RISING TO NEW HEIGHTS

VISTA LAND

2022 ANNUAL REPORT

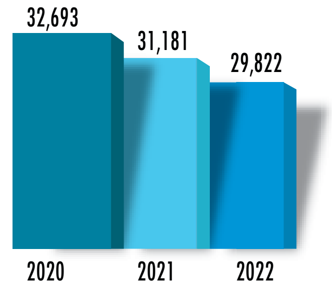
TABLE OF CONTENTS

VISTA LAND was able to tap maximum opportunities and optimum possibilities even during the worst days of the Pandemic through hard work, team effort, flexibility, innovation, focus and alignment. It entered 2022 with boldness and optimism, expanding its developments across the country with new vertical projects, strengthening its financial position and garnering more awards and recognition along the way. By the end of the year, Vista Land achieved "being on a high", both literally and figuratively. The 2022 Vista Land Annual Report is all about Rising To New Heights. It is a chronicle of another successful year that passed and a preview of higher aspirations in the years ahead.

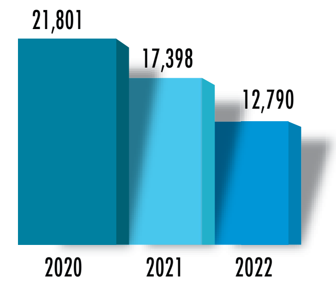
Financial Highlights (in Php millions)

	2020	2021	2022
INCOME STATEMENT			
Total Revenues	32,693	31,181	29,822
Real Estate Revenues	21,801	17,398	12,790
Recurring Revenues	7,626	9,313	13,742
Others	3,266	4,471	3,290
Operating Expenses	9,085	9,408	9,647
EBITDA	13,685	15,652	16,652
Core Net Income	6,387	6,967	7,668
BALANCE SHEET			
Cash and Investments	49,596	62,010	56,617
Total Assets	284,057	313,987	322,214
Total Borrowings	145,699	164,923	158,395
Net Debt	91,781	102,912	101,778
Total Liabilities	178,377	201,460	198,564
Equity	105,680	112,527	123,650
Financial Ratios			
Current Ratio	3.16	2.48	2.89
Net debt to equity	0.87	0.91	0.82
Debt to equity	1.34	1.47	1.28
Return on Equity	6.04%	6.19%	5.98%
Return on Assets	2.29%	2.22%	2.29%
Cashflows			
Net Cash provided by operating activities	11,740	2,587	10,619
Net Cash used in investing activities	(11,248)	(7,478)	7,676
Net Cash provided by financing activities	(6,648)	8,952	(15,077)

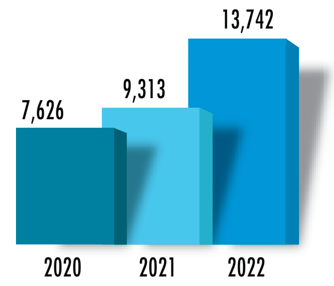
TOTAL REVENUES



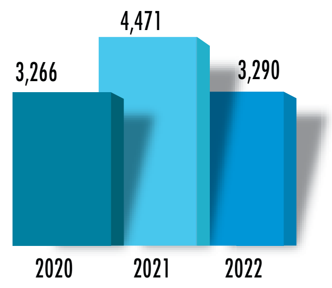
REAL ESTATE REVENUES



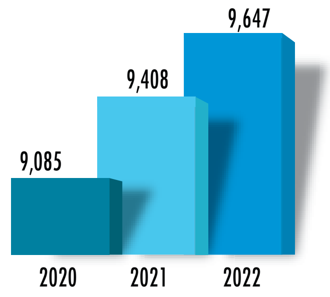
RECURRING REVENUES



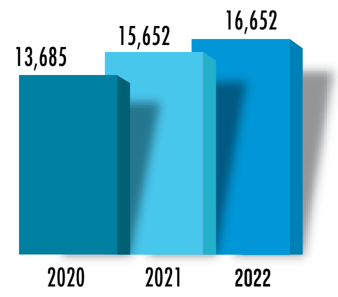
OTHERS



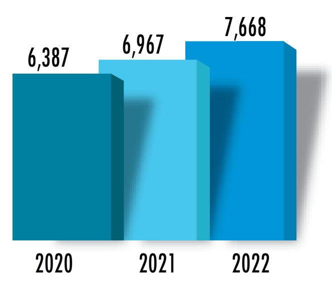
OPERATING EXPENSES



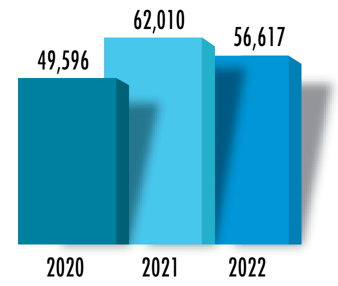
EBITDA



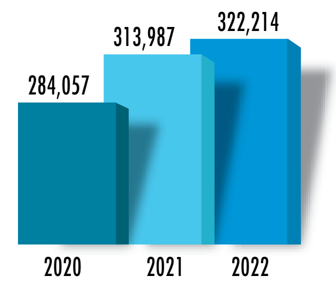
CORE NET INCOME



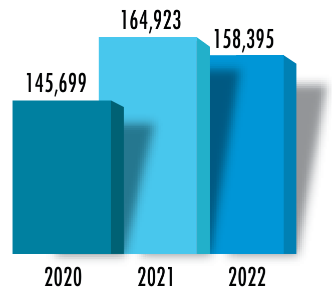
CASH AND INVESTMENTS



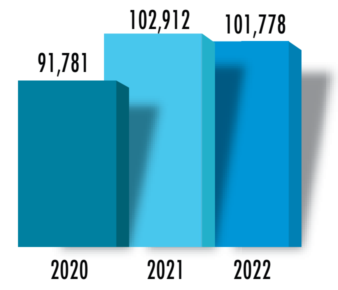
TOTAL ASSETS



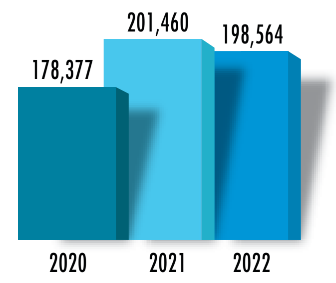
TOTAL BORROWINGS



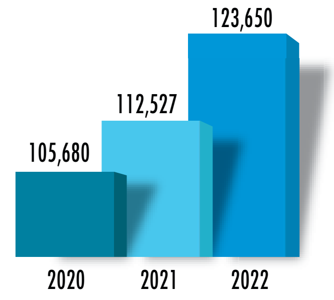
NET DEBT



TOTAL LIABILITIES



EQUITY



A LEADING INTEGRATED PROPERTY DEVELOPER & THE PHILIPPINES' LARGEST HOMEBUILDER

BRITTANY

Develops luxury houses in masterplanned communities, catering to the high-end market segment in Mega Manila.

Established: 1993

PROJECT PORTFOLIO

La Posada (Sucat, Muntinlupa)
Portofino South (Daang Hari, Alabang)
Portofino Heights (Daang Hari, Alabang)
Amore at Portofino (Daang Hari, Alabang)
Georgia Club (Sta. Rosa, Laguna)
Augusta (Sta. Rosa, Laguna)
Crosswinds (Tagaytay City)
Alpine Villas (Tagaytay City)

DIVISIONAL INFORMATION (in Php Millions)

	2022	2021	%Change
Reservation Sales	4,664.9	1,385.4	237% ▲
Revenues	1,347.0	504.4	167% ▲
Gross Profit	935.1	283.5	230% ▲

CROWNASIA
A Vista Land Company

Caters to the upper middle market housing segment in Mega Manila.

Established: 1995

Valenza (Sta. Rosa, Laguna)
Fortezza (Cabuyao, Laguna)
Marina Heights (Sucat, Muntinlupa)
Citta Italia (Bacoor, Cavite)
Augustine Grove (Dasmariñas, Cavite)
Ponticelli (Daang Hari)
Maia Alta (Antipolo, Rizal)
Vittoria (Bacoor, Cavite)
Amalfi at The Island Park (Dasmariñas, Cavite)

	2022	2021	%Change
Reservation Sales	2,512.5	2,408.56	4% ▲
Revenues	513.8	474.1	8% ▲
Gross Profit	287.1	220.2	30% ▲

Camella

Servicing the affordable and middle-income housing segment in the Mega Manila area.

Established: 1977

Camella Verra (Caloocan City)
Camella Dasma At The Islands (Dasmariñas, Cavite)
Tierra Nevada (General Trias, Cavite)
Cerritos Heights (Daang Hari)
Camella Ellisande (Taguig City)
Camella Silang (Silang, Cavite)
Camella East Winds (Pillila, Rizal)

	2022	2021	% Change
Reservation Sales	23,409.3	19,416.5	21% ▲
Revenues	2,836.0	7,197.5	[61%] ▼
Gross Profit	1,411.2	3,822.7	[63%] ▼

COMMUNITIES PHILIPPINES

Offers residential properties outside the Mega Manila area in the affordable and middle market segments primarily under the "Camella" and "Lessandra" brands.

Established: 1991

Camella Cagayan (Tuguegarao City)
Camella Dos Rios Trails (Cabuyao, Laguna)
Camella Subic (Subic, Bataan)
Provence (Malolos, Bulacan)
Camella Pinecrest (Bacolod City)
Camella Prima Butuan (Butuan City)
Camella Taal (Taal, Batangas)
Camella Palawan (Puerto Princesa, Palawan)

	2022	2021	% Change
Reservation Sales	28,533.7	32,971.3	[13%] ▼
Revenues	5,587.2	6,709.9	[17%] ▼
Gross Profit	3,480.1	3,282.3	6% ▲

VISTA RESIDENCES

Builds both mid and high-rise vertical developments.

Acquired: 2009

Kizuna Heights (Taft Avenue, Manila)
Sky Arts Manila (Malate, Manila)
The Spectrum (Pasig City)
Vista Shaw (Mandaluyong City)
The Courtyard (Taguig City)
Hawthorne Heights (Katipunan, Quezon City)
Canyon Hill (Baguio City)
Suarez Residences (Cebu City)
The Loop Towers (Cagayan de Oro City)

	2022	2021	% Change
Reservation Sales	6,426.9	2,448.0	163% ▲
Revenues	2,505.9	2,512.1	[0.25%] ▼
Gross Profit	1,133.5	1,255.8	[10%] ▼

VISTAMALL

Owner, developer and operator of retail malls that target mass market retail consumers and develops and operates BPO commercial centers.

