,819**	239,294
Advances to contractors and suppliers	**445,383**	313,696
Construction materials and supplies	**349,491**	281,018
Short-term deposits	**87,664**	75,492
	₱6,690,000	₱6,380,765

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

11. **Investments in Associates**

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
At equity:		
Acquisition cost		
Balance at beginning of year	**₱1,018,841**	₱1,007,869
ProActive Professional Corp.	**10,000**	–
Pro-excel Property Managers, Inc.	**–**	10,972
Balance at end of year	**1,028,841**	1,018,841
Accumulated equity in net earnings:		
Balance at beginning of year	**1,733,276**	1,654,320
Equity in net earnings for the year	**141,408**	78,956
Balance at end of year	**1,874,684**	1,733,276
Share in revaluation increment on land at deemed cost*	**2,010,452**	2,010,452
Share in other components of equity	**372,449**	372,449
	₱5,286,426	₱5,135,018

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

As of September 30, 2023 and December 31, 2022, the carrying value of the Group's investments in associates follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Filinvest Alabang Inc. (FAI)	**₱4,979,449**	₱4,854,844
Dream Builders Pro, Inc. (DPI)	**92,984**	95,500
Filinvest Mimosa, Inc. (FMI)	**81,520**	80,353
Corporate Technologies Inc. (CTI)	**56,392**	50,218
Pro-excel Property Managers Inc. (Pro-excel)	**49,410**	40,047
Share Pro, Inc. (SPI)	**16,671**	14,056
ProActive Professionals Corp. (ProActive)	**10,000**	−
	₱5,286,426	₱5,135,018

On August 9, 2023, ProActive was incorporated in the Philippines to handle the business process outsourcing services of the Group. FLI subscribed for 40.0% of ProActive's capital stock amounting to ₱10.00 million.

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 land lease arrangements with lease terms of between 25 and 50 years. There are several leases that include extension option to lease the assets for additional 25 years based on mutual agreement of the parties.

The rollforward analysis of right-of-use assets follows:

	September 30, 2023 (Unaudited)		
	Investment Properties (Note 13)	**Other Noncurrent Assets (Note 15)**	**Total**
		(In Thousands)	
Cost			
At January 1 and December 31	**₱5,376,136**	**₱112,424**	**₱5,488,560**
Additions	**−**	**−**	**−**
As at September 30	**5,376,136**	**112,424**	**5,488,560**
Accumulated Depreciation			
At January 1	**607,636**	**14,142**	**621,778**
Depreciation (Note 20)	**109,889**	**3,510**	**113,399**
As at September 30	**717,525**	**17,652**	**735,177**
Net Book Value	**₱4,658,611**	**₱94,772**	**₱4,753,383**

	December 31, 2022 (Audited)		
	Investment Properties (Note 13)	Other Noncurrent Assets (Note 15)	Total
		(In Thousands)	
Cost			
At January 1 and December 31	₱5,376,136	₱112,424	₱5,488,560
Accumulated Depreciation			
At January 1	453,892	9,462	463,354
Depreciation (Note 20)	153,744	4,680	158,424
As at December 31	607,636	14,142	621,778
Net Book Value	₱4,768,500	₱98,282	₱4,866,782

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

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Amortization expense of right-of-use assets (included in general and administrative expenses)	**₱113,399**	₱119,378
Interest expense on lease liabilities (included in interest and other finance charges)	**426,878**	393,828
Long-term portion of loans payable	**₱540,277**	₱513,206

The rollforward analysis of lease liabilities follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Beginning balance	**₱6,508,490**	₱6,348,018
Interest expense	**426,878**	520,575
Payments	**(290,060)**	(360,103)
At end of period	**6,645,308**	6,508,490
Lease Liabilities - current portion	**201,770**	246,051
Lease liabilities - net of current portion	**₱6,443,538**	₱6,262,439

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

13. **Investment Properties**

The rollforward analysis of this account are as follows:

	September 30, 2023 (Unaudited)					
	Land	**Buildings and Improvements**	**Machinery and Equipment**	**Construction in Progress**	**Right-of-use assets**	**Total**
	(In Thousands)					
Cost						
Balances at beginning of period	**₱16,533,276**	**₱29,538,271**	**₱382,015**	**₱34,327,269**	**₱5,376,136**	**₱86,156,967**
Additions	**44,922**	**985,853**	**19,070**	**1,473,239**	**−**	**2,523,084**
Balances at end of period	**16,578,198**	**30,524,124**	**401,085**	**35,800,508**	**5,376,136**	**88,680,051**
Accumulated Depreciation						
Balances at beginning of period	**−**	**8,150,458**	**377,477**	**−**	**607,636**	**9,135,571**
Depreciation (Note 20)	**−**	**789,461**	**14,246**	**−**	**109,889**	**913,596**
Balances at end of period	**−**	**8,939,919**	**391,723**	**−**	**717,525**	**10,049,167**
Net Book Value	**₱16,578,198**	**₱21,584,205**	**₱9,362**	**₱35,800,508**	**₱4,658,611**	**₱78,630,884**

	December 31, 2022 (Audited)					
	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-use assets	Total
	(In Thousands)					
Cost						
Balances at beginning of year	₱14,461,401	₱28,945,082	₱367,238	₱30,981,015	₱5,376,136	₱80,130,872
Additions	1,977,268	647,232	14,777	3,335,283	−	5,974,560
Transfers (Note 9)	94,607	(54,043)		10,971	−	51,535
Balances at end of year	16,533,276	29,538,271	382,015	34,327,269	5,376,136	86,156,967
Accumulated Depreciation						
Balances at beginning of year	−	7,234,718	364,273	−	453,892	8,052,883
Depreciation (Note 20)	−	944,725	13,204	−	153,744	1,111,673
Transfers (Note 9)	−	(28,985)	−	−	−	(28,985)
Balances at end of year	−	8,150,458	377,477	−	607,636	9,135,571
Net Book Value	₱16,533,276	₱21,387,813	₱4,538	₱34,327,269	₱4,768,500	₱77,021,396

Borrowing costs capitalized as part of investment properties amounted to ₱584.34 million and ₱812.01 million for the nine months ended September 30, 2023 and for the year ended December 31, 2022, respectively. Capitalization rate used is 4.92% to 6.30% or the nine months ended September 30, 2023 and 3.60% to 6.12% for the year ended December 31, 2022.

The aggregate fair value of the Group's investment properties amounted to ₱214.90 billion and ₱214.05 billion as of September 30, 2023 and December 31, 2022, respectively 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 fair value of investment properties was determined using the Income Approach based on discounted cash flow analysis for completed buildings, Residual Approach for buildings under construction and Market Approach for land.

Under the Income Approach, all expected cash flow from the use of the assets were projected and discounted using the appropriate discount rate reflective of the market expectations. The Residual Approach is based on the Income Approach after consideration of the estimated cost to complete. The valuation of investment property is categorized as Level 3 in the fair value hierarchy since valuation is based on unobservable inputs. The significant unobservable inputs used in the valuation pertains to lease income growth rate and discount rate.

Market data approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For market data approach, the higher the rise per sqm., the higher the fair value. The significant unobservable inputs to valuation of the land is the price per square meter ranging from ₱46,000 to ₱275,000.

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 ₱6,203.04 million and ₱4,383.42 million as of September 30, 2023 and December 31, 2022, respectively. These will be recognized as liabilities in the Group's consolidated financial statements when the related services are received.

As of September 30, 2023 and December 31, 2022, on account additions to investment property which remain outstanding amounted to ₱2,508.58 million and ₱2,112.5 million, respectively, and these are recognized as part of "Accounts payable and accrued expenses" (see Note 16).

14. Property & Equipment

The rollforward analysis of this account are as follows:

	September 30, 2023 (Unaudited)						
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
				(In Thousands)			
Cost							
Balances at beginning of period	**₱3,613,236**	**₱3,166,765**	**₱185,075**	**₱166,739**	**₱213,024**	**₱220,898**	**₱7,565,737**
Additions	**77,891**	**175,182**	**30,690**	**17,017**	**9,151**	**38,658**	**348,589**
Balances at end of period	**3,691,127**	**3,341,947**	**215,765**	**183,756**	**222,175**	**259,556**	**7,914,326**
Accumulated Depreciation and Amortization							
Balances at beginning of period	**699,238**	**966,090**	**155,299**	**123,207**	**136,624**	–	**2,080,458**
Depreciation and amortization (Note 20)	**72,849**	**135,979**	**8,932**	**22,083**	**3,505**	**–**	**243,348**
Balances at end of period	**772,087**	**1,102,069**	**164,231**	**145,290**	**140,129**	**–**	**2,323,806**
Net Book Value	**₱2,919,040**	**₱2,239,878**	**₱51,534**	**₱38,466**	**₱82,046**	**₱259,556**	**₱5,590,520**

	December 31, 2022 (Audited)						
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
				(In Thousands)			
Cost							
Balances at beginning of year	₱3,566,434	₱2,243,870	₱176,363	₱135,909	₱194,099	₱217,249	₱6,533,924
Additions	46,802	922,895	8,712	30,830	18,925	3,649	1,031,813
Balances at end of year	3,613,236	3,166,765	185,075	166,739	213,024	220,898	7,565,737
Accumulated Depreciation and Amortization							
Balances at beginning of year	603,913	762,784	145,131	104,786	123,287	–	1,739,901
Depreciation and amortization (Note 20)	95,325	203,306	10,168	18,421	13,337	–	340,557
Balances at end of year	699,238	966,090	155,299	123,207	136,624	–	2,080,458
Net Book Value	₱2,913,998	₱2,200,675	₱29,776	₱43,532	₱76,400	₱220,898	₱5,485,279

As of September 30, 2023 and December 31, 2022, on account additions to property and equipment which remain outstanding amounted to ₱14.85 million and ₱20.30 million, respectively, and these are recognized as part of "Accounts payable and accrued expenses" (see Note 16).

