

## COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

c/o Atty. Sharon P. Pagaling-Refuerzo

Contact Person

7918-8188

Company Telephone Number

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Month

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Day

Fiscal Year

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FORM TYPE

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Month

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Day

Annual Meeting

Secondary License Type; If Applicable

C	F	D
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Dept. Requiring this Doc.

Amended Articles Number / Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

\_\_\_\_\_ Cashier

## STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER


1. October 20, 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number 170957 3. BIR Tax Identification No. 000-533-224
4. FILINVEST LAND, INC.  
Exact name of issuer as specified in its charter
5. Philippines  (SEC Use Only)  
Province, country or other jurisdiction of incorporation Industry Classification Code:
7. No. 79 EDSA, Highway Hills, Mandaluyong City, Metro Manila 1550  
Address of principal office Postal Code
8. (632) 7918-8188  
Issuer's telephone number, including area code
9. Not applicable  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Stock Outstanding |
|---------------------|---------------------------------------|
| <b>Common</b>       | <b>24,249,759,506</b>                 |
| <b>Preferred</b>    | <b>8,000,000,000</b>                  |
11. Indicate the item numbers reported herein: Item 9
- Please see attached PhilRatings Ratings News.

SIGNATURES

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

FILINVEST LAND, INC.  
Issuer

Date October 20, 2021

  
**SHARON P. PAGALING-REFUERZO**  
Corporate Secretary and  
Corporate Information Officer

### **Filinvest Land, Inc.'s Proposed P10.0 Billion Bonds Rated PRS Aaa**

Philippine Rating Services Corporation (PhilRatings) assigned an Issue Credit Rating of **PRS Aaa** to Filinvest Land, Inc. (FLI) proposed P8.0 billion Bond Issuance, with an Oversubscription Option of up to P2.0 billion. It also maintained the **PRS Aaa** Issue Credit Rating for each of the outstanding bonds of FLI, with a total amount of P25.8 billion.

Obligations rated **PRS Aaa** are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. **PRS Aaa** is the highest rating assigned by PhilRatings.

Each of the ratings was also assigned an Outlook of **Stable**. An Outlook is an indication as to the possible direction of any rating change within a one year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators, and the general public. A **Stable** Outlook is defined as: "The rating is likely to remain unchanged in the next twelve months."

The assigned issue credit ratings take into account the following key considerations: (1) FLI's established brand name and track record, with geographically diverse real estate products and substantial land bank for future expansion; (2) its sound growth strategies, focused on building a balanced mix of real estate sales and recurring income; (3) its muted earnings in view of the current pandemic crisis, counterbalanced by positive cash flows; and (4) the subdued industry performance given the lingering economic and market uncertainty caused by the COVID-19 pandemic.

PhilRatings' ratings are based on available information and projections at the time that the rating process was on-going. PhilRatings shall continuously monitor developments relating to FLI and may change the rating at any time, should circumstances warrant a change.

FLI is the real estate arm of the Gotianun-owned Filinvest Development Corporation (FDC). As of end-June 2021, FDC owns 64.9% of the Company. FDC is one of the country's leading conglomerates, with interests in property, banking services, power, sugar, and infrastructure.

The Company has over 50 years of real estate experience, has developed over 2,500 hectares (ha.) of land, and has provided homes for over 200,000 families. It has a presence in 55 cities and towns in 22 provinces in the Philippines. FLI offers a wide range of real estate products, from socialized and affordable housing to middle-income and high-end housing, various types of subdivision lots, medium-rise and high-rise residential buildings, farm estates, industrial parks, residential resort projects, condotels, and condominium buildings. In addition, it leases out office and commercial space in numerous locations across the country.

As of end-June 2021, FLI had a land bank of approximately 1,854.5 ha of raw land, including approximately 201 ha of land under joint venture agreements which are sufficient to sustain several years of real estate development and sales.

For its real estate business, FLI will continue its focus on mass market housing products in the affordable and middle-income segments which account for 50% of housing demand across the country. For its leasing business, on the other hand, FLI continues to build its pipeline of leasing projects for both its retail and office-building portfolio to generate recurring revenues. While the bulk of FLI's income continues to be generated by its real estate sales segment, the Company pursued extensive efforts and allocated significant resources to expand its recurring income business to provide for more sustainable revenue streams. This is expected to serve the company in good stead moving forward as a more significant recurring income base provides FLI with continued receipts amidst the cycles of the industry.

In terms of profitability, the Company posted declines in both its total revenues and total net income in 2020 and in the first half of 2021 (1H2021). In 2020, total revenues fell by 32.5% from P24 billion in 2019 to P16.2 billion due to lower revenues generated from both real estate and leasing segments in view of the pandemic. The foregoing resulted in 39.3% lower net income, moving from P6.5 billion in 2019 to P4 billion. In 1H2021, total revenues of FLI contracted by 6.8% from the P8.5 billion recorded in 1H2020 to P7.9 billion. While real estate sales grew by 10.5% to P5 billion, revenues from rental and related services declined by 26.8% to P2.9 billion due to subdued mall and office revenues due to lower occupancy and the rental concessions provided to mall and retail tenants. Consequently, its net income dropped by 22.3% to P1.9 billion for the period.

Nonetheless, in terms of liquidity, FLI continued to generate positive cash flows in 2020 and 1H2021. Net cash flow from operations for the aforementioned periods stood at P7.3 billion and P2.5 billion, respectively. Such internally generated funds were primarily used for the Company's continued acquisition of raw land, construction of investment properties, as well as for its payment for various loans and financing charges. As of end-June 2021, cash and cash equivalents stood at P4.6 billion.

FLI is well-positioned to see its profitability recover in the medium-term. It also expects to continue to generate positive operating cash flows going forward. Considering such and the evenly spread out maturities of its debt obligations, PhilRatings notes that FLI maintains a good ability to cover and manage the payments for its planned issuance and its outstanding rated debt.

According to Colliers, the pandemic continues to dampen demand for residential properties. For the office leasing sector, net take-up remained to be negative for the fifth consecutive quarter as traditional and Philippine Offshore Gaming Operators (POGOs) vacated office spaces and demand for new office space continues to be subdued. For the retail sector, Colliers reported that no new retail space was completed in Q1 2021. Metro Manila's retail vacancy also increased as a number of brick-and-mortar stores in regional and super-regional malls ceased operations. Similar to the retail sector, the hospitality industry was severely affected by the COVID-19 pandemic. At present, hotels are relying on local tourism and staycations to boost demand.

Nonetheless, Colliers anticipates a recovery of the residential sector starting 2022 on the back of a rebound in office leasing; macroeconomic recovery; sustained remittances from Filipinos working abroad; competitive mortgage rates; and a pickup in business and consumer sentiment given the accelerated vaccination program across the country. For the office leasing segment, Colliers views the recovery of such to be hinged on the pace of the COVID-19 vaccination program and further easing of mobility restrictions. For the retail sector, on the other hand, it sees a slow recovery starting in 2023. According to JLL Philippines, hotels definitely see tourism immediately picking up once flight restrictions are lifted, the timing of which is largely dependent on the COVID-19 vaccine rollout.