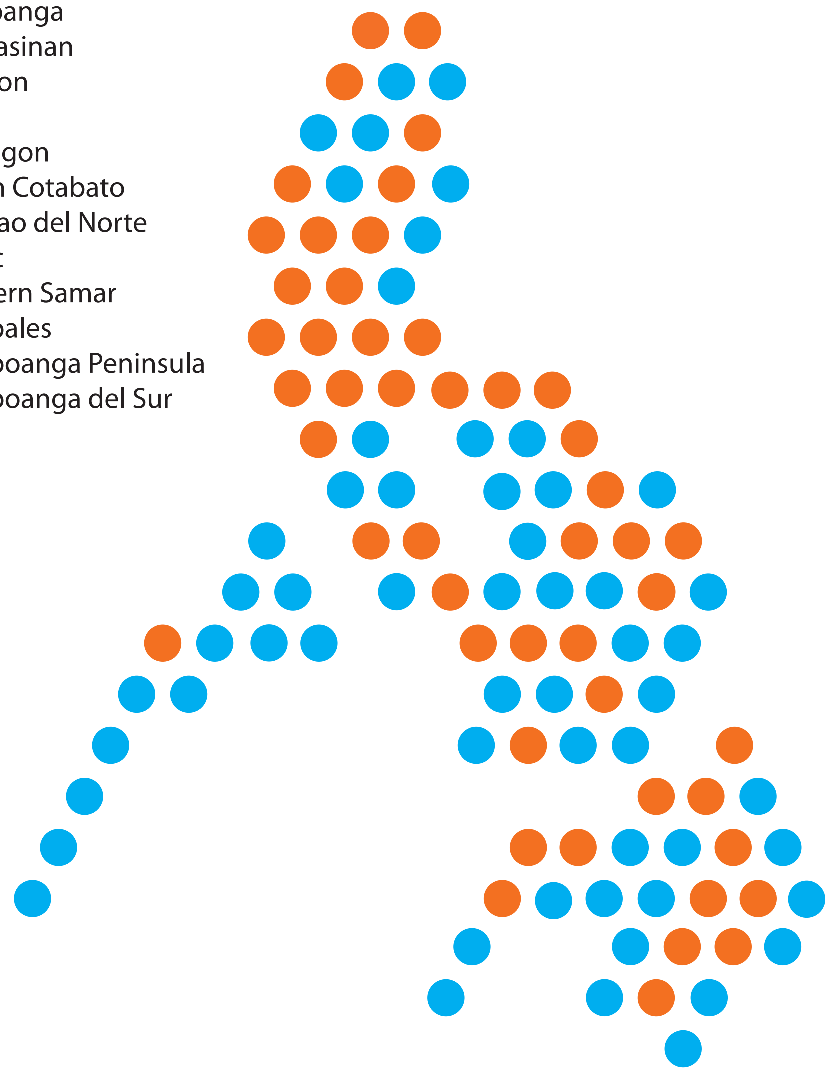
Acquired: 2015

Starmall Las Piñas Annex (Zapote, Las Piñas City
Vista Mall Las Piñas (Zapote, Las Piñas City)
Starmall EDSA Shaw (Wack-wack, Mandaluyong City)
Worldwide Corporate Center (Mandaluyong City)
Starmall San Jose del Monte (San Jose del Monte, Bulacan)
Vista Mall Daang Hari (Daang Hari)
Vista Mall Sta. Rosa (Sta. Rosa, Laguna)

	2022	2021	% Change
Reservation Sales	n/a	n/a	n/a
Revenues	12,142.5	9,195.3	32% ▲
Gross Profit	n/a	n/a	n/a

UNRIVALED NATIONWIDE PRESENCE IN 147 CITIES AND MUNICIPALITIES IN 49 PROVINCES ACROSS THE PHILIPPINES

1 Agusan del Norte
2 Agusan del Sur
3 Aklan
4 Albay
5 Bataan
6 Batangas
7 Benguet
8 Bohol
9 Bulacan
10 Bukidnon
11 Cagayan
12 Camarines Sur
13 Camarines Norte
14 Capiz
15 Cavite
16 Cebu
17 Compostela Valley
18 Davao del Norte
19 Davao del Sur
20 Guimaras
21 Ilocos Norte
22 Ilocos Sur
23 Iloilo
24 Isabela
25 Laguna
26 La Union
27 Leyte
28 Masbate
29 Metro Manila
30 Misamis Occidental
31 Misamis Oriental
32 Negros Occidental
33 Negros Oriental
34 North Cotabato
35 Nueva Ecija
36 Nueva Viscaya
37 Palawan
38 Pampanga
39 Pangasinan
40 Quezon
41 Rizal
42 Sorsogon
43 South Cotabato
44 Surigao del Norte
45 Tarlac
46 Western Samar
47 Zambales
48 Zamboanga Peninsula
49 Zamboanga del Sur



COMPETITIVE SPIRIT

Everyday, we step into the battlefield knowing we are well-equipped. We are a crack team. Better trained. Better skilled. Better motivated. The competition is there for two reasons: To learn from and to knock out. We owe it to ourselves to keep building muscle, and we owe it to our customers to keep fighting.

COST CONSCIOUSNESS

Cost is not a question of numbers, but a question of value. It is not what we can cut out, but what we can save on. We are lean because we know that success does not depend on the number of people, but on the number of ideas, and the brilliance of those ideas. We are not cost conscious to increase our profit margins, but to guarantee that we have sufficient resources for tomorrow. It is not just the cost to us that we must concern ourselves with, but the cost to our customers as well.

HONESTY

We need to be trustworthy and we need to be trusted. There must be integrity and reliability in our word, and our character. Honesty necessitates dependability, fairness, probity, and holding on to high principles. It is the only way we can believe in each other and our customers can believe in us.

CLOSENESS TO CUSTOMERS

Our future is wrapped up in our customers — along with their dreams, their hopes, their lives. We must become part of their community — and their family. What they need is as important as what we do. It is what drives what we do. To them, we will always listen. From them, we will always learn. They are the reason we exist.

TEAMWORK

Synergy is one of a corporation's greatest assets. The solitary genius is nice, but teams are stronger. We have a common goal, and we need each other to get there. We have each other's back. We have the company's back.

CHAIRMAN'S MESSAGE

RISING TO NEW HEIGHTS

Dear Fellow Shareholders,

Vista Land successfully navigated the challenges posed by the Covid-19 pandemic by leveraging our core strengths: innovation and creativity.

To conserve our cash during the initial stages of the pandemic, we reduced our capital expenditures for land acquisition. We conducted a comprehensive review of our existing developments, specifically identifying areas reserved for potential future commercial projects. This review revealed over 1,500 hectares of prime land suitable for mixed-use vertical residential and commercial ventures. This led us to launch Vista Estates.

In 2022, we implemented several corporate strategies to adapt to changing business trends and customer needs. The two most significant initiatives were the establishment of Vista Estates and a shift towards offering upscale, vertical, and commercial projects. These endeavors challenged our creativity and innovation in maximizing our existing resources, particularly our land holdings.

Our extensive land bank has become a valuable asset as land prices continue to rise, even amidst the pandemic. I can confidently state that we are one, if not the only, listed real estate developer with access to such substantial prime land.

With our current land bank of nearly 3,000 hectares, we have the potential to develop horizontal projects over the next eight to nine years. However, by introducing more vertical projects, we can extend our development capacity to approximately 27 to 30 years without acquiring new land.

We have also introduced and upgraded various digital initiatives to enhance our customer reach and service. All our residential brands now offer online reservations, expanded online payment platforms, increased use of social media, and virtual property tours and expos. Furthermore, we have established Drop-Buy-Pick up Points in our commercial developments for customer convenience.

This digital shift has improved our operational efficiency while providing convenience and satisfaction to our clients. We have effectively showcased our business units and marketed our properties and their unique features to specific target markets. These efforts have contributed to the continued growth and strength of the Villar Group.

Across all our business units and brands, we have adopted an asset optimization strategy.

As the economy recovers from the pandemic, we have observed that the value of our land has increased due to the surrounding infrastructure developments benefiting adjacent real estate projects. We have witnessed a pent-up demand for mid- to high-end projects, which prompted us to launch new projects under the Brittany and Crown Asia brands in 2022. These projects have experienced significant uptake. Additionally, there is a growing preference for mixed-use developments, combining residential and commercial components. This presents an opportunity for us to shift towards vertical developments nationwide.

Our current focus is on maximizing synergy with our commercial and retail affiliates, specifically the Coffee Project, as we launch more vertical projects. Each condo development will include Coffee Project as an anchor retail/commercial component.

Vista Estates was conceived to optimize our resources, particularly our land bank. It envisions integrated developments with horizontal and vertical residences, commercial spaces, office components, and lifestyle options. These developments are sustainable, innovative, lifestyle-driven, world-class, and poised for growth. By the end of 2022, we had already launched 11 out of the 60 identified potential Vista Estates developments.

Our leasing business also experienced improvement in operations as people are now going back to normal. We have over 100 commercial assets with a size of 1.6 million square meters that benefits from the surge in foot traffic.

2022 was also a milestone for the Company as we list our REIT company, the first majority commercial REIT listed in the Philippine Stock Exchange. This will secure future commercial development related capital expenditures.

Our efforts have been recognized through various awards from prestigious organizations. We received accolades such as Best Community Real Estate Developers in the Philippines (Global Economics Awards 2022), T.I.G.E.R Champion Growth (Maybank Philippines), Philippines Digital Experience of the Year (Real Estate) (The Asian Business), and 2022 Best Emerging Developer Of The Year (Residential - Philippines) (International Finance). Moreover, our company executives were honored with Asia's Best CEO, Best CFO, Best CSR, and Best Investor Relations Company awards by Corporate Governance Asia, a Hong Kong-based publication.

Corporate Social Responsibility (CSR) remains at the core of our mission. In 2022, in partnership with Villar Foundation, we conducted and supported numerous CSR projects at the local government and national levels, focusing on health, livelihood, environment, and culture.

Regarding the environment, we are continuously exploring the feasibility of installing renewable energy in our malls. We have also created microclimates within communities to influence temperature and air quality, leading to better carbon sequestration.

Moving forward, we will continue to leverage our core strengths of creativity and innovation to maximize our resources through a shift towards upscale, vertical, and commercial developments nationwide. With a presence in 147 cities and municipalities across 49 provinces, we are well-positioned to contribute to the country's national development.

I extend my gratitude to all stakeholders for their unwavering dedication, support, and encouragement. With all of us working as one, Vista Land, – literally and figuratively – will be RISING TO NEW HEIGHTS.

Manuel B. Villar, Jr.
Chairman

PRESIDENT'S REPORT

Dear Fellow Shareholders,

The year 2022 was a time of recovery and resurgence. Several significant business and economic developments made an impact on Vista Land during the year and helped shape the strategies and directions of the Group for 2023 and beyond.

The economy gradually returned to normalcy during the year, driven by the resurgence of consumer spending and the increase in the peso-dollar exchange rate. This combination resulted in an improved remittance from Filipinos overseas, which rose by 4% compared to 2021.

In particular, remittances from Overseas Filipino Workers (OFWs) saw an increase of 3.6%, reaching a total of USD 36.14 billion.

This positive trend was reflected in our reservation sales, which recorded a growth of 12% to ₱65.5 billion in 2022.

Our 2022 performance delivered a consolidated revenues of ₱29.8 billion. Rental income amounted to ₱13.7 billion while real estate revenues was at ₱12.8 billion. The residential gross profit was at ₱7.2 billion while EBITDA posted a 6% increase to ₱16.7 billion. We sustained improvements in our residential gross margin by 571 basis points to 56.7% due to price increases implemented and cost efficiencies realized. Our EBITDA margin also improved by 491 basis points to 55.8% as a result of the foregoing.

RECOVERY AND RESURGENCE

> **Our initial aspiration was simply to provide comfortable homes for every Filipino. However, as time passed, our vision evolved to encompass a better way of life and the unique Vista Land standard of living, achieved through our integrated communities spanning the entire country.**
>
> **Manuel Paolo A. Villar**
> President and CEO

As to our financial position, total assets stood at ₱322.2 billion as of end December 2022 while equity was at ₱123.7 billion. Net debt to equity stood at 82% which an improvement from prior year's 91%.

Capital expenditure for the year was at ₱22.5 billion mainly for construction and land development. Land acquisitions remained muted as the company disclosed that they are looking at maximizing its existing land bank.

To further propel our growth, we embarked on an aggressive strategy of launching upscale, vertical, and commercial projects. In total, we introduced 26 projects with an estimated value of approximately ₱40.4 billion. This amount was four times higher than the projects initiated in 2021, which amounted to ₱10.2 billion.

Since the second quarter of the year, we have launched two Crown Asia project, ten Camella projects, one Vista Residences project and two Brittany projects. We also opened 11 Vista Estates developments across the country -- North Commons, Vidarte, Praverde, Allegria, Stanza, Aspen, Provence, Scala, and Verida in Luzon; Georgia in the Visayas; and Andaluz in Mindanao.

As we aimed to expand our real estate revenue contribution, Brittany, our high-end product, saw a substantial improvement, increasing to 10.5% in 2022 compared to 2.9% in the previous year. Similarly, Crown Asia, our mid-range product, registered a contribution of 4.0% in 2022, up from 2.7% in 2021.

Our landbank stands at 2,903 hectares as of end 2022, with 58% located in the mega Manila area and the remaining 42% spread across various provinces. This sizable land reserve represents a development potential of approximately eight to nine years. However, with the integration of more vertical developments on our prime land, our land bank is projected to sustain at least 27 to 30 years of continuous development, without the need for additional land acquisitions.

Vista Estates represents Vista Land's vision of integrated development, encompassing both horizontal and vertical residences, commercial spaces, office components, and lifestyle options. These developments embody sustainability, innovation, a world-class living experience, and growth potential.