15. **Other Noncurrent Assets**

This account consists of:

	September 30 2023 (Unaudited)	December 31 2022 (Audited)
	(In Thousands)	
BTO rights	**₱6,436,337**	₱5,997,831
Advances to contractors and suppliers	**1,290,629**	1,181,476
Advances to joint venture partners	**326,044**	386,073
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	**127,395**	123,422
Right-of-Use	**112,424**	112,424
Financial assets at FVTOCI	**15,535**	15,535
Other assets	**107,767**	109,479
	8,974,927	8,485,036
Less accumulated amortization	**600,431**	510,405
	₱8,374,496	₱7,974,631

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 and Right-of-Use assets are as follows:

	September 30, 2023 (Unaudited)		
	BTO Rights	**Right-of-Use Assets**	**Total**
		(In Thousands)	
Cost			
Balance at beginning of year	**₱5,997,831**	**₱112,424**	**6,110,255**
Additions	**438,506**	**–**	**438,506**
Balance at end of year	**6,436,337**	**112,424**	**6,548,761**
Accumulated Amortization			
Balance at beginning of year	**496,263**	**14,142**	**510,405**
Depreciation	**86,516**	**3,510**	**90,026**
Balance at end of year	**582,779**	**17,652**	**600,431**
Net Book Value	**₱5,853,558**	**₱94,772**	**5,948,330**

	December 31, 2022 (Audited)		
	BTO Rights	Right-of-Use Assets	Total
		(In Thousands)	
Cost			
Balance at beginning of year	₱4,638,348	₱112,424	₱4,750,772
Additions	1,359,483	−	1,359,483
Balance at end of year	5,997,831	112,424	6,110,255
Accumulated Amortization			
Balance at beginning of year	323,134	9,462	332,596
Depreciation	173,129	4,680	177,809
Balance at end of year	496,263	14,142	510,405
Net Book Value	₱5,501,568	₱98,282	₱5,599,850

For the nine months period ended September 30, 2023 and 2022, related amortization recognized as part of "Cost of rental and related services" amounted to ₱86.52 million and ₱91.44 million. Rent income amounting to ₱239.03 million and ₱219.48 million for the nine months period ended September 30, 2023 and 2022, respectively, was recognized as part of "Revenue from rental and related services". Tenant dues from BTO rights amounted to ₱88.75 million and ₱79.24 million for the nine months period ended September 30, 2023 and 2022, respectively.

Borrowing costs capitalized as BTO rights amounted to ₱51.33 million and ₱46.25 million for the nine months ended September 30, 2023 and for the year ended December 31, 2022, respectively. Capitalization rate used is 4.92% for the nine months ended September 30, 2023 and 3.60% for the year ended December 31, 2022.

16. **Accounts Payable and Accrued Expenses**

This account consists of:

	September 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Current	**Noncurrent**	**Total**	Current	Noncurrent	Total
			(In Thousands)			
Accounts payable	**₱5,625,010**	**₱4,989,141**	**₱10,614,151**	₱5,485,089	₱4,427,187	₱9,912,276
Deposits from tenants	**1,558,106**	**1,624,088**	**3,182,194**	1,343,518	1,486,496	2,830,014
Retention fees payable	**1,996,100**	**333,876**	**2,329,976**	2,149,741	517,790	2,667,531
Accrued expenses	**1,516,142**	**−**	**1,516,142**	1,486,147	−	1,486,147
Deposits for registration	**200,833**	**1,450,757**	**1,651,590**	200,645	1,449,396	1,650,041
Accrued interest on bonds and loans	**697,451**	**−**	**697,451**	830,908	−	830,908
Other payables	**371,880**	**198,387**	**570,267**	452,805	166,259	619,064
	₱11,965,522	**₱8,596,249**	**₱20,561,771**	₱11,948,853	₱8,047,128	₱19,995,981

Accrued expenses account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In thousands)	
Suppliers and contractors	**₱1,488,096**	₱1,420,100
Utilities	**4,025**	16,664
Professional fees	**349**	41,512
Payroll	**18,011**	6,594
Other accruals	**5,661**	1,277
	₱1,516,142	₱1,486,147

17. **Loans Payable**

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Short term loans	**₱5,025,000**	₱3,525,000
Long-term loans	**34,847,127**	29,428,660
Developmental loans from local banks	**39,872,127**	32,953,660
Less unamortized transaction costs	**117,699**	104,176
	39,754,428	32,849,484
Less current portion of loans payable	**16,684,101**	8,446,975
Long-term portion of loans payable	**₱23,070,327**	₱24,402,509

Developmental loans from local banks have floating or fixed interest rates at different terms and repayment periods. Additional bank loans availed by the Group for the nine months ended September 30, 2023 and for the year ended December 31, 2022 amounted to ₱12.56 billion and ₱12.81 billion, respectively. Principal payments made for the nine months ended September 30, 2023 and for the year ended December 31, 2022 amounted to ₱5.64 billion and ₱12.16 billion, respectively.

As of September 30, 2023 and December 31, 2022, short-term loans payable, presented under current portion of loans payable amounted to ₱5.03 billion and ₱3.53 billion, respectively. Interest incurred on these loans (gross of related capitalized borrowing costs) amounted to ₱1.56 billion and ₱40.00 million for the nine months ended September 30, 2023 and 2022, respectively.

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 on an annual basis including debt-to-equity ratio ranging from 2.0x to 3.0x and minimum interest coverage ratio of 1.0x.

The agreements also provide for restrictions and requirements with respect to, among others, making distribution on its share capital; purchase, redemption or acquisition of any share of stock if it would materially and adversely affect the Group's ability to perform its obligations; sale or transfer and disposal of all or a substantial part of its capital assets other than in the ordinary course of business; restrictions on use of funds other than the purpose it was approved for; and entering into any partnership, merger, consolidation or reorganization except in the ordinary course of business and except when the Group maintains controlling interest.

As of September 30, 2023 and December 31, 2022, the Group complied with these contractual agreements and has not been cited in default on its outstanding loan obligations.

<u>Transaction costs:</u>

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Balance at beginning of year	**₱104,176**	₱116,452
Additions	**84,845**	42,641
Amortizations (Note 22)	**(71,322)**	(54,917)
Balance at end of year	**₱117,699**	₱104,176

18. **Bonds Payable**

This account consists of:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Bonds payable	**₱35,400,000**	₱41,400,000
Less unamortized transaction costs	**216,270**	267,214
	35,183,730	41,132,786
Less current portion of bonds payable	**9,021,723**	15,017,440
Long-term portion of bonds payable	**₱26,162,007**	₱26,115,346

On January 9, 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 September 30, 2023 and December 31, 2022, the Group is not in breach of these covenants and has not been cited in default on any of its outstanding obligations.

19. **Equity**

The details of the Parent Company's common and preferred shares as of September 30, 2023 and December 31, 2022 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, 2023.

<u>Retained Earnings</u>

Retained earnings include undistributed earnings amounting to ₱6.36 billion and ₱6.39 billion as of September 30, 2023 and December 31, 2022, 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, 2023 and December 31, 2022.

As at September 30, 2023, the amount of retained earnings appropriated for business expansions for construction of residential, leasing and mixed-use projects amounted to ₱5.0 billion. The appropriation will be fully utilized to cover part of the capital expenditure requirements of the Company which are expected to be completed in 2024.

Dividend Declarations

On April 24, 2023, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.03600 per share or a total of ₱872.99 million for all common stockholders of record as of May 12, 2023 payable on September 06, 2023. The Group has remaining unpaid cash dividend amounting to ₱21.09 million as of September 30, 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. The Group has remaining unpaid cash dividend amounting to ₱0.32 million as of September 30, 2023.

On April 22, 2022, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.04700 per share or a total of ₱1.14 billion for all common stockholders of record as of May 11, 2022 payable on June 02, 2022. The Group has remaining unpaid cash dividend amounting to ₱21.09 million as of September 30, 2023.

On April 22, 2022, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.0004 per share or a total of ₱3.2 million for all preferred stockholders of record as of May 11, 2022 payable on June 02, 2022. The Group has remaining unpaid cash dividend amounting to ₱0.32 million as of September 30, 2023.

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, 2023 and December 31, 2022.

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, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Loans payable (Note 17)	**₱39,754,428**	₱32,849,484
Bonds payable (Note 18)	**35,183,730**	41,132,786
	74,938,158	73,982,270
Total equity	**92,986,269**	91,502,741
Debt-to-equity ratio	**0.81 : 1.00**	0.81 : 1.00

20. General and Administrative Expenses

The account consists of:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
	(In Thousands)	
Salaries, wages and employee benefits	**₱623,799**	₱486,159
Repairs and maintenance	**245,892**	280,927
Taxes and licenses	**276,438**	236,835
Outside services	**151,294**	118,249
Depreciation and amortization	**65,080**	30,098
Electronic data processing charges	**64,067**	63,533
Communications, light and water	**39,779**	34,145
Transportation and travel	**28,833**	49,983
Retirement cost	**27,331**	31,123
Insurance	**27,200**	30,781
Office supplies	**14,216**	8,726
Entertainment, amusement and recreation	**10,307**	46,363
Rent (Note 12)	**7,012**	20,451
Dues and subscription	**1,812**	17,461
Others	**40,193**	24,459
	₱1,623,253	₱1,479,293

"Others" mainly consists of provision for doubtful accounts and other miscellaneous expenses.

21. Selling and Marketing Expenses

The account consists of:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
	(In Thousands)	
Brokers' commissions	**₱516,233**	₱501,819
Selling, advertising and promotions	**141,408**	111,052
Service fees	**145,623**	131,435
Salaries and wages	**81,301**	30,555
Sales office direct costs	**18,817**	79,906
Others	**2,943**	1,843
	₱906,325	₱856,610

22. 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, 2023 (Unaudited)	September 30, 2022 (Unaudited)
	(In Thousands)	
Interest income on:		
Contracts receivable	**₱124,817**	₱199,148
Cash and cash equivalents	**53,901**	43,919
Others	**13,454**	14,704
	₱192,172	₱257,771
Interest and other finance charges:		
Loans and bonds payable, net of interest capitalized	**₱1,432,632**	₱1,318,174
Lease liabilities, net of interest capitalized	**362,928**	321,789
Amortization of transaction costs of loans and bonds	**183,669**	157,972
Other finance charges	**3,116**	2,042
	₱1,982,345	₱1,799,977

23. 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 consolidated statement of profit or loss are:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
	(In Thousands)	
Current	**₱973,305**	₱474,707
Deferred	**(503,259)**	(92,878)
	₱470,046	₱381,829

24. 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.

Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Group uses a combination of internally generated funds and available long-term and short-term credit facilities.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities in case any requirements arise. Fund raising activities may include bank loans and capital market issues.

Under the current financial scenario, it is cheaper for the Group to finance its projects by drawing on its bank lines, tapping the local bond market and/or by rediscounting part of its receivables, to complement the Group's internal cash generation.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for its contract receivables and other receivables.

Credit risk is managed since the titles of the properties sold are retained by the Group until installment receivables are fully collected and the fair values of these properties held as collateral are sufficient to cover the carrying values of the installment contract receivable.

It is the Group's policy that buyers who wish to avail the in-house financing scheme be subjected to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk. Moreover, the Group has a mortgage insurance contract with Home Guaranty Corporation for a retail guaranty line.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and financial assets at FVTOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Set out below is the information about the credit risk exposure on the Group's contract receivables and contract assets using a provision matrix:

		September 30, 2023 (Unaudited)				
	Total	**Socialized**	**Low Affordable**	**Affordable**	**Middle Income**	**High-end**
				(In Thousands)		
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	**₱11,439,345**	**₱392,266**	**₱1,736,429**	**₱3,838,073**	**₱4,398,017**	**₱1,074,560**

		December 31, 2022 (Audited)				
	Total	Socialized	Low Affordable	Affordable	Middle Income	High-end
				(In Thousands)		
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	₱12,611,837	₱496,215	₱1,798,591	₱4,251,894	₱4,986,835	₱1,078,302

The Group has outstanding purchase agreements with financial institutions whereby the Group sold its contracts receivable with a provision that the Group should buy back these receivables in case these become overdue for two to three consecutive months or when the contract to sell has been cancelled.