During the year, we quickly took advantage of opportunities and possibilities as they arose. In June, we successfully listed our flagship REIT company, VREIT. The initial portfolio consisted of ten community-based malls and two office buildings. The funds raised from this listing will be allocated to various real estate developments, including the expansion of commercial spaces.

As part of our expansion in the Davao Region and in conjunction with the recent listing of our REIT company, we have opened our 45th mall in Davao. This mall

REAL ESTATE REVENUE CONTRIBUTION

2022

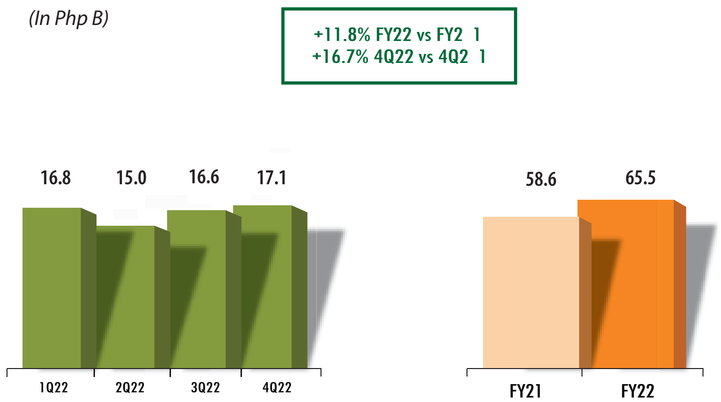
2022	
VISTA RESIDENCES	19.6%
CROWN ASIA	4.0%
BRITTANY	10.5
CAMELLA	22.2%
COMMUNITIES PHILIPPINES	43.7%

2021

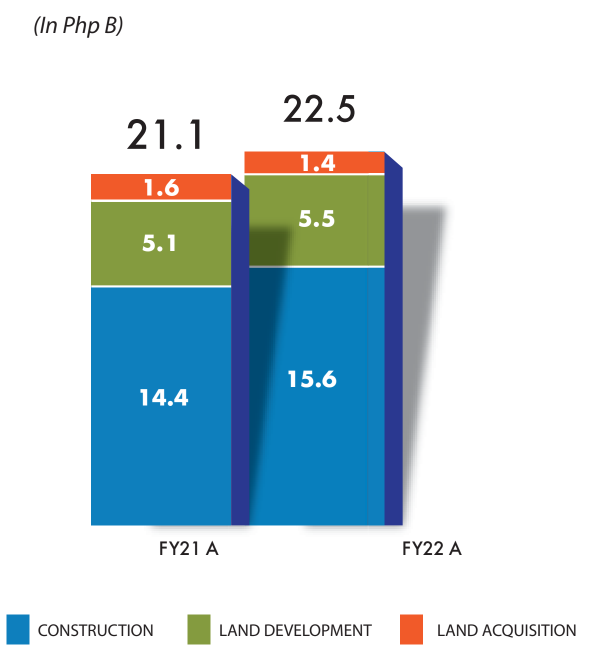
2021	
VISTA RESIDENCES	14.4%
CROWN ASIA	2.7%
BRITTANY	2.9
CAMELLA	41.4%
COMMUNITIES PHILIPPINES	38.6%

- Camella brand accounts for 66% and 80% of the total FY22 and FY21 real estate revenues.
- Mid to high end brands Crown Asia and Brittany on as increasing trend in terms of contribution
- Vista Residences our subsidiary for vertical developments is also increasing its contribution

RESIDENTIAL SEGMENT UPDATE

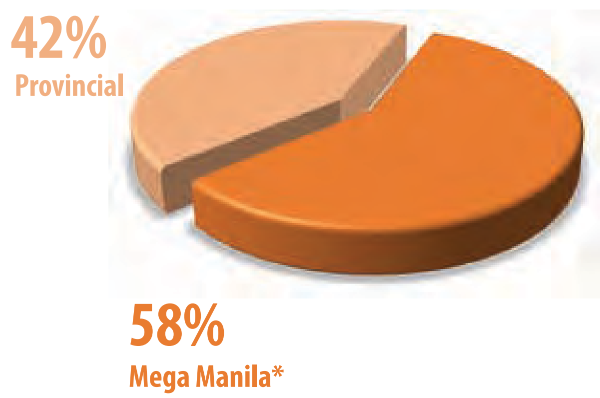


CAPITAL EXPENDITURE



LAND BANK

LAND BANK LOCATION



*Mega Manila- **Metro Manila** and the neighbouring provinces of **Cavite, Laguna, Rizal, Batangas** and **Bulacan** boasts a gross floor area of 21,682 square meters and houses world-class retail concepts from our group. Through VREIT, we will have the means to finance future commercial developments.

To continuously provide exceptional value to our stakeholders, particularly our clients, we have implemented various initiatives. These include an existing online sales platform for all our brands, an expanded online payment system, facilitated online reservations, virtual property tours, enhanced social media engagement, and other key strategies aimed at strengthening and maintaining our relationships and services to our customers.

When we reflect on why Vista Land was established, our initial aspiration was simply to provide comfortable homes for every Filipino. However, as time passed, our vision evolved to encompass a better way of life and the unique Vista Land standard of living, achieved through our integrated communities spanning the entire country. Our ultimate driving force is to help Filipinos, including our beloved OFWs, realize their dreams. As we look ahead to 2023, we anticipate significant growth in the economic landscape, which fills us with optimism regarding the sales trajectory. We are witnessing a

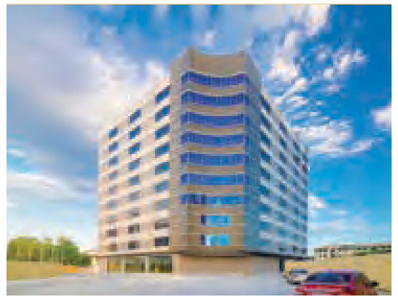
COMMERCIAL SPACE SUMMARY

We have a total of 108 commercial assets composed of

45 malls

56 commercial centers

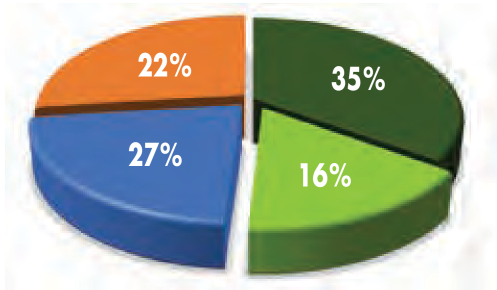
7 offices



GROSS FLOOR AREA (GFA) in sqm		%age
MALLS & RETAIL STORES	1,384,148	86
OFFICE	226,227	14
As of December 31, 2022	**1,610,375**	**100**

DEBT PROFILE

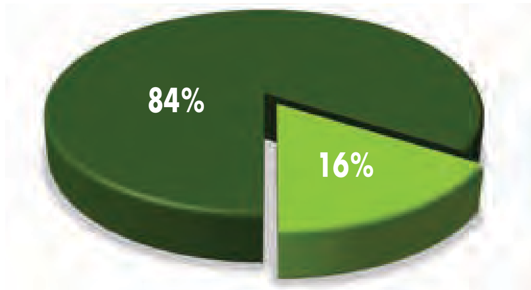
FUNDING SOURCES



BANK LOANS
RETAIL PESO BOND
CORPORATE NOTE
USD BONDS

- All term loans and debts have fixed interest rates.
- Full principal hedged- dollar denominated debt
- Fully paid Dollar Bond due June 2022 amounting to USD 370M

DEBT MATURITY PROFILE



LONG TERM
SHORT TERM

sense of confidence among buyers, who are now willing to commit to substantial investments. Additionally, the projected increase of 4% in OFW remittances further bolsters our positive outlook. With this favorable backdrop, we are confident to pursue our shift towards upscale, vertical, and commercial developments within our existing Vista Estates across the country.

The achievements we have made thus far are evident in our robust financial results. These successes provide us with the means to enhance our developments and continue exploring strategic opportunities that will enable us to expand our geographic reach. Our dedicated management team remains focused on executing our plans with precision and diligence. Equally committed are our people on the ground who have translated these plans into reality.
I thank you all and trust that you will continue to share our creed that Filipinos deserve better.

Manuel Paolo A. Villar
President and Chief Executive Officer

NUMBERS AT A GLANCE

The year 2022 marked a significant turning point for Vista Land, a time of recovery and resurgence amidst a rapidly changing business landscape. In the face of challenging circumstances, the Group successfully navigated through the worst days of the pandemic, seizing maximum opportunities and unlocking optimum possibilities. With boldness and unwavering optimism, Vista Land expanded its developments across the country with new vertical projects. Simultaneously, it fortified its financial position, reinforcing its ability to weather uncertainties and pursue growth opportunities. As the year unfolded, Vista Land soared to new heights, both literally and figuratively.

By the end of the year, Vista Land has successfully constructed **500,000** houses across **147** cities and municipalities in **49** provinces throughout the country. The company's well-known brands, including Camella, Crown Asia, Brittany, and Vista Residences, have gained widespread recognition in the Philippine real estate industry.

CROWNASIA A Vista Land Company

Camella

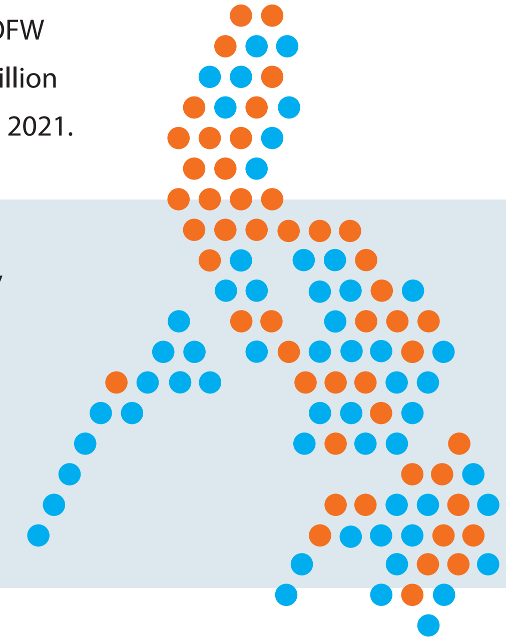
BRITTANY

VISTA RESIDENCES

Through its subsidiary, Vistamalls, which specializes in the development, ownership, and operation of retail malls and business process outsourcing (BPO) commercial centers, Vista Land has maintained its position as one of the top 4 integrated property developers in the Philippines. Its current portfolio boasts **45** strategically located malls, **7** BPO offices, and **56** commercial centers. As of December 31, 2022, Vista Land's total gross floor area (GFA) of commercial space reached **1,610,375** square meters.

Favorable Philippine demographics, such as a rising middle class and a per capita GDP of **$3,571.80** in 2022, provide a conducive environment for Vista Land's future growth.

Furthermore, sustained demand from Overseas Filipino Workers (OFWs) accounted for **55%** to **60%** of the company's sales in 2022, with OFW remittances totaling **$32.54** billion compared to **$31.42** billion in 2021.



Vista Land boasts the widest geographically diverse portfolio, enjoying an unrivaled nationwide presence in **147** cities and municipalities in **49** provinces in the Philippines. The Company's extensive landbank encompasses approximately **2,903** hectares, primarily located near major areas and primary infrastructure, with **58%** situated in Mega Manila.

With a highly experienced and capable management team, boasting an average of **25** years of operational and management expertise in the real estate sector, particularly in housing, mass-market retail, and the BPO markets, Vista Land is well-positioned for success.

Despite the ongoing pandemic, Vista Land's net gearing ratio for 2022 stood at **0.82x**, a testament to its financial strength and resilience compared to **0.91** x in 2021.

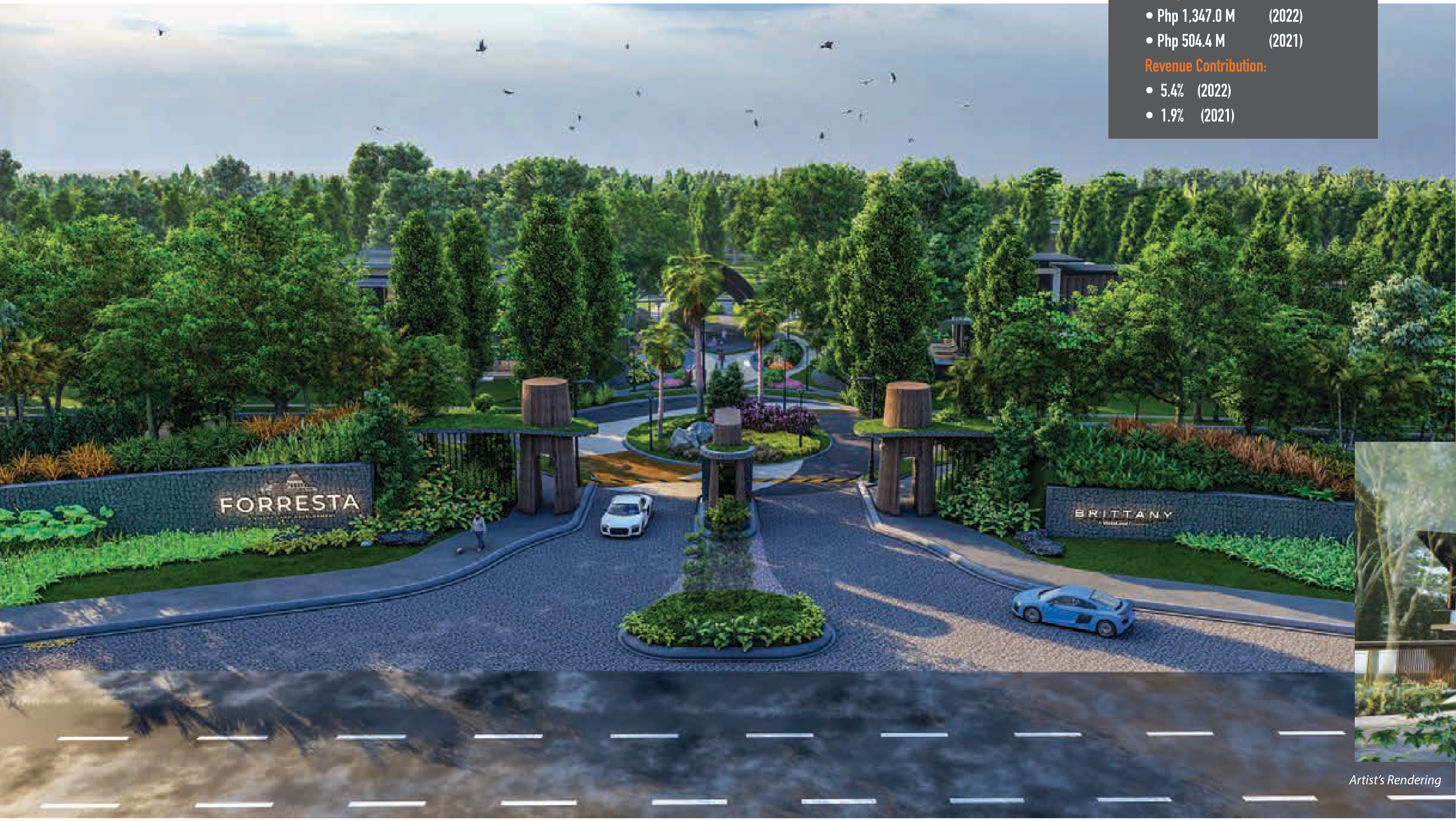
Looking ahead, Vista Land intends to focus on developing integrated urban developments that combine lifestyle retail, prime office spaces, university towns, healthcare facilities, themed residential developments, and leisure components. Currently, the company has identified **60** innovative master-planned communities spread throughout the country, showcasing its commitment to transformative real estate projects.

BRITTANY

EXPANDING HORIZONS AND REDEFINING LUXURY

Market:
High-end
Offering:
Lot only, House & Lot, Condominium
Price:
Php 15M to Php 150 M
Real Estate Revenues (in Php Million):
- Php 1,347.0 M (2022)
- Php 504.4 M (2021)

Revenue Contribution:
- 5.4% (2022)
- 1.9% (2021)



Artist's Rendering

In a rapidly evolving real estate landscape, Brittany, the luxury residential arm of Vista Land & Lifescapes Inc., emerged as a frontrunner in 2022 by capitalizing on market insights, leveraging brand synergy, and implementing digital transformation strategies. With a focus on niche offerings and a commitment to excellence, Brittany achieved remarkable milestones while preparing for an ambitious expansion into the leisure property market.

Through its astute trend watching and market research efforts, Brittany was able to identify valuable opportunities within the industry, gaining a comprehensive understanding of the market, competitors, and future industry trends and directions.


Artist's Rendering

Forresta in Villar City, Alabang

Villar City, Alabang

Recognizing the potential of collaboration, Brittany embraced the power of brand synergy to extend its reach and scale effectively. By partnering with affiliates, the company not only generated buzz but also elevated audience engagement to new heights. Sharing direct costs with partner businesses likewise maximized marketing budgets. Collaborations not only fostered trust but also provided the company with increased brand exposure to new markets and solidified Brittany's position as a trusted luxury real estate provider, captivating the attention of discerning buyers.

Villar City Central Business District

Windmill at Lausanne in Crosswinds, Tagaytay

Within the luxury property segment, Brittany carved out a unique position by offering customized, carefully curated properties tailored to the needs of discerning buyers. This deliberate focus on exclusivity and attention to detail set the company apart from larger property developers that prioritize larger-scale projects catering to

Pontevedra Estate in Sta. Rosa, Laguna

The Grand Quartier at Crosswinds, Tagaytay a broader market. This approach is best exemplified by Bern in Baguio and Forresta in Villar City, Alabang.

To remain competitive in a rapidly growing market, Brittany proactively embraced digital transformation strategies. The company implemented Search Engine Optimization (SEO) techniques to enhance the visibility of its website and pages, ensuring they were easily discoverable by prospective buyers. Additionally, through effective PR and Blogger Relations, Brittany created buzz and elevated the overall SEO quality, reinforcing its online presence.

Pievana in Sto. Tomas, Batangas

Bern in Baguio

Looking ahead, Brittany is poised to embark on a major foray into the leisure property market. The company's aggressive expansion plan includes the development of master-planned leisure communities in some of the country's most premium tourist destinations, including Boracay, Siargao, Davao, Batangas, and Cebu. This strategic move reflects Brittany's commitment to bringing its brand of exclusivity and convenience to new horizons.

In 2022, Brittany showcased its prowess as a visionary luxury real estate developer by leveraging market insights, forging strong brand collaborations, and embracing digital transformation. Through these accomplishments, the company strengthened its position in select prime locations and prepared for an exciting expansion into the leisure property market. Brittany's dedication to delivering customized, curated properties and its ability to differentiate itself from larger competitors demonstrate its unwavering commitment to providing unparalleled luxury experiences for its elite customer segment.

CROWN ASIA PROPERTIES: PIONEERING CHANGE AND THRIVING AMIDST CHALLENGES

Throughout 2022, Crown Asia exhibited remarkable foresight and adaptability, capitalizing on the increased demand for real estate, embracing digital channels, expanding into new markets, and implementing strategic marketing initiatives. Despite the challenges posed by the pandemic, Crown Asia remained steadfast in its commitment to providing exceptional homes that cater to the changing needs of its customers.

Artist's Rendering

Recognizing the paradigm shift brought about by the pandemic, Crown Asia skillfully adjusted its offerings to align with the evolving needs of homebuyers. Remote work arrangements and online schooling became the norm, resulting in a skyrocketing demand for spacious homes with outdoor spaces. Crown Asia astutely recognized this trend and tailored its property options to meet the growing demand for larger, more functional living spaces. Capitalizing on government stimulus programs and lower interest rates, Crown Asia further encouraged home buying, solidifying its position as a trusted provider of quality residences.

Market:
Upper Middle Income (Upscale)
Offering:
House & Lots, Condominium
Price:
Php 8M to Php 45 M
Real Estate Revenues (in Php Million):
- Php 513.8 M (2022)
- Php 474.1M (2021)

Revenue Contribution:
- 2.1% (2022)
- 1.8% (2021)


Artist's Rendering


Artist's Rendering

Pinevale, Tagaytay

The Pandemic necessitated a shift in traditional marketing and sales strategies, and Crown Asia swiftly adapted to the new landscape. By leveraging digital channels such as social media platforms, online advertising, and virtual tours, it reached a wider audience and effectively engaged with potential buyers. This strategic move allowed the company to remain connected with customers at a time when in-person interactions were limited. By embracing digital transformation, Crown Asia established a strong online presence, effectively showcasing its properties and building lasting relationships with clients.

With economic activities gradually resuming in selected areas, Crown Asia identified new opportunities for growth in markets less affected by the pandemic. The company demonstrated agility and foresight by expanding its product offerings to include properties that catered to diverse market segments and were situated in different regions. This strategic expansion allowed Crown Asia to tap into previously untapped markets and further strengthen its foothold in the real estate industry.

The Vita Toscana Lladro unit showcases the smart home that are offered for RFO house and lots.

The Pandemic posed unique challenges to real estate brand-building efforts. Crown Asia swiftly adapted its strategies to align with the changing priorities of customers. The company recognized the shift in customer preferences towards health and safety and adjusted its branding and messaging accordingly. Digital marketing became the focal point as online channels became the primary medium for property searches. Crown Asia explored virtual tour options and innovative solutions to showcase its properties and engage with potential buyers. Despite the economic impact of the pandemic, Crown Asia's commitment to providing flexible terms for pre-selling units and early move-in promotions demonstrated its dedication to customer convenience and satisfaction.

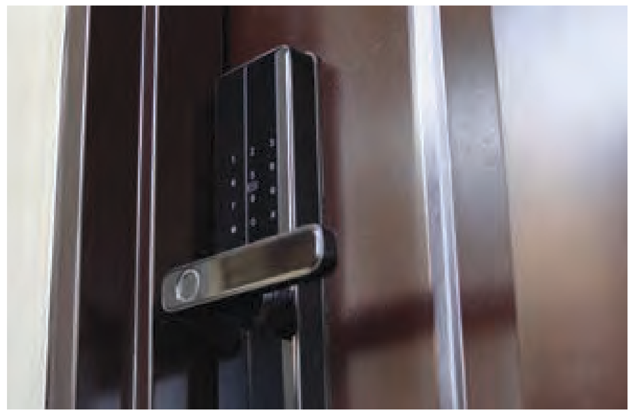
Hermosa, Las Piñas

Get to monitor your smart home through the mobile application. Experience Conveniece at the palm of your hand.

Smart CCTV–Motion sensing CCTV that allows you to listen and speak to people in the room.

Looking ahead to 2023, Crown Asia remains poised to meet new challenges and leverage emerging opportunities. The company's proactive approach, combined with its commitment to enhancing the value and aesthetics of existing subdivisions, positions it for continued success. With upcoming launches and the plan for upgrading existing and new condominium projects, Crown Asia is confident in sustaining reservation sales and achieving price appreciation. The increasing purchasing power of investors and end-users in the South, coupled with the growing demand for premium real estate, bodes well for Crown Asia's future performance.

Meet Echo– Voice control Your home name with Alexa or Siri.



Smart Lock– open your door in six unique ways.

Camella
STRENGTHENING A LEGACY

COMMUNITIES PHILIPPINES

Throughout the pandemic Camella demonstrated its commitment to digital initiatives and implemented a comprehensive tracking mechanism to gain a deeper understanding of its target markets' psychographics. This enabled the company to establish a strong consumer base and effectively leverage knowledge about customers' online habits and preferred platforms.

In 2022, Camella celebrated its 45th anniversary, which served as a cornerstone for its annual communications strategy. A comprehensive campaign highlighting the company's legacy was disseminated across various media channels, including digital and social platforms, print advertisements, below-the-line materials, out-of-home efforts, and on-ground activations. Social media influencers and key opinion leaders were also engaged to amplify the campaign's reach.