Based on the Group's experience, the said assets are highly collectible or collectible on demand. The Group holds as collaterals the corresponding properties which the third parties had bought on credit. In few cases of buyer defaults, the Group can repossess the collateralized properties and resell them at the prevailing market price.

All financial assets are of high-grade credit quality. Based on the Group's experience, these assets are highly collectible or collectible on demand. The Group holds as collaterals for its installment contract receivables the corresponding properties, which the third parties purchased in installments.

As at September 30, 2023 and December 31, 2022, the analysis of contracts receivable that were past due but not impaired is as follows:

	Past due but not impaired					
	Less than 30 days	30 to 60 days	61 days to 90 days	91 days to 120 days	Over 120 days	Total
			(In Thousands)			
September 30, 2023	**₱569,846**	**₱270,851**	**₱198,832**	**₱152,211**	**₱628,441**	**₱1,820,181**
December 31, 2022	₱414,693	₱256,212	₱185,816	₱178,485	₱871,643	₱1,906,849

Interest Rate Risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's loans from various financial institutions which carry floating interest rates. To manage interest rate risk, the Group renegotiates the interest rates for certain long-term debts to convert them from fixed-rate debt to floating-rate debt as the Group believes that the current interest rate environment makes it more favorable to carry floating-rate debt.

Of the total ₱39.75 billion loans outstanding as of September 30, 2023, ₱9.47 billion are on floating rate basis. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, or the Group's annualized profit before tax through the impact on floating rate borrowings.

	Increase (decrease) in basis points	Effect on annualized income before income tax (In Thousands)
September 30, 2023	+200	₱189,395
	-200	(189,395)

Financial Instruments

The Company's principal financial instruments are composed of cash and cash equivalents, contract receivables, other receivables and long-term debt. The Company does not have any complex financial instruments like derivatives.

As of September 30, 2023 and December 31, 2022, the fair values of the Group's principal financial instruments follows:

	September 30, 2023 (Unaudited)		December 31, 2022 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
	(In Thousands)			
Cash and cash equivalents	**₱6,049,786**	**₱6,049,786**	₱6,619,135	₱6,619,135
Contracts receivables	**2,080,275**	**2,080,275**	2,128,881	2,128,881
Other receivables	**3,418,347**	**3,418,347**	2,902,006	2,902,006
Accounts payable and other accrued expenses	**20,561,771**	**19,393,519**	19,995,981	19,266,559
Long-term debt	**74,938,158**	**73,355,915**	73,982,270	70,747,837

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 6.94% as of September 30, 2023 and December 31, 2022.

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 3.80% to 6.86% and 4.21% to 6.12% as of September 30, 2023 and December 31, 2022, respectively.

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, 2023 and the year ended December 31, 2022.

25. EPS Computation

Basic/diluted EPS is computed as follows:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
	(In Thousands, Except per Share Data)	
Net income attributable to equity holders of the parent* (a)	**₱2,438,889**	₱2,000,963
Common shares issued	**24,470,708**	24,470,708
Less weighted average number of treasury stock	**220,949**	220,949
Weighted average number of common shares outstanding (b)	**24,249,759**	24,249,759
Earnings per share (a/b)	**₱0.10**	₱0.08

**After deducting the dividends for preferred shareholders (Note 19)- 2023: ₱2.88 million, 2022: ₱3.20 million*

There were no potential dilutive shares for the nine months ended September 30, 2023 and 2022.

26. 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, 2023 and December 31, 2022, 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, 2023 (Unaudited)	December 31, 2022 (Audited)
	(In Thousands)	
Due from related parties:		
Ultimate parent (b)	**₱552**	₱467
Parent (c)	**–**	3,172
Associates (d, h)	**350,543**	326,641
Other affiliates (e, g)	**154,699**	134,338
	₱505,794	₱464,618
Due to related parties:		
Parent (c)	**(₱451,125)**	(₱689,641)
Associates (d, h)	**(21,379)**	(9,603)
Other affiliates (e, g)	**(9,819)**	(55,020)
	(₱482,323)	(₱754,264)

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, 2023 and year ended December 31, 2022

The Group's plan assets in the form of cash equivalents amounting to ₱21.34 million as of September 30, 2023 and as of December 31, 2022 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 relates to sharing of common expenses.

c. Transactions with Parent Company (FDC)

The Parent Company charged FDC certain common expenses paid by the Parent Company on its behalf.

On December 12, 2022, FILRT entered into a Deed of Sale for the purchase of three (3) parcels of land with a total area of 29,086 sq.m. owned by FDC, located in Boracay, Aklan. The parties agreed to a total purchase price of ₱1,047.1 million, ₱314.1 million, representing 30% of purchase price, payable upon signing of the agreement and the remaining 70% amounting to ₱732.9 million payable in equal quarterly installment up to December 2024. The land and related liability were carried at present value of future cash flow amounting to ₱1,021.8 million and ₱683.3 million, respectively.

In 2009, Promax was appointed by FDC as the marketing agent to act for and on behalf of FDC in promoting the marketing and sale of the Beaufort project. Accordingly, FDC pays Promax a marketing fee equivalent to a certain percentage of the net selling price.

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 relates to sharing of common expenses and management fee for managing the buildings of FLI.

DPI
Transactions from DreamBuilders Pro, Inc. relates to sharing of common expenses and noninterest-bearing cash advances

FMI
Transactions with Filinvest Mimosa Inc. relates to sharing of common expenses.

CTI
Transactions with Corporate Technologies, Inc. relates to sharing of common expenses and service fee for information and technology services.

SPI
Transactions with Sharepro, Inc. relates 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 16). As of September 30, 2023 and December 31, 2022, the outstanding balance of the transferred retirement benefits amounted to ₱144.11 million.

e. *Transactions with Affiliates*

Transactions with affiliate relates to sharing of common expenses paid by the Parent Company on their behalf.

FILRT entered into a service agreement with FDC Retail Electricity Sales whereby FILRT shall engage and pay the services rendered by the latter to provide the electricity requirements of its facilities.

FILRT also entered into a service agreement with Professional Operations Maintenance Experts Incorporated. whereby FILRT shall 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 the its parking facilities.

f. The compensation of key management personnel consists of short-term employee salaries and benefits amounting to ₱29.83 million and ₱16.79 million for the nine months ended September 30, 2023 and 2022, respectively. Post-employment benefits of key management personnel amounted to ₱5.80 million and ₱3.36 million for the nine months ended September 30, 2023 and 2022, respectively.

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, 2023 and December 31, 2022, the amount included in lease liability payable to related parties is ₱5,814.4 million and ₱5,669.9 million, respectively (see Note 12).

27. Events after the Reporting Date

There were no significant events that occurred after balance sheet date.

28. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's interim 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 a 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 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, 2023 compared to nine months ended September 30, 2022

For the nine months ended September 30, 2023, FLI's consolidated net income increased by ₱535.96 million or 23.60%, from ₱2,270.71 million to ₱2,806.67 million. Retail leasing recovered by ₱450.47 million or 181.92% from previous year's loss, while the residential segment grew by ₱131.71 million or 10.09% which cushioned the decline in office leasing.

Revenues and other income

Total consolidated revenues and other income increased by ₱1,532.73 million or 10.80% year-on-year from ₱14,187.40 million in 2022 to ₱15,720.13 million in 2023 as residential and retail segments posted topline growth.

Real estate sales grew by ₱845.80 million or by 9.42% compared to prior year, from ₱8,981.85 million in 2022 to ₱9,827.65 million in 2023 mainly resulting from higher construction percentage of completion achieved during the period. Real estate sales booked during the year broken down by product type are as follows: Medium Income 66.1% (inclusive of MRB and HRB); Affordable and low affordable 25.0%; High-End and Others 6.1%; Socialized 2.7%.

Rental and related services increased by ₱676.14 million or by 14.45% against last year, from ₱4,680.22 million in 2022 to ₱5,356.37 million in 2023. Retail leasing demonstrated strong growth, increasing by ₱634.70 million or 57.04% from previous year which was hampered by Omicron during the earlier months. The growth was fueled by increased business activity, shopper traffic, and higher occupancy levels from new leases. Net effective rent improved as rental concessions are removed, and higher rental escalation rates were imposed upon lease renewal. On the other hand, office leasing faced challenges, with a decline of ₱76.01 million or 2.18%. Pre-terminations outpaced the new leases due to occupancy challenges from flexible work arrangements, delayed return-to-office set-up, and increasing competition. Co-living (dormitel segment) also registered its first revenue contribution of ₱115.27 million coming from the operations of The Crib Clark.

Equity in net earnings of associates increased by ₱94.72 million or by 202.89% year-on-year from ₱46.69 million in 2022 to ₱141.41 million in 2023 mainly due to share in net income from operations reported by FAI and SPI.

Interest income decreased by ₱65.60 million or by 25.45% compared to prior year, from ₱257.77 million in 2022 to ₱192.17 million in 2023 due to lower interest income derived from installment contract receivables. Bank-financed are now preferred over in-house financed sales schemes.

Other income decreased by ₱18.33 million or by 8.30% against last year from ₱220.87 million in 2022 to ₱202.54 million in 2023 due to lower income generated from miscellaneous services.

Costs and Expenses

Cost of real estate sales increased by ₱309.92 million or by 5.97%, year-on-year from ₱5,188.70 million in 2022 to ₱5,498.62 million in 2023 due to higher real estate revenues realized for the period.

Cost of rental services increased by ₱222.60 million or by 10.07% compared to prior year from ₱2,210.28 million in 2022 to ₱2,432.87 million in 2023 due mainly to higher direct operating expenses as a result of increased level of operations in the retail segment, cost of operating new office buildings, and the rise in power rates triggered by the Russia-Ukraine war.

Selling and marketing expenses increased by ₱49.72 million or by 5.80% year-on-year from ₱856.61 million in 2022 to ₱906.33 million in 2023 mainly due to increase in manpower overhead costs directly involved in various sales generation activities.

General and administrative expenses increased by ₱143.96 million or by 9.73% vs. last year from ₱1,479.29 million in 2022 to ₱1,623.25 million in 2023 primarily due to higher manpower costs, utilities, taxes and licenses, and repairs and maintenance on managed projects.

Interest and other finance charges

Interest and other finance charges increased by ₱182.37 million or by 10.13% compared to prior year from ₱1,799.98 million in 2022 to ₱1,982.35 million in 2023 due to additional loans and bonds payable and higher borrowing costs during the period.

Provision for Income Tax

Total provision for income tax increased by ₱88.22 million or 23.10% vs. last year from ₱381.83 million in 2022 to ₱470.05 million in 2023 due to higher income this year and reduction of income contribution of business operations with lower income tax rate over the regular corporate tax rate.