Additionally, Camella introduced innovative digital initiatives to cater to the changing needs of buyers and sellers. These included virtual tours, e-learning portals, a sellers' hub, and an online reservation portal. These initiatives not only helped Camella adapt to the new normal but also provided customers with enhanced experiences.

Camella Nueva Ecija

Camella	Communities Philippines
Market:	Market:
Mid-Market	Affordable (Provincial)
Offering:	Offering:
House & Lot (Mega Manila)	House & Lot (Outside Mega Manila)
Price:	Price:
Php 3 M to 12 M	Below Php 1.8 M to 12 M
Real Estate Revenues (in Php Million):	Real Estate Revenues (in Php Million):
• Php 2,836.0 M (2022)	• Php 5,587.2 M (2022)
• Php 7,197.5 M (2021)	• Php 6,709.9 M (2021)
Revenue Contribution:	Revenue Contribution:
• 11.4% (2022)	• 22.4% (2022)
• 27.1% (2021)	• 25.2% (2021)




Camella Quezon

Despite the worldwide crisis, Camella streamlined its operations without compromising the quality of its products. The company maintained its reputation as a leading homebuilder and capitalized on the pandemic as an opportunity to recalibrate its operational and production workflow for increased efficiency. Camella heavily invested in digital innovations to expand its presence and reach a wider audience.

Camella's extensive reach across the country can be attributed to its understanding of the emotional ties Filipinos have with their places of birth or upbringing. As the largest and most successful real estate brand, Camella has established itself as a legacy over its four and a half decades of operations.

Going beyond the brand building, Camella aims to sustain its position as a top-of-mind brand in the industry. In 2022, one of its key objectives is to explore and expand into digital marketplaces to further increase the company's presence. By combining traditional and online platforms, Camella successfully enhanced its visibility both online and offline. The strategic focus on identified channels reignited the interest and affinity of Overseas Filipino home intenders towards the brand.

The communication strategies implemented in the previous year successfully reached and engaged a broader audience on both national and global scales. This empowered the marketing teams to execute location-based strategies and achieve remarkable on-ground sales results. Camella not only met its sales goals but even surpassed them.

Camella Tarlac

Camella Santiago

Camella San Pablo

To date, Camella has developed communities or townships in 47 provinces and 149 key cities and municipalities across the Philippines, making it the property developer with the widest geographic reach. Over half a million families now reside in a Camella home, a testament to the company's four decades of experience and expertise in providing dream homes and communities, ranging from beautiful single homes to fashionable vertical villages.

Camella utilized the pandemic as an opportunity to plan ahead and launch its corporate campaign at the beginning of the year, giving it a significant head start. This momentum was sustained through tactical campaigns accompanying the launch of new projects. The consistent messaging across all platforms effectively strengthened brand recall and affinity.

Despite global and national challenges, the opportunities for Camella as a brand and company remain limitless. The game plan revolves around maintaining a strong presence across online and offline platforms, utilizing both traditional and non-traditional methods to promote the brand and its products. Furthermore, Camella aims to reinforce strategic alliances with Villar-owned affiliates and forge corporate partnerships aligned with the brand's mission and vision.

Camella Manors Verdant-Palawan

Olvera by Vista Land

BUILDING FOR THE GLOBAL FILIPINO

Despite facing unprecedented challenges during the pandemic, Vista Residences remained resilient by expanding into digital platforms. By reinforcing its website, www.vistaresidences.com.ph, the company created a one-stop shop for employees, sales partners, and clients, effectively becoming a hub for all stakeholders. This strategic move exemplified one of Vista Residences core values: closeness to customers. Moreover, it streamlined business processes, making interactions related to client purchases, payment collections, employee relations, and pre- and after-sales service easier, more personalized, and more approachable.

What truly allowed Vista Residences to withstand the challenges of the past three years was its strong foundation. The company demonstrated unwavering resolve not only in its leadership but also in its decision-making. This was particularly evident during the pandemic, as construction continued with in ongoing developments, and employee retention surpassed expectations compared to other industries.

By strengthening its online presence, Vista Residences successfully reached a wide range of markets it served and garnered goodwill. Showcasing its condominiums and services to a broader audience allowed the company to attract international investors from Europe, North America, and Australia. This commitment to brand building translated into positive sales results in 2022, with increased business-to-business

Market:
Mid–Cost
Offering:
Condominium Units
Price:
Php 6M to Php 15 M
Real Estate Revenues (in Php Million):
- Php 2,505.9 M (2022)
- Php 2,512.1 M (2021)

Revenue Contribution:
- 10.1% (2022)
- 9.4% (2021)

transactions and opportunities for investors eager to capitalize on the positive outlook of the real estate industry.

Vista Residences also gained traction in the end-user market, specifically among students, young professionals, and starting families seeking secondary homes. At the height of the pandemic, when many people sought respite outside cities, Vista Residences condominium developments provided sanctuaries for residents. Exclusive amenities, combined with strategic locations near essential businesses, necessities, and

health and safety facilities, made these developments highly desirable.

Currently, Vista Residences has over 40 projects in various stages of development across Metro Manila and key cities such as Baguio, Cebu, Davao, and Cagayan de Oro.

During the onset of the pandemic, the company made prudent decisions to safeguard its operations. However, it also prompted Vista Residences to consider its future in a post-COVID-19 economy. To offer an upgraded version of its product, the company forged a partnership with the

international conglomerate Mitsubishi Estate Co., Ltd., bringing a distinct Japanese lifestyle to the market with Kizuna Heights. Additionally, Vista Residences aims to embrace Manila's fine art scene through the construction of Sky Arts Manila in Malate. These endeavors, coupled with other exciting projects in the pipeline, will undoubtedly establish Vista Residences as a top-of-mind brand among its consumers and firmly place it on the map.

As Vista Residences celebrates its 20th year, it remains focused on building vertical communities for its target market, the Global

Filipino. This milestone instills confidence that the company will surpass other top condominium developers. Embracing the new normal, Vista Residences aims to adapt to the changes and considerations brought about by the pandemic, with a keen focus on the health, safety, and well-being of its residents, all while ensuring a unique and unparalleled lifestyle. Over the past three years, the company has remained unwavering in its commitment to delivering exceptional, strategically located, and thoughtfully designed developments, and it will continue to do so to cater to the evolving needs of the market.

VISTA MALLS : ON AN UPWARD TRAJECTORY

Vistamalls, Inc. had an exceptional year in 2022, maintaining its upward trajectory and achieving impressive results. The Company's success can be attributed to the resilience of the retail market it serves and the support from the communities where it operates.

Despite the challenges posed by the pandemic, Vista Malls enjoyed stable revenues, primarily driven by its community-based commercial centers and business process outsourcing (BPO) office spaces. This presented an opportunity for the Company to strengthen its leasing business, focusing on community-based malls, BPO offices, and similar ventures.

Throughout the year, Vista Malls' leasing portfolio remained strong, amassing over 1.6 million square meters of gross floor area in investment properties by the end of 2022. Malls and retail stores accounted for 86% (1.4 million square meters), while office spaces constituted the remaining 14%. Vista Malls has established over 100 commercial developments across the country to date.

Vista Mall Sta. Rosa

VISTAMALL

starmall

Market:
Commercial

Offering:
Malls and BPO

Rental Reveue (in Php Million):
- Php 12,142.5 M (2022)
- Php 9,195.3 M (2021)

Revenue Contribution:
- 48.7% (2022)
- 34.6% (2021)

The Company's business model, centered around the concept of "beauty in convenience," proved highly effective during these challenging times. Its malls served as homes to essential businesses and major business process offshore centers, strategically located near communities and transportation hubs.

In 2022, Vista Malls witnessed firsthand how sustainability fosters resilience within its operating model, driving growth and innovation. The Company made significant and ongoing investments in technology, including digital communication platforms, eCommerce capabilities, and contactless shopping solutions, to meet the evolving needs of its customers.

Thanks to its robust financial performance, Vista Malls is well-positioned to invest in areas that require improvement and explore strategic opportunities for geographic expansion.

In terms of financials, Vista Malls recorded revenues of ₱12.1 billion in 2022. It achieved an impressive EBITDA of ₱0.9 billion, with an EBITDA margin of 89.6%, thanks to the successful implementation of cost-saving measures. The core net income for 2022 reached ₱7.1 billion.

Vista Mall Naga

Vista Mall Dasmariñas

Evia Vista Alabang

Vista Mall Dasmariñas Cinema lobby


Vista Mall Global South

Maintaining a strong balance sheet, Vista Malls' total assets amounted to ₱91.5 billion, a notable 13% increase compared to the previous year's ₱80.7 billion. The Company also reduced its debt-to-equity ratio from 1.70x in 2021 to 1.50x, further strengthening its financial stability.

One notable achievement in 2022 was the transition of Vista Mall Naga to solar power. The mall's solar rooftop system now generates 278.13 MWHr of clean energy annually, leading to a significant reduction of at least 190 tons of carbon footprint per year. This milestone reflects Vista Malls' commitment to environmental sustainability.

Furthermore, Vista Mall Davao opened its doors in June, marking the first mall opening since the pandemic began. Spanning a gross floor area of 21,682 sqm, Vista Mall Davao proudly houses renowned retail brands such as AllHome, Coffee Project, and Bake My Day offering customers a world-class shopping experience.

Finally, on June 15, 2022, Vista Malls embarked on an exciting new venture with the launch of VistaREIT through its Initial Public Offering. Joining the esteemed roster of listed REIT companies on the PSE, VistaREIT serves as the flagship mall and office REIT of Vista Land. With a portfolio encompassing ten community malls and two PEZA-registered office buildings, these properties collectively offer an impressive aggregate gross leasable area of 256,404 sqm. Located within Vista Land's integrated developments, these malls serve as comprehensive one-stop shopping destinations for residents. VistaREIT will now be Vista Malls' primary funding vehicle for future commercial expansions.

Vista Mall Bataan

Vista Mall Malolos

NOMO - A Vista Lifestyle Center

VISTA ESTATES: AMAZING LIFESCAPES

GROWTH FEATURES

Artist's Rendering

VISTA LAND secured its position as a leading integrated property developer in the Philippines by always working under its mantra that Filipinos Deserve Better. This has been integral to its day-to-day operations and success.

To create better and more global offerings for its residents, Vista Land has evolved into building Vista Estates. Vista Estates are cities built within cities, offering everything that an urban sprawl provides, but in a microcosm. The experience of property ownership has been elevated and there are currently 60 Vista Estates fully integrated urban developments scattered across the country that bring together themed residences, retail, offices, universities, healthcare, and leisure, all at global standards. Vista Estates' collection of cities-within-cities infused with themes and offerings inspired by the best-loved places in the world, offers limitless growth opportunities and the opportunity for Filipinos to live an extraordinary life.

Vista Land has built over 500,000 houses and created uniquely strong property brands, including Camella, Crown Asia, Brittany, and Vista Residences. These brands have raised awareness across the globe, with Camella having a brand awareness of 98 percent. Vista Land is present in 147 cities and municipalities across 49 provinces in the Philippines, with 57 percent of its landbank located within Mega Manila.

There are currently 31 estates sprawled across the Philippines, with even more on the verge of rising. Vista Land is reshaping the landscape of the Philippines with its cutting-edge megalopolises, offering Filipinos everything they need to experience an extraordinary life right within their neighborhoods.

Vista Estates is committed to providing a complete package of amenities for every development. These amenities include five core elements that guarantee a high quality of life for residents. First and foremost, Vista Estates will create Business Parks and IT Zones, which will feature dedicated office blocks for banks, entrepreneurial and financial centers, and the headquarters of local and international corporations. These facilities will be supported by state-of-the-art infrastructure and an investment-friendly environment designed to attract the growing market of BPOs and IT businesses.

In addition to Business Parks and IT Zones, Vista Estates will offer Institutional Complexes that provide everything residents need for living, livelihood, and leisure. These complexes will include a University Town, places of worship, hotels, and MICE venues, as well as leading-edge medical centers. This will allow residents to enjoy the convenience of having all necessary services and amenities within easy reach.

Vista Estates will also provide Commercial and Retail Districts that offer unique and inspiring lifestyle experiences. These districts will feature signature labels, popular high-street fashion, and irresistible food and beverage selections. The focus on providing a variety of experiences ensures that every resident can find something to enjoy.

Leisure and Recreational Hubs will round out the package of amenities offered by Vista Estates. These hubs will include nature parks, outdoor trails, and open garden corridors that converge into sports and club facilities. Whether residents prefer the great outdoors or a moment of blissful pampering, they will find everything from luxury spas and wellness facilities to state-of-the-art gyms, golf courses, and football or track sports arenas.

Overall, Vista Estates' commitment to providing these five core elements ensures that residents will enjoy a high quality of life with access to everything they need and want within their community.

CREATING THEMED DEVELOPMENTS

VISTA LAND aims to recreate the most beautiful places in the world right here in the Philippines. The company has developed expertise in creating themed developments that allow Filipinos to live in communities inspired by their favorite place to visit or live in here or abroad. The newer Vista Estates are conceptual and influenced by distinct global design genres. Among the current style favorites are Mediterranean coast architecture with red roof tiles, symmetrical facades, stucco walls, courtyards, and elaborate archways. Another dream is to create planet-centric communities with residential, leisure, and commercial architecture anchored on sustainability with green urban habitats for its residents.

The 31 sprawling Vista Estates, an unprecedented feat in the local property scene, attest to the company's relentless pursuit to give Filipinos addresses they can be proud of. These communities are located in flourishing urban centers and offer sanctuaries that extend beyond the home. Vista Estates are neighborhoods where one can work, communities, where one can decompress or go physical, and havens where one can enjoy the lifestyle, hoped for or even better.

An Entire City at Your Doorstep

Through Vista Estates, Vista Land offers the luxury of living in a premium master-planned community, complete with malls, schools, leisure facilities, places of worship, offices, and everything else a modern metropolis has to offer. Innovations and sustainable measures as well as proximity to major thoroughfares and other key infrastructure projects further create a vibrant, self-sustaining, and future-proof community that offers new opportunities for residents to grow and thrive and revel in the lifestyle of their dreams.

For homebuyers looking for convenient residential enclaves, Vista Estates offers pine tree-laden vertical villages that are replete with amenities that suit their needs and lifestyle. Vista Land has also been beefing up its impressive portfolio of residential condominium towers or vertical villages that address the need for modern and compact urban spaces, with choice amenities and smart features well-suited for the city dweller.

Key Pillars

Vista Land believes that it is able to continuously create these contemporary estates across the country due to the five-strong brand pillars that are the foundation of every estate it builds - sustainable, lifestyle-driven, innovative, world-class, and primed for growth. These brand pillars reflect Vista Land's deep understanding of Filipinos' needs and aspirations.

GROWTH
FEATURES

STANZA: A SYMPHONY OF BUSINESS AND LEISURE

STANZA by Vista Estates is a 110-hectare master-planned community in the town of Tanza in northwestern Cavite, an area ready to be transformed into a promising hub for business, innovative development, and leisure.

Stanza features three interconnected complexes: a 38-hectare Lifestyle Hub, a 10-hectare Leisure Hub, and a 62-hectare Innovation Hub. The Lifestyle Hub aims to bring together business and leisure in a single destination, with commercial lots for future offices, retail shops, food and beverage establishments, and a health and wellness zone. The existing Vista Mall Tanza, complete with All Home, All Day Supermarket, Vista Cinemas, Coffee Project, and more, provides premium shopping, dining, and movie-watching options. In addition, there will be a transport hub with a terminal and gas station, a retail arcade featuring shopping strips, food parks, active zones, and art installations.

The Leisure Hub offers an amphitheater, reading pods, and a wide selection of dining options, aiming to inspire and rejuvenate guests and residents. With 10 hectares of facilities, there is always a space for everyone to relax and unwind. Visitors can socialize in state-of-the-art shopping and dining establishments, watch talks and plays at the amphitheater, enjoy the silence in the meditation lawns, explore its Rest & Recreation Zone, and get lost in the reading pods while enjoying a good book.

The leisure hub also includes a church, an events venue, and patches of verdant spaces dedicated to art installations like sculptures and murals.

The Innovation Hub, Stanza's future central business district, is infused with modern skyscrapers, a country club, global retail and hospitality facilities, as well as spaces for visionary upstart and enterprise businesses. One of its most distinct features is its own Data Center that will host computing and networking equipment.

Corporations from different industries, may it be in education, finance, telecommunication, retail, business process outsourcing, or knowledge process outsourcing can utilize this facility to deliver their services in more efficient ways. The Innovation Hub is also dotted with residential options such as mid-rise condominiums and an upscale house and lot community, as well as a transport hub with a terminal and gas station. The masterplan of each hub ensures that the retail and business centers are all accessible within walking distance or a bike ride away from any residential development within the project.

The Sonnet is a 2.5-hectare mid-rise residential development within Stanza's Lifestyle Hub. It offers its residents premium and exclusive living with generous living spaces and inspiring indoor and outdoor activity areas. With shared pocket gardens, a swimming pool, pool deck, picnic area, pet park, walking and jogging paths, a clubhouse, and yoga and picnic areas right outside your doorstep, your everyday rhythm will surely be inspired by an invigorating energy. Located only strides away from parks, prime office blocks, and global retail and dining destinations within Stanza, The Sonnet delivers a living experience that is seamlessly integrated.

Stanza aims to reduce the reliance on private vehicles to move around by encouraging people to explore the community by walking, running, and biking. The project includes parks, gardens, and green spaces linked to each other that promote psychological well-being and physical activity of the residents.

SONNET: LIFE IN RHYTHM AND HARMONY

A life in rhythm and harmony is enhanced by easy access to essential conveniences. The Sonnet at Stanza by Vista Estates offers a community that perfectly blends style, sustainability, and functionality, providing comfort, security, relaxation, and enjoyment to create unforgettable experiences and fulfill the desire for a more balanced lifestyle.

Situated within the Lifestyle Hub of Stanza in Tanza, Cavite, The Sonnet is just a few steps away from the retail and business centers of the estate. Located along the Tanza-Trece Martires Road in Cavite, it is conveniently close to existing highways such as the Manila-Cavite Expressway and the South Luzon Expressway, as well as upcoming infrastructure projects like the Bataan-Cavite Interlink Bridge and the Sangley Point International Airport.

The Sonnet features eight mid-rise buildings with state-of-the-art amenities and ample open spaces. With 77 percent of the total development dedicated to wide and open areas, it provides residents with breathing space and opportunities to unwind, encouraging an active community for physical, mental, and emotional well-being. The lap pool amidst lush greenery is perfect for a refreshing dip, while the outdoor gym, picnic area, and pet park offer various outlets for de-stressing. Additionally, there are dedicated places for therapy walks, yoga, play parks, and kiddie pools, catering to families with young children.

Security is a top priority in The Sonnet, with a gated community, 24/7 security, an efficient fire alarm system, an electric fence, and a CCTV system to provide residents with peace of mind and assurance of safety.

The mid-rise condominiums have seven storeys with 19 units per floor, with one-bedroom and two-bedroom unit options ranging from 30sqm to 40sqm. Each unit offers either nature or amenity area views. The clubhouse, located in the heart of The Sonnet, is where life and leisure converge.

The Sonnet's strategic location, connected development, and prime amenities make it an excellent option for those seeking a home and a sound real estate investment. Its value is expected to appreciate over time, making it an intelligent choice for those who desire the best of both worlds.

Artist's Rendering

Artist's Rendering

ALLEGRIA : WELCOME TO THE DISTRICT OF FUN

ALLEGRIA by Vista Estates is a development spanning 30 hectares of prime land in General Trias, Cavite. Positioned as the District of Fun south of Metro Manila, Allegria is part of a 200-hectare sprawling master-planned estate of Vista Land in this historic city.

General Trias is highly accessible through the C-6 Expressway and the Cavite-Laguna Expressway. With the expansion of LRT Line 6 connecting Bacoor and Dasmariñas, reaching General Trias becomes even easier and more convenient.

Allegria takes inspiration from LA Live, a sports and entertainment district in downtown Los Angeles, California. Fully integrating vertical residences, a mall, a hotel, retail concept hubs, a live concert hall, and events venues, this convergence of leisure options will take recreation to a greater level.


Artist's Rendering

For those wishing to live in the center of all this excitement, Allegria Residences – a multi-tower development of mid-rise vertical residences of seven to 12 stories each – will provide peaceful sanctuaries where families can relax after a full day of enjoying thrilling entertainment offerings. To complete the premium estate living vibe, each tower of Allegria Residences will have a range of facilities and amenities including a variety of commercial establishments on the ground floor.

Artist's Rendering

ASPEN: A NEW PERSPECTIVE ON URBAN LIVING

The City of San Jose Del Monte, Bulacan, moves towards unprecedented growth, with its mission of "transforming the city into an investment and tourist-friendly destination."

Aspen, a Vista Estates development in San Jose Del Monte, features a village where business, leisure, and living to flourish altogether through a dynamic cluster of retail, recreational, and food spots.

This 38-hectare estate brings to the country the distinct architectural style and sophisticated lifestyle of its namesake, the renowned mountain resort town of Aspen, Colorado, USA.

Aspen hosts vertical residences that provide cozy living spaces and a greener perspective on urban living. At its heart is the Aspen Village, a sanctuary of retail, lifestyle, and relaxation where residents and guests can experience soothing landscapes, exquisite shopping and dining options, and prime spaces for work and leisure.

In this master-planned community, one can always find ways to be active at work, at home, and during leisure time – while living a sustainable, eco-friendly, and dynamic lifestyle just a few minutes away from the hustle and bustle of Metro Manila.

Artist's Rendering

PRAVERDE RESIDENCES: A GREEN SANCTUARY

"PRAVERDE" is a combination of the Spanish words "pra" meaning "into" and "verde" or "green". And "into the green" one indeed goes in this 12-hectare verdant oasis located along Governor's Drive, Dasmariñas, Cavite.

Praverde is at the crossroads of six flourishing growth areas, including Metro Manila and Tagaytay City. Dasmariñas City is touted as Cavite's thriving industrial and educational hub and is considered a key player in the province's economic surge. Praverde provides access to educational institutions nearby like the De La Salle University, and Dasmariñas Campus, and is also a short distance from reputable medical and healthcare establishments.

The estate is divided into commercial and residential nodes, both centrally integrated and surrounded by swathes of lush green spaces. In the midst of this sanctuary is Praverde Residences, a cluster of premium mid-rise vertical residences, complemented by superb amenities built for life and leisure. The beautifully-crafted, Mediterranean-inspired residential properties at Praverde are perfect homes where precious moments can be shared for a lifetime.

GEORGIA: WHERE TRANQUILITY AND VITALITY CONVERGE

GEORGIA by Vista Estates is where tranquility and vitality synchronize. Set to be the biggest Lifestyle Destination in Iloilo, Panay Island in the Visayas, this dream development melds the natural beauty of the idyllic city and the industrial and residential expansion from Iloilo province's central business district. Georgia also plays perfectly into the serene disposition of the Ilonggos while catering to their just-as-innate entrepreneurial temper.

Named after the state of Georgia in the US known for seamlessly blending tradition and modernity, Georgia by Vista Estates takes its design cues from the sprawling estates of the "Old American Colonial South," Horizontal residences and a central lifestyle hub feature genteel colors and textures of stucco, stone, and brick – paying homage to the breathtaking colonial architecture and landscapes well-preserved in the city of Savannah. There are parks, plazas, and trellised trails studded exquisitely with a variety of cooling water features. An orchestra of bubbling water, whistling bird songs, and leaves rustling with the breezes plays all day to calm and revitalize weary spirits. Savannah will be the development's laidback, more neighborly, and more suburban node. It will have a FIFA standard football field and a church dedicated to Padre Pio de Pietrelcina, patron saint of pain, suffering, and healing.

This nature-inspired complex will cocoon a vibrant and interactive central node named for Atlanta, another of Georgia's most beloved. Atlanta will be a nexus complete with the iconic Vista Mall surrounded by a trendy hotel for the guests, and mid-rise mixed-use residential towers called Augusta Residences. There will also be office spaces, a hospital, and a wellness and leisure hub all designed to elevate the lifestyle of locals and investors


Artist's Rendering

Artist's Rendering

NORTH COMMONS: EPITOME OF THE NEW METRO NORTH LIFESTYLE

The construction of the Metro Rail Transit Line 7 has positioned North Caloocan as the new investment destination and sought-after residential haven with its accessible location and high investment potential. With the area being seen as the next growth corridor, a New Caloocan rises not only in value but also in becoming a lifestyle destination with its rich history and its nature trails in the nearby La Mesa Eco Park.