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

<u>Financial Condition as of September 30, 2023 compared to as of December 31, 2022</u>

As of September 30, 2023, FLI's total consolidated assets stood at ₱202.62 billion from the ₱200.12 billion balance as of December 31, 2022, an increase by ₱2,507.58 million or 1.25%. Following are the material changes in account balances:

8.60% Decrease in Cash and Cash Equivalents
Primarily due to additions to investment properties, property, and equipment and BTO rights and payments of interest, tempered by increased net cash provided by operating activities on account of increased collections and operating income.

9.30% Overall Decrease in Contract Receivables and Contract Assets
2.28% decrease in contract receivables; 10.72% decrease in contract assets (12.07% decrease in contract assets - current portion; 9.29% decrease in contract assets - net of current portion)
Mainly due to increased collections including receipt of bank takeouts and proceeds from portfolio sale.

17.79% Increase in Other Receivables
Mainly due to increase in rent receivable from tenants and advances for taxes and permits required for various residential and leasing projects.

39.40% Increase in Deferred Tax Assets
Mainly due to increased advance rentals.

5.01% Increase in Other Noncurrent Assets
Mainly due to additions in BTO Rights, advances to contractors and suppliers, and deposits.

11.58% Overall Decrease in Contract Liabilities
7.64% decrease in contract liabilities - current; 25.65% decrease in contract liabilities - net of current portion
Mainly due to increased collections from buyers whose accounts were previously not yet qualified for revenue recognition and due to collections from sale of contract assets/receivables to local banks.

36.05% Decrease in Due to Related Parties
Mainly due to partial payment by FILRT to FDC on the purchase of Boracay lot.

68.92% Increase in Income Tax Payable
Mainly due to the higher net income of the Group.

21.02% Overall Increase in Loans Payable
97.52% increase in loans payable - current portion; 5.46% decrease in loans payable - net of current portion

Mainly due to refinancing of maturing ₱6.0 billion FILRT bonds via bilateral loans during the first half of 2023.

14.46% Overall Decrease in Bonds Payable
39.93% decrease in bonds payable – current portion; 0.18% increase in bonds payable – net of current portion

Mainly due to payment of ₱6.0 billion FILRT bonds last January 2023.

Material Changes in Liquidity and Cash Reserves for the nine-month period ended September 30, 2023 versus September 30, 2022

FLI Group registered a net cash outflow of ₱569.35 million for the nine months ended September 30, 2023 mainly from net cash used in financing activities as a result of principal payments of loans and bonds and related interest offset by new loan availments. This was coupled with net cash used in investing activities tempered by net cash provided by operating activities.

Net cash generated by operating activities amounted to ₱6.99 billion compared to ₱1.64 billion net inflow in the same period last year mainly due to higher cash generated from operations and higher collection of receivables.

Investing activities used ₱3.66 billion cash during the period versus ₱5.13 billion in the same period last year mainly due to acquisitions of investment properties and property and equipment.

Financing activities used ₱3.91 billion primarily for payments of interests, principal debt (net of refinancing), cash dividends and due to related parties.

Net decrease in cash and cash equivalents as of September 30, 2023 resulted to ₱569.35 million which is ₱1.65 billion lower than the ₱2.21 billion decrease for the nine months ended September 30, 2022.

Performance Indicators

		September 30 2023	September 30 2022	December 31 2022
		(Unaudited)	(Unaudited)	(Audited)
1	Earnings per Share - Basic[1]	**0.10**	0.08	0.12
2	Earnings per Share - Diluted[2]	**0.10**	0.08	0.12
3	Price Earnings Ratio[3]	**4.62**	6.90	7.50
4	Interest-bearing Debt to Equity Ratio[4]	**0.81**	0.80	0.81
5	Debt Ratio[5]	**0.54**	0.54	0.54
6	EBITDA to Total Interest Paid [6]	**2.20**	2.05	2.27

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

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

[3] Price Earnings Ratio is computed as closing price of the Parent Company's shares of stock divided by annualized actual earnings per share for the periods ended September 30, 2023 and 2022 and December 31, 2022. Closing price as of September 30, 2023, September 30, 2022 and December 31, 2022 is 0.70, 0.88 and 0.90, 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 lien, encumbrance, tenants or informal settlers and 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, 2023, the Parent Company had a land bank of approximately 1,871.4 hectares of raw land for the development of its various projects, including approximately 201 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, 2023 are set out in the table below:

FLI Land Bank as of September 30, 2023
In Hectares

Location	Company Owned	Under Joint Venture	Total	% to Total
Luzon				
Metro Manila	34.4	–	34.4	1.8%
Rizal	711.6	9.2	720.8	38.5%
Bulacan	249.0	–	249.0	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	300.6	58.8	359.4	19.3%
Laguna	227.5	0.7	228.2	12.2%
Batangas	45.6	42.1	87.7	4.7%
	1,585.3	**135.7**	**1,721.0**	**92.2%**
Visayas				
Cebu	1.5	35.7	37.2	2.0%
Negros Occidental	4.5	–	4.5	0.2%
	6.0	**35.7**	**41.7**	**2.2%**
Mindanao				
Davao	6.3	29.6	35.9	1.9%
South Cotabato	69.6	–	69.6	3.7%
	75.9	**29.6**	**105.5**	**5.6%**
Total	**1,667.2**	**201.0**	**1,868.2**	**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 - Il Corso, the 10.6-hectare waterfront lifestyle strip; 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.

SRP 2
In July 2015, FLI, CPI and FAI (collectively referred to as "Filinvest Consortium") won the bidding for a 19.20-hectare lot in Cebu's SRP. Thereafter, on August 7, 2015, Filinvest Consortium entered a Deed of Sale on Installment (DSI) with the Cebu City Government. In a letter dated January 6, 2017, the Cebu City Mayor questioned the validity of the sale and gave the buyers the option to withdraw from the sale at buyer's discretion. In a letter to the Cebu City Mayor dated February 7, 2017 (the Letter), Filinvest Consortium expressed its intention to rescind the DSI. Under the DSI, Cebu City undertook to comply with several covenants, undertakings, and obligations no later than February 7, 2016 (or 180 days from execution of the DSI). The Letter pointed out that as of February 7, 2017, the said covenants, undertakings, and obligations have not been complied with and it does not appear that these will be complied with within a foreseeable reasonable period.

The rescission of the DSI shall only take effect upon return by Cebu City of the down payment and installment payments made to Cebu City by Filinvest Consortium, plus interests, within ninety (90) days from receipt of the Letter in accordance with Section 5.7 of the DSI. Pending receipt of such payments, the DSI shall remain valid and subsisting by and among the parties.

The 19.2-hectare property mentioned above is a separate property from the other two (2) properties within the SRP which were acquired from Cebu City: a) the 40-hectare property under a joint venture undertaking with Cebu City; and b) the 10-hectare property which was already paid in full by FLI to Cebu City.

On August 2, 2021, Filinvest Consortium informed Cebu City that the payments will be judicially consigned in accordance with law considering that to date, Cebu City has not yet returned the payments with interest, thus, the conditional rescission has already expired. In response, Cebu City issued a letter dated October 4, 2021 to FLI Consortium and insisted that the latter has no longer any debt to Filinvest Consortium as the

DSI was effectively rescinded. Cebu City reiterates its willingness to restitute the Filinvest Consortium of the amount it has already paid prior the rescission.

The Cebu City Government and Filinvest Consortium came to a resolution on January 8, 2022 with the full payment and the signing of the Deed of Absolute Sale. The Filinvest Consortium paid on December 17, 2021 the full amount of the purchase price of the lot plus the accumulated interest for the unpaid installments since 2017. Accordingly, the matter has been resolved.
On October 7, 2020, Filinvest Consortium sold a portion of its property by reducing the area to 16.2 hectares. Prior to sale, Filinvest Consortium have secured a Letter of No Objection ("LONO") from the Executive Department of the City for the sale of the property

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. Land development has been completed in the first phase of the industrial and logistics park and has welcomed its first locator. The township will also have commercial and residential components.

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

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

Manna East, a 60-hectare modern Filipino themed affordable and middle-income community in Teresa, Rizal. Housing construction is ongoing for New Fields Phase 1 (launched Jan 2018). Land development is ongoing in Futura Plains (launched July 2019). FLI launched Phase 2 in September 2022.

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.

Recent Land Acquisitions

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.

In 2021, FLI acquired from various third-party sellers the parcels of land in Davao City, Dumaguete, Rizal and Taguig.

Leased Land

The Company has subsisting lease agreements for the lease of certain real properties, the terms of which are summarized below:

	Leased Property	Lessor	Lessee	Amount of Lease Payments	Expiration Date	Terms of Renewal Options
1	2,700 square meter portion of a parcel of land at Westgate Center, Commerce Avenue corner Filinvest Avenue, Filinvest City, Alabang, Muntinlupa	Filinvest Alabang, Inc.	Filinvest Land, Inc.	Minimum monthly rental amounting to Php250.00 per square meter, subject to 5% escalation per annum, or 5% of the gross revenues, whichever is higher, computed at the end of the calendar year.	January 11, 2035	Lessee with option to renew for additional terms of 3 years for each extension, on mutually acceptable terms and conditions
2	2,381 square meter parcel of land located at 167 EDSA, Mandaluyong City	Bountiful Realty & Development Corporation	Filinvest Land, Inc.	Php200.00 per square meter, exclusive of 12% VAT (for lessee's account), or an aggregate of Php476,200.00 per month, subject to an annual escalation rate ranging from 5% to 10%.	September 30, 2036	Renewable on mutually acceptable terms and conditions
3	179,989 square meter aggregate area of parcels of land located in Filinvest City, Alabang, Muntinlupa	Filinvest Alabang, Inc.	Filinvest Land, Inc.	Minimum monthly rental amounting to Php80.00 per square meter, subject to 5% escalation per annum, or 10% of the gross revenues of the Festival Mall and its expansion, whichever is higher, computed on an annual basis.	September 30, 2056	Renewable for another 25 years on mutually acceptable terms and conditions
4	Approximately 36-hectare portion of the parcel of land located at the Mimosa Leisure Estate, Clark Freeport Zone, Pampanga	Filinvest Mimosa, Inc.	Filinvest Cyberzone Mimosa, Inc.	Monthly minimum guaranteed lease (MMGL) amounting to Php6,424,501.04 Annual minimum guaranteed lease (AMGL) amounting to 77,094.012.42 The AMGL is subject to a 10% increase starting on year 6 and every 3 years thereafter.	April 22, 2066	Renewable upon mutual agreement of the parties, but subject to such new terms and conditions as may then be mutually agreed upon and subject to the prior written approval and consent of Clark Development Corporation

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 the Filinvest City to serve the demand for housing of the growing number of professionals working within Filinvest City and in the nearby Madrigal Business Park. 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. Studio Tower 5 is under construction.