North Commons by Vista Estates is a condominium enclave strategically located along Camarin Road, Caloocan City. It is master-planned with a series of residential condominiums complemented with retail establishments, co-working spaces, and resort-inspired amenities. A central "commons" includes a commercial hub with an AllHome Depot, AllDay Supermarket, restaurants, and specialty shops.

Within the commons is a multi-level clubhouse with function rooms, a swimming pool, a game room and a gym—all designed to encourage the residents to live a healthier lifestyle. North Commons is set to be a model for "The New Metro North Lifestyle."


Artist's Rendering

Artist's Rendering

VIDARTE: ART AND LIFE

Located in the historic and progressive city of Antipolo, Rizal, Vidarte is more than just a tranquil escape from the hustle and bustle of urban life. This 152-hectare estate is designed to be the newest hub for the passion-oriented and experience-seeking community of Antipolo and its neighboring cities.

The Province of Rizal is dubbed as the Cradle of Philippine Art and its artistic culture serves as the inspiration for Vidarte. Throughout the estate, iconic art pieces can be seen, adorning building walls as expressive canvases for the intricate artworks of local named and budding artists. These art pieces are part of the estate's overall art-inspired scene and provide a backdrop for Instagrammable shots, as well as a source of admiration and inspiration for the residents. Attractions such as Pinto Art Museum, Masungi Georeserve, Art Sector Gallery and Chimney Cafe, Cloud 9, Eastridge Golf Course, and Thunderbird Resort are all located within close proximity to the estate.

In addition to its artistic features, Vidarte introduces novel choices in retail, dining, and leisure, all converging to form the ultimate urban lifestyle experience. The estate is committed to providing a premium quality of life within its vertical residences, which will be only a few strides away from the estate's commercial spaces and office blocks. Vidarte aims to connect lives, create businesses and work opportunities, and foster a strong community spirit in sustainable mixed-use estate development.

Vidarte rises along Manuel L. Quezon Extension Road, which is connected to other major thoroughfares that make it easy for residents to reach Pasig and Mandaluyong via the Ortigas Extension Road, as well as Marikina and Quezon City via Sumulong Highway. Just a 15-minute drive from Vidarte is the LRT-2 Extension, which recently opened two additional stations in Marikina-Pasig and Antipolo, providing residents in Rizal another alternative to reach business hubs in Metro Manila. Meanwhile, the Metro Rail Transit Line (MRT-4), which is expected to reduce travel time from San Juan City to Taytay in Rizal to only half an hour, is just 20 minutes from the estate.

The upcoming Southeast Metro Manila Expressway or the C-6 road will further improve accessibility as it will traverse the developing cities of Taytay, Antipolo, and San Mateo in Rizal. It is projected to consequently expand economic activities and attract more business opportunities in these areas.

The estate's strategic location and proximity to key establishments, institutions, and leisure centers, as well as its iconic art pieces, provide an exceptional living experience for its residents and their guests.

Artist's Rendering

Artist's Rendering

VALENCIA: IBERIAN SENSIBILITIES BLEND WITH CEBU'S CHARM

VALENCIA by Vista Estates draws its inspiration from a unique blend of traditional and modern architecture, creating a vibrant environment on the island. The development's multi-tower residences and recreational spaces offer the convenience and excitement of a dynamic metropolis while still honoring the Filipinos' love for tradition and heritage.

Spread across five hectares, Valencia will transform the cityscape, with commercial hubs featuring exclusive retail and food and beverage concepts, as well as green pathways and open spaces. Valencia's towers and edifices feature historically-derived touches inspired by Spanish Modernista architecture, characterized by curves, rich decoration, organic motifs, and asymmetry. Balancing tradition and heritage with the convenience and excitement of a dynamic metropolis, Valencia offers vertical residences and recreational spaces that pay tribute to the Spanish province's architectural sophistication and balance tradition and heritage with the accoutrements of a dynamic metropolis.

Valencia is located in the heart of Lapu-Lapu City, Mactan Island. It is just a few kilometers away from the main island of Cebu, boasting more domestic air and sea linkages than Metro Manila. The Cebu-Cordova Link Expressway, spanning 8.9 kilometers, connects the main Cebu City industrial area to Mactan Island via the municipality of Cordova, servicing at least 50,000 vehicles daily.

Cebu is also known for its export growth rate, which is higher than any other province in the Philippines. It is equally famous for having one of the best records for peace and order and its captivating beaches and diverse marine life. The city is a blend of ancient charm old and a vigorous economy that makes it an ideal place to pursue passions and economic opportunities while calling it home.


Artist's Rendering

PROVENCE: A MEGALOPOLIS RISES IN THE NORTH

Rising in Malolos, Bulacan, a bustling city that has retained its storied roots while forging its path towards becoming Metro Manila's gateway to the north, is a megalopolis inspired by the sunny and vibrant city of Sta. Barbara, California.

Provence is an expansive 350-hectare prime real estate composed of enterprise, residential, commercial, and leisure hubs. It is a master-planned community primed for growth, strategically situated along MacArthur Highway near the Tabang and Pulilan exits of the North Luzon Expressway, an easy 30-minute drive to and from Manila.

Surrounding this vibrant township are major infrastructure projects that guarantee the appreciation of real estate properties and attractive returns on investment. Among these is the 38-kilometer mass transportation project Tutuban-Malolos Railway which will connect Malolos to the National Capital Region. There is also the 53-kilometer Malolos-Clark Railway linking the city to Clark Freeport Zone and Clark International Airport in Pampanga. Both are part of the 163-kilometer-long North-South Commuter Railway project aiming to connect the north to Calamba, Laguna by 2025.

And there's more. Just about 20 minutes from Provence, rising in Bulakan, Bulacan will be the New Manila International Airport with four runways, eight taxiways, and three terminals. It is poised to serve 100 million passengers annually, with a design capacity that can be expanded to 200 million travelers.

Provence will have distinct hubs where its guests and residents can live, work, shop, dine, learn, play, and invest. Endless possibilities await businessmen and investors seeking avenues to grow their assets and thriving enterprises within bustling commercial districts. Growing families can select from a wide range of house and lot models where they can enjoy as many living spaces as they want.

People on the go can opt to reside in any of Provence's mid- or high-rise residential properties that are just a walking distance away from their workplaces and surrounded by every possible modern-day convenience, such as supermarkets, retail shops and malls, restaurants, schools, hospitals, places of worship, government offices, transport terminals, and so much more.

Provence is likewise a mere 15-minute ride to historical marvels that serve as a reminder of the country's vibrant past -- the renowned Barasoain Church and the Ecclesiastical Museum, the Casa Real Shrine, and the Basilica Minore de Immaculada Concepcion.


Artist's Rendering


Artist's Rendering

VERIDA: LIVING GREEN

VERIDA by Vista Estates is a six-tower mid-rise vertical development situated in Balanga, Bataan, a progressive province in Central Luzon known for its anchor industries, two freeport zones, and various manufacturing zones. The City of Balanga, which borders Manila Bay, is Bataan's center for trade and services. It is also called the "Education Center of the Province," with a large number of learning institutions and a state university. The city aims to become a "Smart University Town" and a center for global technology businesses by 2030.

Verida aims to become Bataan's premier eco-estate, promoting wide open spaces, eco-tourism opportunities, and renewable energy advocacies. The estate is designed to become a green nexus and comprises living spaces to meet the needs of modern-day urban dwellers and is surrounded by green environs. Verida takes its cues from Singapore, which is ranked the most sustainable city in Asia. The name "Verida" is a portmanteau of the Spanish words "verde" and "vida" meaning "green" and "life".

Edifices at Verida are adorned with green walls, roof gardens, and green spaces. The estate is built to create a feeling of space, openness, and refreshing cleanness. It is easily accessible via the North Luzon Expressway (NLEX), the Subic-Clark-Tarlac Expressway (SCTEX), and the Bataan Provincial Highway.

Verida's master plan includes three key nodes: The Square, The Garden Promenade, and The Park District. The Square is a smart metropolis with VistaMall, hotels, and a convention center. The Garden Promenade features lush green spaces for eco-tourism, vertical estate living, retail, and dining establishments. The Galerie, a shared street dotted with lush pocket gardens, play areas, and eco-reading pods, is also part of The Garden Promenade. The Park District is a socio-cultural hub with a church and a plaza designed to ignite a passion for community and cultural heritage preservation.


Artist's Rendering

SCALA: ELEVATING URBAN LIVING TO NEW HEIGHTS

SCALA by Vista Estates offers quality vertical residences, amenities, services, and opportunities found in today's global cities, elevating residents' way of living far beyond their dreams. Scala is a vast 21-hectare estate with 15 mixed-use towers located near Bonifacio Global City with easy access to C-5. It is designed to become a prime global business and residential hub in Taguig.

Nestled on the northwestern shores of Laguna de Bay, the largest lake in the country, the district offers natural wonders that coexist with a bustling business and commercial hub. Scala is Vista Estates' re-creation of The Grand LA on breathtaking Bunker Hill in Downtown Los Angeles, California with the vision of making "The Grand" even grander. It is inspired by, and Scala replicates the vibrancy and delight of Grand LA. It is designed to be a walkable community with everything you need within easy reach. Arteries of elevated walkways will connect the estate's key hubs allowing residents to get where they need to go on foot while basking in the view of the green spaces, water features, and enchanting courtyards raised on several levels, creating a stunning world in the sky.

Scala has been thoughtfully master-planned to perfectly epitomize the Vista Estates' live, work, play, dine, shop philosophy. The central and looping Skylinq is a walking path that will connect the various residential and office towers to the central mall, giving the community a place to converge. Scala's Skyparks and Skygardens are perched on top of towers, creating a cool, clean, and green atmosphere, allowing for sustainable living.

Scala will be built around an outdoor business and recreation center called The Hyve. The heart of The Hyve is Vista Mall, a central commercial and leisure hub offering a collection of shopping, dining, lifestyle, and entertainment concepts. The Courtyard is a multi-tower, mid-rise development within Scala, offering cozy condominium units with a low-density floor plan that guarantees privacy, security, and comfort for its residents. The exceptional amenities at The Courtyard include function rooms, a kid-friendly swimming pool, a state-of-the-art gym, and a relaxing sky garden.

Artist's Rendering

Artist's Rendering

SOARING HIGH

VISTA LAND DELIVERS BEST DIGITAL EXPERIENCE AT ASIAN EXPERIENCE AWARDS 2022

Vista Land & Lifescapes, Inc. won the Philippines Digital Experience of the Year-Real Estate award at the Asian Experience Awards 2022. Vista Land was cited for its organization and conduct of ViCon or the Villar Group Convention (ViCon), a series of virtual real estate expositions.

The Asian Experience Awards is presented by the Asian Business Review magazine. It seeks to recognize the enterprising initiatives of companies that delivered meaningful brand experiences to their stakeholders.

ViCon: C.E.O (Connect. Explore. Own), the first in the series, virtually showcased Vista Land's real estate offerings. The convention generated PHP195m in reservation sales. The second, ViCon: B.O.S.S. (Business OpportunitieS Summit), gathered around 3,000 licensed brokers, real estate agents, and potential sellers and gave them insights on the opportunities of becoming part of the real estate industry. The third, ViCon R.I.S.E (Retail. Innovation. Shopping. Expo), highlighted the group's retail stores.

Vista Land also adopted various digital initiatives specific to the real estate industry, along with the significant acceleration of digital transformation in the sector.

LUMINA BACOLOD BAGS HIGHLY COMMENDED AWARD FROM PROPERTYGURU

Lumina Bacolod received the Highly Commended award in the Best Housing Development category for the Visayas region at the PropertyGuru Philippine Property Awards 2022. This award recognizes housing sites that excel in location, design, and amenities, including functionality, innovation, and green features.