The Levels
Located at one of the highest points of Filinvest City at around 23 meters above sea level, The Levels is a one-block, four (4)-tower residential condominium development that features laidback suburban living inside a fast-paced business district. The residential development is set in a tropical landscape, with four (4) towers uniquely designed with terracing levels, giving it a castle-effect look. The high-rise sections will be set in lush greenery, providing residents with views of the gardens. The second tower is currently under construction.

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

The Levels, Studio City and Studio N are located within the Filinvest City, residents will enjoy proximity to Festival Supermall, Westgate Center, Northgate Cyberzone, Asian Hospital and Medical Center, and other commercial, educational, and medical institutions.

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

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

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

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

Studio 7

Studio 7 is a mixed-use development that will have office and residential towers complemented with retail outlets, located in Quezon City along EDSA very close to the GMA-Kamuning MRT station. Studio 7 will have studios as well as one-bedroom residential units. This is under construction and about 98% complete.

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 (2) of the metro's most vital thoroughfares. Activa connects to the north and south via EDSA, and to the east and west via Aurora Boulevard. It also has direct access to the MRT and LRT lines, and accessible by various modes of transportation like buses and jeepneys. The project was recognized and awarded by Dot Property as the best Mixed-Use Development for 2019 for its mixed-use concept which blends in key components such as convenience, flexibility, entertainment, and leisure. This is under construction.

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

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

PROJECT	LOCATION
HORIZONTAL	
Amarilyo Crest	Rizal
Pineview	Cavite
Sandia	Batangas
Tierra Vista	Bulacan
The Grove	Rizal
Savannah Place	Cavite
Futura Homes Palm Estates	Bacolod
Futura Homes Mactan	Cebu
Futura Homes Iloilo	Iloilo
Futura Homes Koronadal	South Cotabato
Anila Park Residences	Rizal
Aria at Serra Monte	Rizal
The Prominence	Quezon City
Futura Homes Davao	Davao
New Fields at Manna	Rizal
Meridian Place	Cavite
Valle Dulce	Laguna
Ventura Real	Rizal
Claremont Expansion	Pampanga
Southwinds	Laguna
Futura Zamboanga	Zamboanga
Enclave	Muntinlupa
Kembali Coast	Davao
New Leaf	Cavite
Mira Valley	Rizal
Hampton Orchard	Pampanga
Futura Mira	Calamba
Futura Plains	Rizal

PROJECT	LOCATION
MRB	
One Oasis Cebu	Cebu
One Oasis Cagayan de Oro	Cagayan de Oro
Panglao Oasis	Taguig
One Spatial	Pasig
San Remo	Cebu
Centro Spatial	Davao
One Spatial Iloilo	Iloilo
Marina Spatial	Dumaguete
8 Spatial	Davao
Maui Oasis	Manila
Alta Spatial	Valenzuela City
Bali Oasis	Pasig
Maldives Oasis	Davao
Sorrento Oasis	Pasig
Veranda	Davao
Futura East	Cainta
Centro Spatial	Manila
Belize	Muntinlupa
Futura Vinta	Zamboanga
Futura Monte	Naga City
Futura One Dagupan	Pangasinan
Futura Bay Gensan	General Santos City
HRB	
Activa	Quezon City
Levels	Alabang
Studio City	Alabang
Studio N	Alabang

PROJECT	LOCATION	PROJECT	LOCATION
Tropics 4	Cainta		
New Fields at Manna	Rizal		
Alta Vida 4&5	Bulacan		
Rosewood Place	Cavite		
The Arborage C	Laguna		

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 2023, FLI intends to retain its dominant position as the leader in MRB projects by launching 3 new projects nationwide and 9 additional buildings of existing projects. Aside from the MRBs, FLI has pipelined 12 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 home owners and ultimate end-users.

Leasing Segment

The Company has a significant leasing portfolio comprising mostly commercial office and retail developments, including thirty four (34) 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. As of September 30, 2023, the Company has a portfolio of 573,930 sq.m. of leased office space comprising major international BPO tenants and 256,830 sq.m. of retail space. 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.

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	• 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	• Robinson Supermarket • Watsons, Ace Hardware • Anytime Fitness • Starbucks, Coffee Bean & Tea Leaf • Beside Bacoor City Hall
Il Corso	City di Mare, Cebu	34,000	• 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 ,2023, the Marina Town Mall located in Dumaguete and the Lifesyle Mimosa Mall in Clark Mimosa Pampanga are under construction. The Company has no plans to acquire any additional shopping malls, but intends to undertake commercial and retail projects to complement its residential developments in selected areas.

Mall Locators

In the Philippines, many major shopping malls have been developed by companies which also own large retail operations that to comprise a large chunk of the leasable area. The Company does not own any retail operations. Because the Company and its affiliates are focused primarily on real estate development and finance, the Company believes that this gives its Filinvest 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 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 six (6) months' rent and to pay rent on a monthly basis. Tenants pay rents that are either fixed or are comprised of a base rent plus a variable portion ranging from 1.5% to 15.0% of the tenants' sales revenues. Typically, tenants operating restaurants and other dining establishment 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, 2023, the Group owns commercial office spaces for lease to several BPO and other office locators with total gross leasable space of 573,930 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	366,669
Metro Manila outside of Filinvest City	7	122,668
Outside Metro Manila	7	86,602
Total	**34**	**573,930**

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.
- 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: BPOoffice tower, a traditional office tower, residential tower, retail mall, and lease accommodation or WFH studios for lease. The designs for the BPO office and mall portions are pre-certified with LEED Gold rating.
- Studio 7 is a two (2)-tower mixed-use complex comprising of residential and office buildings on a retail andparking podium. Located along major thoroughfare EDSA in Quezon City, it is strategically located close tothe GMA Kamuning Metro Rail Transit 3 Station and is a pre-certified LEED Silver 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.

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 a small number 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 7% of total office space in aggregate, are usually for terms of minimum three (3) to five (5) years with six (6) months deposit and six (6) months advance rent (to be applied at the end of the lease term but these are payable upfront upon handover) for such tenants.

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

FLI's current tenants include Top Multinational BPO Companies - which are some of the most recognized players in the BPO space. FLI enjoys relatively high repeat business from its existing clients with about

90% of its current tenants being original tenants who have opted to either renew or extend their respective lease contracts, suggesting the company's strong ability to retain quality lessees.

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

New Leasing Formats

Dormitels - The Crib Clark located in the Clark Mimosa Leisure estate serves as temporary living accommodations for employees within the Clark Economic Zone. The dormitels are branded as "The Crib" and the Company built four (4) dormitel buildings with each offering around 800 beds.

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

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

<u>Socialized Housing</u>
Socialized housing is marketed under FLI's "Pabahay" brand, with lots typically priced at up to ₱160,000 per lot and housing units typically priced at up to ₱580,000 per unit. FLI's socialized housing comprises large-scale, mass- housing projects that have historically ranged in size from approximately six to 55 hectares and have been developed in phases typically comprising 1,000 lots of 35 to 50 sq.m. each, organized in clusters of front-expandable row houses with supporting amenities and facilities. Government regulations generally require developers to allocate at least 5% to 20% of their subdivision development activities (by either area or cost) for socialized housing units, although this requirement can also be satisfied through alternative means. Buyers of socialized housing projects are eligible to obtain financing from the Government's Pag-IBIG Fund. Maximum sales prices for FLI's socialized housing products do not exceed

Government-mandated ceilings of ₱580,000 per unit and income realized from the development and improvement of socialized housing sites are exempt from taxation. See "Regulatory and Environmental Matters."

Affordable/Middle-Income Housing

Affordable housing is marketed under FLI's "Futura Homes" brand, with lot-only prices ranging from ₱ 160,000 to ₱750,000 and per-unit prices for housing units ranging from ₱580,000 to ₱l,500,000. Affordable housing developments typically range from two (2) hectares to twenty-six (26) hectares and have been developed in phases typically comprising approximately 300 lots each. Houses typically have a floor area of approximately 40 sq.m., with a lot size generally between 80 to 150 sq.m. Homes in this sector are designed and constructed with the capacity and structural strength to allow the owner to construct an additional story, which can double the available floor area. Affordable housing developments are generally located in the provinces bordering Metro Manila, including Rizal, Pampanga, Bulacan, Laguna, Batangas and Cavite, and in key regional cities such as Tarlac, Cebu, Iloilo, Cotabato, Palawan, Negros, Zamboanga and Davao. Construction of a house is usually completed approximately three months from the receipt date of the final installment of the required down payment.

The Company markets its middle-income housing under the "Filinvest Aspire" brand, with lot-only prices ranging from ₱750,000 to ₱1,200,000 and per-unit prices for housing units ranging from ₱1,500,000 to ₱ 4,000,000. Historically, FLI's middle-income housing developments have ranged in size from approximately five (5) to forty-six (46) hectares and have been developed in phases typically comprising approximately 150 lots of 150 to 300 sq.m. each. Middle-income housing developments are typically located within Metro Manila, nearby providences such as Rizal, Tarlac, Cavite, Pampanga and Laguna, and major regional urban centers in Cebu, Palawan, Butuan, Cagayan de Oro, Davao, and Zamboanga. A typical home in the middle-income projects has two (2) stories. Houses in this sector are designed and constructed with the capacity and structural strength to allow the owner to add extensions to the existing structure. Construction of a house is usually completed approximately nine (9) to twelve (12) months from the receipt date of the final installment of the required down payment.

High-end Housing

The Company markets its high-end housing developments under the "Filinvest Prestige" brand, with lots priced at above ₱1,200,000 each, and per-unit prices for housing units above ₱4,000,000. The Company also markets high-end housing projects under the "Filigree" brand for its more exclusive developments. Historically, the Company's high- end housing developments have ranged in size from approximately 5 to 25 hectares and have been developed in phases typically comprising approximately 35 to 300 lots of 250 to 1,000 sq.m. each. High-end housing developments are typically located within Metro Manila and in areas immediately outside Metro Manila and in major regional urban centers in Cebu. A typical home in a high-end housing project has two (2) stories. Homes in this sector are designed and constructed with the capacity and structural strength to allow the owner to add extensions to the existing structure. Construction of a house is usually completed approximately nine (9) to twelve (12) months from the receipt date of the final installment of the required down payment.

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 has 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 32 MRB projects with more than 100 buildings throughout Luzon, Visayas and Mindanao.

<u>High-Rise Buildings ("HRBs")</u>
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.

<u>Condotels</u>
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 ForaQuest Hotel Tagaytay. On May 17, 2023, the Securities and Exchange Commission (SEC) issued the Certificate of Permit to Offer Securities for the sale of the Certificates of Participation in Quest Hotel Tagaytay project.

<u>Residential Farm Estates</u>
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 of Laeuna de Taal is the Lake Club, a lakeside amenity designed for wellness, recreation and events. Kembali Coast is an Asian-Balinese inspired beachfront residential development with a 1.8-kilometer beach, providing seaside resort-style living in the Mindanao area. Kembali has a total land area of 50 hectares while the Laeuna de Taal project has a total land area of 60 hectares.

Other Infrastructure

District Cooling System

FLI has also partnered with Engie Services Philippines pursuant to a 60:40 joint venture to develop 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 Php 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 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, 2023, 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, 2023, 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, 2022 (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, 2022.

4. On known trends, events or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations of FLI, the Covid-19 global pandemic.

   <u>COVID-19 Pandemic</u>

   The Group continues to abide by and comply with all rules and regulations issued by the government in relation to the COVID-19 pandemic. In line with applicable rules and regulations, the said risks are mitigated by business continuity strategies set in place by the Group.

5. 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.

6. There are no changes in estimates of amounts reported in prior year (2022) that have material effects in the current interim period.

7. 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.

8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, and Financial Risk Exposures, there are no material events subsequent to September 30, 2023 up to the date of this report that have not been reflected in the financial statements for the interim period.

9. There are no changes in contingent liabilities or contingent assets since December 31, 2022.

10. There are no material contingencies and any other events or transactions affecting the current interim period.

11. 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 have not been paid within the stated trade terms.

12. There are no significant elements of income that did not arise from the Group's continuing operations.

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

14. Except for those discussed above, there are no material changes in the financial statements of the Group from December 31, 2022 to September 30, 2023.

15. 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.

16. Other information

17. Please refer to Annex C for the Aging Schedule for the Group's receivables as of September 30, 2023. Annex D are Supplementary Information and Disclosures required on SRC rules 68 and 68.1 as amended for the months ended September 30, 2023.

18. There is no other information required to be reported that have not been previously reported in SEC Form 17-C.

FILINVEST LAND, INC. AND SUBSIDIARIES
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Schedule A.	Financial Assets
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Annex A

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Retained Earnings Available for Dividends Declaration
September 30, 2023
(Amounts in thousands)

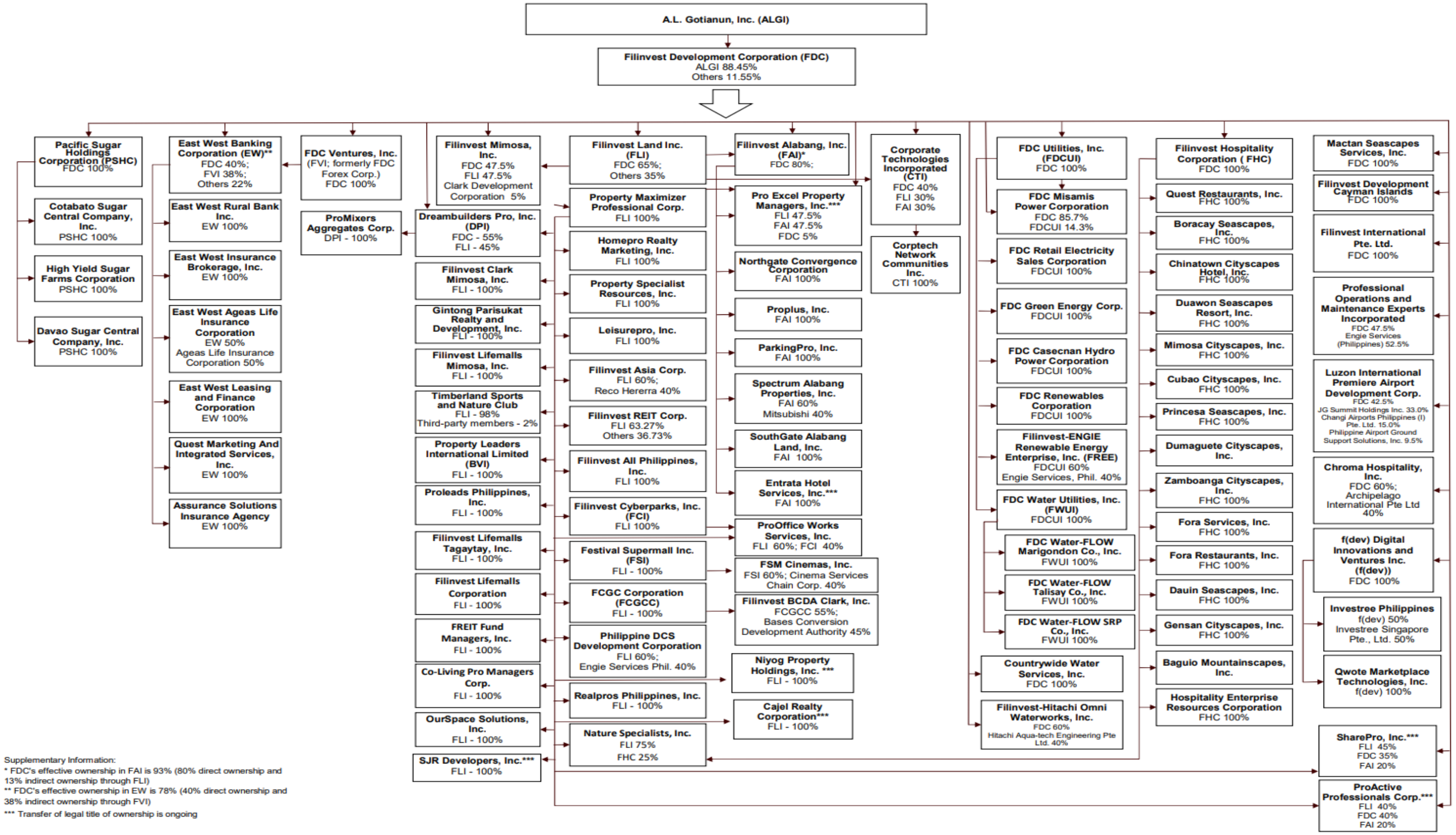
Unappropriated Retained Earnings, January 1, 2023		**₱47,486,649**
Net income based on the face of financial statements	**2,680,463**	
Add: Non-actual/unrealized losses net of tax		
Movement in deferred tax assets	**(18,871)**	
Net income actual/realized		**2,661,592**
Less: Dividend declarations during the year		**(875,871)**
Less: Appropriations for business expansion		–
Unappropriated Retained Earnings, as adjusted, September 30, 2023		**₱49,272,370**

Annex B

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, 2023

A.L. GOTIANUN, INC.
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES
(As of September 30, 2023)



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

Annex C

FILINVEST LAND, INC. AND SUBSIDIARIES

Aging of Receivables
September 30, 2023
(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	**₱9,359,070**	**₱569,846**	**₱469,683**	**₱152,211**	**₱628,441**	**₱–**
Receivable from Financing Institutions	**260,094**	–	–	–	–	–
Sub-total	**9,619,164**	**569,846**	**469,683**	**152,211**	**628,441**	–
b) Other Receivables						
Receivables from tenants	**2,251,608**	–	–	–	–	**49,684**
Due from related parties	**505,794**	–	–	–	–	–
Advances to officers and employees	**385,290**	–	–	–	–	–
Receivables from homeowners' associations	**273,701**	–	–	–	–	**15,864**
Receivables from buyers	**6**	–	–	–	–	–
Others	**1,948**	–	–	–	–	–
Sub-total	**3,418,347**	–	–	–	–	**65,548**
	₱13,037,511	**₱569,846**	**₱469,683**	**₱152,211**	**₱628,441**	**₱65,548**

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, 2023

Below is the detailed schedule of the Group's financial assets in equity securities as of September 30, 2023:

Name of Issuing entity and association of each issue	Number of Shares	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at end of year	Income Received and Accrued
	(In Thousands Except Number of Shares)			
Financial assets at FVOCI				
Quoted:				
Philippine Long Distance Telephone Company	26,100	₱261	₱261	₱–
Manila Electric Company (MERALCO)	1,153,694	6,197	6,197	–
		6,458	6,458	–
Unquoted:				
The Palms Country Club, Inc.	1,000	₱3,060	₱3,060	₱–
Cebu Country Club	1	6,017	6,017	–
		9,077	9,077	–
		₱15,535	₱15,535	₱–

The Group's investment in MERALCO is an unlisted preferred shares acquired in connection with the infrastructure that it provides for the Group's real estate development projects. These are carried at cost less impairment, if any.

Schedule B

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
September 30, 2023

As of September 30, 2023, 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, 2023

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of September 30, 2023. All are noninterest-bearing and to be settled within the year:

	Volume of Transactions		Receivable (Payable)
		(In Thousands)	
Filinvest Cyberzone Mimosa, Inc. (FCMI)	Share in Expenses	(1,271,195)	₱3,076,436
Filinvest Cyberparks, Inc. (FCI)	Share in expenses	615,947	1,773,671
Homepro Realty Marketing, Inc. (Homepro)	Share in expenses	(99,350)	713,033
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Share in expenses	34,848	612,850
Property Maximizer Professional Corp. (Promax)	Share in expenses	166,015	218,798
Property Maximizer Professional Corp. (Promax)	Marketing Fee Expenses	(24,819)	–
Filinvest BCDA Clark, Inc. (FBCI)	Share in expenses	(33,751)	85,854
Nature Specialists, Inc. (NSI)	Share in expenses	12,596	84,704
SJR Developers	Share in expenses	34,019	34,019
FCGC Corporation (FCGCC)	Share in expenses	(259,954)	29,284
Proleads Philippines, Inc. (PPI)	Share in expenses	282	27,831
Gintong Parisukat Realty and Development Inc. (GPRDI)	Share in expenses	1,667	24,918
Timberland Sports and Nature Club, Inc. (TSNC)	Share in expenses	183	19,691
Realpros Philippines, Inc. (RPI)	Share in expenses	(77)	15,154
Co-Living Pro Managers Corp. (CPMC)	Share in expenses	2,700	11,016
Property Specialist Resources, Inc. (Prosper)	Share in Expenses	989	8,409
Filinvest AII Philippines, Inc. (FAPI)	Share in expenses	3,539	8,301
Leisurepro, Inc. (Leisurepro)	Share in expenses	97	6,669
Niyog Property Holdings Inc	Share in expenses	1,395	1,395
Festival Supermall, Inc. (FSI)	Share in expenses	998	998
OurSpace Solutions, Inc. (OSSI)	Share in expenses	136	589
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Share in expenses	319	529
Cajel Realty Corporation	Share in expenses	449	449
ProOffice Works Services, Inc. (ProOffice)	Share in expenses	295	389
Filinvest Asia Corporation (FAC)	Share in expenses	359	358
FREIT Fund Managers, Inc. (FFMI)	Share in expenses	128	351
Philippine DCS Development Corporation (PDDC)	Share in expenses	119	260
Filinvest Lifemalls Corporation (FLC)	Share in expenses	139	228
Property Leaders International Limited (PLIL)	Share in expenses	–	111
FSM Cinemas, Inc. (FSMC)	Share in expenses	106	109
			₱6,756,404

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, 2023

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

	Balance at Beginning of Year	Additions	Collections	Balance as of September 30, 2023
Filinvest Cyberzone Mimosa, Inc. (FCMI)	₱4,347,631	₱230,308	(₱1,501,503)	₱3,076,436
Filinvest Cyberparks, Inc. (FCI)	1,157,724	615,947	–	1,773,671
Homepro Realty Marketing, Inc. (Homepro)	812,383	6,631	(105,981)	713,033
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	578,365	34,484	–	612,850
Property Maximizer Professional Corp. (Promax)	77,602	141,196	–	218,798
Filinvest BCDA Clark, Inc. (FBCI)	119,605	2,364	(36,115)	85,854
Nature Specialists, Inc. (NSI)	72,109	12,596	–	84,704
SJR Developers	–	34,019	–	34,019
FCGC Corporation (FCGCC)	289,238	46	(260,000)	29,284
Proleads Philippines, Inc. (PPI)	27,548	282	–	27,831
Gintong Parisukat Realty and Development Inc. (GPRDI)	23,251	1,667	–	24,918
Timberland Sports and Nature Club, Inc. (TSNC)	19,508	183	–	19,691
Realpros Philippines, Inc. (RPI)	15,231	14	(91)	15,154
Co-Living Pro Managers Corp.	8,316	2,700	–	11,016
Property Specialist Resources, Inc. (Prosper)	7,420	1,169	(180)	8,409
Filinvest AII Philippines, Inc. (FAPI)	4,761	3,539	–	8,301
Leisurepro, Inc. (Leisurepro)	6,572	97	–	6,669
Niyog Property Holdings Inc	–	1,395	–	1,395
Festival Supermall, Inc. (FSI)	–	998	–	998
OurSpace Solutions, Inc.	454	136	–	589
Filinvest Lifemalls Mimosa, Inc. (FLMI)	211	319	–	529
Cajel Realty Corporation	–	449	–	449
ProOffice Works Services, Inc. (ProOffice)	93	295	–	389
Filinvest Asia Corporation (FAC)	–	359	–	358
FREIT Fund Managers, Inc. (FFMI)	223	128	–	351
Philippine DCS Development Corporation (PDDC)	141	119	–	260
Filinvest Lifemalls Corporation (FLC)	89	139	–	228
Property Leaders International Limited (PLIL)	111	–	–	111
FSM Cinemas, Inc.	3	106	–	109
	₱7,568,589	**₱1,091,685**	**(₱1,903,870)**	**₱6,756,404**

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.

Schedule D

FILINVEST LAND, INC. AND SUBSIDIARIES
Supplementary Schedule of Intangible Assets – Other Assets
September 30, 2023

As of September 30, 2023, the Group's intangible assets consist of Goodwill and BTO Rights. Intangible assets in the Group's consolidated statements of financial position amounted to ₱10,420.80 million.

	September 30 2023 (Unaudited)	December 31 2022 (Audited)
	(In Thousands)	
Goodwill	**4,567,242**	4,567,242
BTO rights	**5,853,558**	5,501,568
	10,420,800	10,068,810

Schedule E

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Long-term Debt
September 30, 2023

Below is the schedule of long-term debt of the Group:

Type of Obligation	Amount	Current	Noncurrent
	(In Thousands)		
Developmental loans			
Unsecured loan obtained in October 2016 with interest rate equal to 4.47% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in January 2019 and 50% is payable at maturity in October 2023.	₱367,449	₱367,449	₱–
Unsecured loan obtained in October 2016 with interest rate equal to 4.21% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in January 2019 and 50% is payable at maturity in October 2023.	682,384	682,384	–
Unsecured loan obtained in November 2016 with interest rate equal to 4.75% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 16 equal quarterly amortizations to commence in February 2020 and 50% is payable at maturity in November 2023.	212,500	212,500	–
Unsecured loan obtained in November 2016 with interest rate equal to 5.20% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 16 equal quarterly amortizations to commence in February 2020 and 50% is payable at maturity in November 2023.	265,587	265,587	–
Unsecured loan obtained in December 2016 with interest rate equal to 5.23% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% principal is payable in 16 equal amortizations to commence in March 2020 and 50% is payable at maturity in December 2023.	106,144	106,144	–
Unsecured loan obtained in June 2019 with interpolated rate of 5.21% per annum (fixed rate for 5 years), payable quarterly in arrears. 50% of principal is payable in 12 equal quarterly amortizations to commence in September 2021 and 50% is payable at maturity in June 2024.	1,246,713	1,246,713	–
Unsecured loan obtained in June 2019 with interpolated rate of 4.99% per annum (fixed rate for 5 years), payable quarterly in arrears. 50% of principal is payable in 12 equal quarterly amortizations to commence in September 2021 and 50% is payable at maturity in June 2024.	1,246,735	1,246,735	–
Unsecured loan obtained in June 2019 with interpolated rate of 4.84% per annum (fixed rate for 5 years), payable quarterly in arrears. 50% of principal is payable in 12 equal quarterly amortizations to commence in September 2021 and 50% is payable at maturity in June 2024.	1,870,101	1,870,101	–
Unsecured loan obtained in June 2019 with interpolated rate of 5.0513%, payable quarterly in arrears. The principal is payable at maturity on June 2024.	1,996,012	1,996,012	–
Unsecured loan obtained in June 2019 with interest rate equal to 91-day Bloomberg Valuation Service Rate (BVAL Rate) plus margins, payable quarterly in arrears. The 50% principal is payable in 12 equal quarterly amortizations to commence on September 2021 and 50% payable at maturity on June 2024.	312,500	312,500	–
Unsecured loan obtained in September 2019 with interest rate equal to 5.30% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable upon maturity in September 2024.	997,669	997,669	–
Unsecured loan obtained in September 2019 with interest rate equal to 5.21% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting December 2021 and the remaining 50% balance is payable in September 2024.	200,000	200,000	–
Unsecured loan obtained in September 2019 with interest rate equal to 5.11% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable upon maturity in September 2024.	997,677	997,677	–
Unsecured loan obtained in October 2019 with interest rate equal to 4.98% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in October 2024.	498,775	–	498,775

Type of Obligation	Amount	Current	Noncurrent
	(In Thousands)		
Unsecured loan obtained in October 2019 with interest rate equal to 5.18% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting January 2022 and the remaining 50% balance is payable in October 2024.	354,166	83,333	270,833
Unsecured loan obtained in November 2019 with interest rate equal to 5.01% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in November 2024.	1,000,000	–	1,000,000
Unsecured loan obtained in December 2019 with interest rate equal to 5.06% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting March 2022 and the remaining 50% balance is payable in December 2024.	212,500	50,000	162,500
Unsecured loan obtained in January 2020 with interest rate equal to 5.32% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting April 2022 and the remaining 50% balance is payable in January 2025.	375,000	83,333	291,667
Unsecured loan obtained in January 2020 with interest rate equal to 5.2540% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in April 2022 and 50% is payable at maturity in January 2025.	280,309	62,291	218,018
Unsecured loan obtained in January 2020 with interest rate equal to 5.2540% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in April 2022 and 50% is payable at maturity in January 2025.	318,750	70,833	247,917
Unsecured loan obtained in January 2020 with interpolated rate of 5.08% per annum (fixed rate for 5 years), payable quarterly in arrears. 50% of principal is payable in 11 equal quarterly amortizations to commence in April 2022 and 50% is payable at maturity in October 23 2024.	697,490	199,283	498,207
Unsecured loan obtained in February 2020 with interest rate equal to 5.02% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in February 2025.	300,000	–	300,000
Unsecured loan obtained in April 2020 with interest rate equal to 4.23% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in July 2022 and 50% is payable at maturity in April 2025.	231,818	54,545	177,273
Unsecured loan obtained in April 2020 with interest rate equal to 4.91% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in April 2025.	500,000	–	500,000
Unsecured loan obtained in May 2020 with interest rate equal to 4.75% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in May 2025.	279,118	–	279,118
Unsecured loan obtained in April 2020 with interest rate equal to 4.23% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in April 2025.	199,405	–	199,405
Unsecured loan obtained in July 2020 with interest rate equal 5.4898% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal installments starting October 2022 and the remaining 50% balance is payable in July 2025.	830,138	166,028	664,110
Unsecured loan obtained in July 2020 with interest rate equal 5.4101% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal installments starting October 2022 and the remaining 50% balance is payable in July 2025.	830,155	166,031	664,124
Unsecured loan obtained in October 2020 with interest rate equal to 4.75% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortization to commence in January 2023 and 50% is payable at maturity in October 2025.	522,536	232,238	290,298
Unsecured loan obtained in August 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in August 2026.	856,063	–	856,063
Unsecured loan obtained in September 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in September 2026.	995,228	–	995,228
Unsecured loan obtained in September 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in September 2026.	995,228	–	995,228

Type of Obligation	Amount	Current	Noncurrent
	(In Thousands)		
Unsecured loan obtained in September 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in September 2026.	646,898	–	646,898
Unsecured loan obtained in September 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in September 2026.	696,660	–	696,660
Unsecured loan obtained in November 2021 with interest rate equal to 4.75% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in November 2026.	1,243,874	–	1,243,874
Unsecured loan obtained in November 2021 with interest rate equal to 4.97% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in November 2026.	248,769	–	248,769
Unsecured loan obtained in November 2021 with interest rate equal to 4.98% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in November 2026.	497,536	–	497,536
Unsecured loan obtained in December 2021 with interest rate equal to 5.01% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in December 2026.	497,466	–	497,466
Unsecured loan obtained in December 2021 with interest rate equal to 5.01% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in December 2026.	200	–	200
Unsecured short term loan obtained in December 2022 with interest rate equal to 6.20% per annum, payable quarterly in arrears. The principal is payable at maturity in December 2023.	998,197	998,197	–
Unsecured loan obtained in February 2022 with interest rate equal to 5.50% per annum (fixed for 5 years), payable quarterly in arrears. The principal is payable at maturity in February 2027.	800,759	–	800,759
Unsecured loan obtained in December 2022 with interest rate equal to 3 months Bloomberg Valuation Service Rate (BVAL Rate) plus margins or 6% floor rate, payable quarterly in arrears. The principal is payable at maturity in December 2027.	993,688	–	993,688
Unsecured loan obtained in March 2022 with interest rate equal to 6.12% per annum (fixed for 5 years), payable quarterly in arrears. The principal is payable at maturity in March 2027.	99,900	–	99,900
Unsecured loan obtained in December 2022 with interest rate equal to 3 months Bloomberg Valuation Service Rate (BVAL Rate) plus margins or 6% floor rate, payable quarterly in arrears. The principal is payable at maturity in December 2027.	158,323	–	158,323
Unsecured loan obtained in February 2023 with interest rate equal to 5.79% per annum (fixed rate for 2 years), payable quarterly in arrears. The principal is payable at maturity in February 2025.	996,076	–	996,076
Unsecured loan obtained in February 2023 with interest rate equal to 5.82% per annum (fixed rate for 2 years), payable quarterly in arrears. The principal is payable at maturity in February 2025.	996,053	–	996,053
Unsecured loan obtained in January 2023 with interest rate equal to 5.94% per annum (variable rate for 2 years), repriceable every six months using six months Bloomberg Valuation Service Rate (BVAL Rate) plus margin or Reverse Repurchase Rate plus margin, whichever is higher, and payable quarterly in arrears. The principal is payable at maturity in January 2025.	2,990,524	–	2,990,524
Unsecured loan obtained in January 2023 with interest rate equal to 6.03% per annum (fixed rate for 2 years), payable quarterly in arrears. The principal is payable at maturity in January 2025.	2,990,524	–	2,990,524
Unsecured loan obtained in March 2023 with interest rate equal to 6.34% per annum (fixing period of 2 years and 3 years), payable quarterly in arrears. The principal is payable at maturity in March 2028.	104,313	–	104,313
Unsecured short term loan obtained in March 2023 with interest rate equal to 6.27% per annum, payable quarterly in arrears. The principal is payable at maturity in September 2023.	–	–	–
Unsecured short term loan obtained in May 2023 with interest rate equal to 5.94% per annum, payable quarterly in arrears. The principal is payable at maturity in November 2023.	499,486	499,486	–
Unsecured short term loan obtained in June 2023 with interest rate equal to 5.93% per annum, payable quarterly in arrears. The principal is payable at maturity in December 2023.	699,046	699,046	–

Type of Obligation	Amount	Current	Noncurrent
	(In Thousands)		
Unsecured short term loan obtained in May 2023 with interest rate equal to 6.08% per annum, payable quarterly in arrears. The principal is payable at maturity in February 2024.	499,802	499,802	–
Unsecured short term loan obtained in June 2023 with interest rate equal to 6.08% per annum, payable quarterly in arrears. The principal is payable at maturity in March 2024.	298,325	298,325	–
Unsecured short term loan obtained in June 2023 with interest rate equal to 5.84% per annum, payable quarterly in arrears. The principal is payable at maturity in June 2024.	499,036	499,036	–
Unsecured short term loan obtained in August 2023 with interest rate equal to **6.18%** per annum, payable quarterly in arrears. The principal is payable at maturity in July 2024.	500,000	500,000	–
Unsecured short term loan obtained in July 2023 with interest rate equal to 5.95% per annum, payable quarterly in arrears. The principal is payable at maturity in December 2023.	199,992	199,992	–
Unsecured short term loan obtained in July 2023 with interest rate equal to 6.08% per annum, payable quarterly in arrears. The principal is payable at maturity in March 2024.	398,876	398,876	–
Unsecured short term loan obtained in September 2023 with interest rate equal to 6.18% per annum, payable quarterly in arrears. The principal is payable at maturity in September 2024.	421,955	421,955	–
	₱39,754,428	**₱16,684,101**	**₱23,070,327**
Bonds			
Fixed rate bonds with aggregate principal amount of P7.0 billion issued by the Group on November 8, 2013. This comprised of P4.30 billion 7-year fixed rate bonds due in November 2020 with a fixed interest rate of 4.86% per annum, and P2.70 billion 10-year fixed rate bonds due in November 2023 with a fixed interest rate of 5.43% per annum.	₱2,697,998	₱2,697,998	₱–
Fixed rate bonds with aggregate principal amount of P7.0 billion issued by the Group on December 4, 2014. This comprised of P5.30 billion, 7-year fixed rate bonds due in December 2021 with a fixed interest rate of 5.40% per annum, and P1.70 billion, 10-year fixed rate bonds due in December 2024 with a fixed interest rate of 5.64% per annum.	1,697,271	–	1,697,271
Fixed rate bonds with aggregate principal amount of P8.00 billion issued by the Group on August 20, 2015. This comprised of P7.00 billion, 7-year fixed rate bonds due in August 2022 with a fixed interest rate of 5.36% per annum, and P1.00 billion, 10-year fixed rate bonds due in August 2025 with a fixed interest rate of 5.71% per annum.	996,844	–	996,844
Fixed rate bonds with principal amount of P6.00 billion and term of 5.5 years from the issue date was issued by the Company on July 7, 2017 to mature in January 2023 with fixed interest rate is 5.05% per annum.	–	–	–
Fixed rate bonds with aggregate principal amount of P8.1 billion issued by the Group on November 18, 2020. This comprised of P6.3 billion 3-year fixed rate bonds due in November 2023 with a fixed interest rate of 3.34% per annum, and P1.8 billion 5.5-year fixed rate bonds due in May 2026 with a fixed interest rate of 4.18% per annum.	8,080,472	6,323,725	1,756,747
Fixed rate bonds with aggregate principal amount of P10.0 billion issued by the Group on December 21, 2021. This comprised of P5.0 billion 4-year fixed rate bonds due in December 2025 with a fixed interest rate of 4.53% per annum, and P5.0 billion 6-year fixed rate bonds due in December 2027 with a fixed interest rate of 5.26% per annum.	9,912,363	–	9,912,363
Fixed rate bonds with aggregate principal amount of P11.90 billion issued by the Group on June 23, 2022. This comprised of P8.925 billion 3-year fixed rate bonds due in June 2025 with a fixed interest rate of 5.35% per annum, and P2.975 billion 5-year fixed rate bonds due in June 2027 with a fixed interest rate of 6.41% per annum.	11,798,782	–	11,798,782
	₱35,183,730	**₱9,021,723**	**₱26,162,007**
	₱74,938,158	**₱25,705,824**	**₱49,232,334**

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 F

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Indebtedness to Related Parties
September 30, 2023

This schedule is not applicable as there are no non-current indebtedness which exceed 5% of total assets as of September 30, 2023 and December 31, 2022.

Schedule G

FILINVEST LAND, INC. AND SUBSIDIARIES
Supplementary Schedule of Guarantees of Securities of Other Issuers
September 30, 2023

The Group does not have guarantees of securities of other issuers as of September 30, 2023.

Schedule H

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Guarantees of Capital Stock
September 30, 2023

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
			(In Thousands)			
Common Shares	33,000,000	24,249,760	−	16,147,682	51,819	8,050,259
Preferred Shares	8,000,000	8,000,000	−	8,000,000	−	−

Schedule I

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Bond Issuances – Securities Offered to the Public
September 30, 2023

	2015	2020	2021	2022
	8.0 Billion	8.1 Billion	10.0 Billion	11.9 Billion
Expected gross and net proceeds as disclosed in the prospectus				
Gross Proceeds	₱8,000,000,000	₱9,000,000,000	₱10,000,000,000	₱11,900,000,000
Less: Expenses	85,330,750	118,003	131,785,030	154,432,780
Net Proceeds	₱7,914,669,250	₱8,999,881,997	₱9,868,214,970	₱11,745,567,220
Actual gross and net proceeds				
Gross Proceeds	₱8,000,000,000	₱8,100,000,000	₱10,000,000,000	₱11,900,000,000
Less: Expenses	86,811,468	165,450,548	137,330,244	156,399,197
Net Proceeds	₱7,913,188,532	₱7,934,549,452	₱9,862,669,756	₱11,743,600,803
Expenditure items where the proceeds were used				
Land Acquisition	₱88,961,000	₱595,776,352	₱2,000,000,000	₱2,273,000,000
Project Development	2,888,760,022	693,494,229	532,498,565	597,600,803
Investment Property	4,935,467,510	2,104,200,033	1,753,544,108	273,000,000
Debt refinancing	-	4,356,621,959	5,308,627,083	8,600,000,000
General Corporate	-	184,456,880	268,000,000	–
Net Proceeds	₱7,913,188,532	₱7,934,549,452	₱9,862,669,756	₱11,743,600,803
Balance of the proceeds as of September 30, 2023				
Net Proceeds	₱7,913,188,532	₱7,934,549,452	₱9,862,669,756	₱11,746,600,803
Capital Expenses	7,913,188,532	3,577,927,493	4,554,042,673	3,143,600,803
Debt refinancing	–	4,356,621,959	5,308,627,083	8,600,000,000
Net Proceeds	₱–	₱–	₱–	₱–

FILINVEST LAND, INC. AND SUBSIDIARIES
Components of Financial Soundness Indicators
September 30, 2023

	September 30 2023	September 30 2022	December 31 2022
	(Unaudited)	(Unaudited)	(Audited)
Current Ratio[1]	**2.43**	3.88	2.53
Interest-bearing debt-to-Equity ratio,[2]	**0.81**	0.80	0.81
Debt Ratio[3]	**0.54**	0.54	0.54
EBITDA to Total Interest Paid[4]	**2.20**	2.05	2.27
Price Earnings Ratio[5]	**4.62**	6.90	7.50
Quick Asset Ratio[6]	**0.58**	1.05	0.62
Solvency Ratio[7]	**0.04**	0.04	0.05
Interest Coverage Ratio[8]	**2.65**	2.47	2.85
Net Profit Margin[9]	**0.18**	0.16	0.18
Return on Equity[10]	**0.04**	0.03	0.04
Asset-to-Equity Ratio[11]	**2.18**	2.19	2.19

[1]*Current Assets divided by Current Liabilities*

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

[3]*Total Liabilities divided by Total Assets*

[4]*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*

[5]*Closing price divided by Annualized Earnings per share*

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

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

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

[9]*Net Income divided by Gross Revenues*

[10] *Annualized Net Income divided by Total Equity*

[11] *Total 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:	**TRISTANEIL LAS MARIAS**
Title:	President and CEO
Date:	November 13, 2023
Signature:	**ANA VENUS A. MEJIA**
Title:	Executive Vice President and Chief Finance Officer
Date:	November 13, 2023
Signature:	**JANETH B. DE LOS REYES**
Title:	Deputy Chief Finance Officer
Date:	November 13, 2023

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 Plaza6th
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		12,264,019,339
Disbursements for Transaction Costs, Aug. 12- Sept. 30	-	132,542,601
Disbursements for Transaction Costs, Oct. 1- Dec. 31	-	1,571,600
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	-	4,948,244,238
Balance of IPO Proceeds as of August 11, 2022		0

Thank you.

Very truly yours,

ANA VENUS A. MEJIA
Chief Finance Officer

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)

CITY OF MANDALUYONG) S.S.

SEP 2 8 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. *Represented by:*	TIN:	
Ana Venus Mejia	Unified Multi Purpose ID CRN – 0003-8766880-6	

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.

JOVEN G. SAVELLANO
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

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FILINVEST LAND, INC.

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

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

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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**

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Building a better working world

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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. P1622490B, as competent evidence of her identity, bearing her photograph and signature, issued by the Department of Foreign Affairs Manila on 08 May 2019.

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Page No. 70;
Book No. 30;
Series of 2022.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-21 UNTIL DECEMBER 31, 2022
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
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