Located in Barangay Vista Alegre, Lumina Bacolod is a 35-hectare community with over 4,000 residents. It is one of Lumina Homes' 50+ project sites throughout the country, offering affordable housing options under Vista Land.

Lumina Bacolod is a convenient less-than-twenty-minute commute to Bacolod's city center. The New Government Center and New Silay-Bacolod International Airport are also just a fifteen-minute drive away.

Homebuyers at Lumina Bacolod have a wide range of model unit options, such as the Aimee and Airene Rowhouses, perfect for independent living and young professionals on the go. The community also offers townhouses like the Angeli and Angelique models. Using cast-in-place or reinforced concrete construction, all residential units at Lumina Bacolod are sturdy and safe during natural or manmade calamities.

The Lumina Bacolod community ensures safety with features like a secured entrance, CCTV surveillance, perimeter fence, and roving security guards. Moreover, residents and their families can enjoy various amenities, including a covered basketball court, miniature gardens, and playgrounds, enhancing their leisurely lifestyle.

PropertyGuru is a property technology business operating in Southeast Asia. The PropertyGuru Philippines Property Awards acknowledge excellence in Philippine real estate construction, design, and development.

VISTA LAND CHAIRMAN CONFERRED JAPAN'S GRAND CORDON OF THE ORDER OF THE RISING SUN

Japanese Ambassador Koshikawa Kazuhiko, representing His Majesty the Emperor of Japan, bestowed the Grand Cordon of the Order of the Rising Sun upon Manuel "Manny" B. Villar Jr., former Senate President and Speaker of the House of Representatives. The conferment ceremony held on November 25, 2022 at Malacañang Palace in the presence of President Ferdinand Marcos, Jr., acknowledged the Hon. Villar's significant contributions in strengthening economic and bilateral relations between Japan and the Philippines.

In his congratulatory message, Ambassador Koshikawa commended Hon. Villar's exemplary leadership as the Senate President and House Speaker and expressed gratitude for his pivotal roles in the ratification of the "Japan-Philippines Economic Partnership Agreement" (JPEPA) and the "Japan-Philippines Tax Treaty Amendment Protocol" in 2008, followed by the "Japan-Philippines Technical Cooperation Agreement" in 2011.

Ambassador Koshikawa warmly acknowledged that Hon. Villar's unwavering dedication to nation-building and exceptional leadership skills have paved the way for deepening friendship and bilateral relations between Japan and the Philippines.

VISTA LAND GRABS FOUR OF NINE MAJOR ASIAN EXCELLENCE AWARDS

Vista Land & Lifescapes emerged victorious in four out of the nine major categories at the 12th Asian Excellence Awards 2022, hosted by Corporate Governance Asia.

During the virtual ceremony held on December 5, 2022, Vista Land's CEO, Manuel Paolo A. Villar, was honored as the Best CEO. This recognition was based on his exceptional performance in driving the overall management and growth of the company. Villar's credibility as the face of the company among investors, shareholders, and stakeholders, as well as his remarkable leadership skills, management capabilities, and reputation, were also acknowledged. Furthermore, his leadership of the Board of Directors, ensuring their effective functioning and fulfilling their responsibilities to the best of their abilities, played a pivotal role in securing the award.

Vista Land's CFO, Brian Edang, was awarded the Best CFO title for his exemplary leadership in navigating the company through both favorable and challenging market conditions. Edang's astute management of the company's finances, accurate assessment of the market environment, and ability to seize opportunities in the swiftly changing markets were highlighted. His expertise in liability management and the company's financial structure were also recognized. Edang's valuable contributions to finance and treasury operations, business planning, and strategic procurement further solidified his position as the Best CFO.

The collective effort of the entire Vista Land team was honored with the Best Investor Relations Company Award. This accolade acknowledged the company's commitment to open and transparent communication, which served to build and enhance investor confidence. Vistaland's unwavering dedication to upholding the highest standards of disclosure, transparency, and fairness in disseminating information was duly appreciated.

Vista Land's Corporate Social Responsibility (CSR) Program received the Best CSR Program award. This recognition was a result of the program's emphasis on the social and environmental impact on the communities in which the company operates. Vista Land's various CSR activities exemplify its commitment to implementing responsible policies and practices into its daily operations.

The Asian Excellence Awards aim to recognize achievements and excellence in management acumen, financial performance, corporate social responsibility, environmental practices, and investor relations. Corporate Governance Asia, the region's leading journal on Environmental, Social, Corporate Governance, Investor Relations, and Sustainability, hosts the awards. Published quarterly, Corporate Governance Asia provides news and analysis on ESG issues, boardroom practices, and shareholder activism.

CorporateGovernanceAsia 亞洲企業管治

12TH ASIAN EXCELLENCE AWARD 2022

Asia's Best CEO
Investor Relations
Manuel Paolo A. Villar

Asia's Best CFO
Investor Relations
Brian Edang

Asia's Best CSR

Best Investor Relations Company

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VISTA LAND BAGS SILVER IN 2022 ASIA-PACIFIC STEVIE AWARDS

Vista Land & Lifescapes, Inc. received the silver award at the 2022 Asia-Pacific Stevie Awards for its Villar Group Convention (ViCon). The Convention was recognized for its excellence and innovative approach in the category of consumer events.

Camille Villar, Managing Director of Vista Land Commercial Division, expressed her appreciation for the Award. Despite the challenges posed by the COVID-19 pandemic, the three-part ViCon effectively showcased the Group's property and retail products through large-scale virtual events.

Villar explained how ViCon embraced innovation by finding alternative ways to reach their target market, sellers, business partners, and retail consumers during a time when in-person operations were restricted. The Group provided a comprehensive, valuable, and appealing online experience for their clients across multiple industries through a user-friendly platform from the comfort of their own homes.

During the first expo, Vista Land showcased its real estate offerings virtually and generated an impressive P195 million in reservation sales. The second ViCon, held on October 15, 2021, attracted 3,000 licensed brokers, real estate agents, and potential sellers, providing them with valuable insights on opportunities within the real estate industry. The third ViCon showcased the group's retail stores, including AllHome and AllDay Supermarket, during the Retail Innovation Shopping Expo.

The Asia-Pacific Stevie Awards distinguish themselves as the only business awards program that recognizes workplace innovation across all 29 nations in the Asia-Pacific region. The Stevie Awards hold the reputation as the

world's premier business awards, honoring outstanding achievements in programs like The International Business Awards for the past 20 years.

The winners of the Asia-Pacific Stevie Awards were honored during a virtual awards ceremony on June 29. Over 900 nominations from organizations across the Asia-Pacific region were evaluated this year in various categories.

STEVIE HONORS CAMILLE VILLAR

In 2022, Camille Villar, President and CEO of AllValue Group, the retail division of the Villar Group of Companies, received the esteemed title of "Government Hero of the Year" at the prestigious Stevie Awards for Women in Business held in Las Vegas, USA. Her exceptional efforts during the Covid-19 pandemic earned her this accolade in the Covid-19 response category.

The Stevie® Awards for Women in Business are renowned as the ultimate recognition for female entrepreneurs, executives, employees, and the organizations they lead.

Camille's remarkable achievements as the President and CEO of AllValue Group, along with the significant contributions made by her company to the community during the pandemic, also earned her the Silver Stevie Award for Female Executive of the Year in Asia, Australia, or New Zealand.

Additionally, the Stevie Awards acknowledged the efforts of AllHome Builds and presented it with the Bronze Award for Community-Involvement Program of the Year in the category of Women-owned or Women-led Organizations.

Camille extended her thanks to the Stevie Award judges for the invaluable recognition. She also paid tribute to the individuals behind the Villar brands, particularly the women employees and female executives who played a vital role in ensuring the success of the Villar Group's retail business.

VISTA LAND IS WORLD'S BEST COMMUNITY REAL ESTATE DEVELOPER

Vista Land & Lifescapes' commitment to developing integrated sustainable communities rather than merely constructing houses earned it the esteemed Best Community Real Estate Developer Award in the Real Estate category against competitors from around the world at the 2021 Global Economics Awards held in Dubai, UAE.

The Global Economics Awards aims to acknowledge businesses that strive to forge the best work culture, contributing to both their regional and global economies. This prestigious program serves as a symbol of perseverance and credibility for its recipients. Its primary goal is to inspire and instill confidence in businesses and professionals worldwide, regardless of their industry.

Global Economics Limited, a UK-based financial publication and quarterly business magazine, provides insightful analysis of the financial sectors in various industries across the globe. Their prominent activity is the renowned Annual Global Economics Awards program, which recognizes and honors the top performers in diverse financial sectors worldwide.

VISTA LAND IS INTERNATIONAL FINANCE AWARDEE

Vista Land & Lifescapes was declared winner the Best Emerging Developer in the Residential sector in the Philippines at the 2022 International Finance Awards, specifically in the real estate category. This accolade recognizes excellence in both residential and commercial properties within emerging markets.

Vista Land was selected due to the exceptional quality of its products, high service standards, and consistent commitment to ensuring customer satisfaction. Notably, Vista Estates, their fully integrated urban developments, was highlighted for bringing together themed residences, both vertical and horizontal, alongside retail, office spaces, universities, leisure facilities, healthcare services, and other world-class institutions.

The International Finance Awards is overseen by International Finance Magazine, a distinguished business and finance publication published by the UK's International Finance Publications Limited. This prestigious event serves as a platform to celebrate industry talent, leadership skills, overall industry value, and capabilities on an international scale.

VISTA LAND HITS BULLEYE WITH ACGS GOLDEN ARROW

Vista Land & Lifescapes received recognition from the Institute of Corporate Directors (ICD) during the 2022 ACGS Golden Arrow Awards. These awards celebrate the outstanding performance of Publicly Listed Companies (PLCs) in the Philippines, based on the results of the ASEAN Corporate Governance Scorecard (ACGS) in 2021.

The ACGS was developed in collaboration with the Asian Development Bank, the ASEAN Capital Markets Forum, and corporate governance experts from the six participating ASEAN countries. It serves as a valuable tool for evaluating and ranking the corporate governance practices of PLCs in Indonesia, Philippines, Malaysia, Vietnam, Singapore, and Thailand. The assessment is conducted using publicly available information, including the company's disclosures on its website and those provided by regulators. The ultimate objective of the ACGS is to elevate corporate governance standards and practices among ASEAN PLCs, thereby increasing their attractiveness to potential investors.

PINEVALE: SMART HOMES WIN TOP CAROUSELL PROPERTY AWARDS

Crown Asia's Pinevale project in Tagaytay was honored with the prestigious Carousell Property Awards 2022 for Best Development in Innovative Condominium Property and Value for Investment. The 2.8-hectare residential development has set a new standard for modern urban living, meeting the rising demand for smart homes. Nestled in a popular tourist destination, Pinevale boasts a prime location and offers residents the luxury of state-of-the-art smart fixtures, ensuring convenience and comfort. It proudly holds the title of being the "First Smart Condo in Tagaytay," featuring smart locks, sockets, and an IR repeater that can be controlled through a mobile application.

The Carousell Property Awards, presented by the classified mobile and web application Carousell, serve as a testament to Crown Asia's exceptional performance in the real estate market. Through their Smart Home Series, Crown Asia has successfully met the demands of homebuyers with their upscale communities, catering to both ready-for-occupancy and pre-selling projects in horizontal and vertical collections.

For over 25 years, Crown Asia Properties Inc., the premium residential arm of Vista Land and Lifescapes Inc., has been renowned for creating world-class themed communities in the Philippines.

VISTA LAND AND LIFESCAPES IS A T.I.G.E.R

Maybank Philippines, Inc. (MPI) recognized Vista Land and Landscapes during the MPI 25th Anniversary Gala celebration held on November 25, 2022 at the Shangrila at the Fort, Bonifacio Global City. Together with other long-time MPI clients and industry partners, Vista Land was given a special trophy of appreciation for demonstrating the same T.I.G.E.R. values embraced by MPI: Teamwork, Integrity, Growth, Excellence and Efficiency, and Relationship-Building.

Maybank Philippines is a member of Malaysia's largest banking group by assets and a leading regional financial services provider with an international network of over 2,626 retail and 51 investment banking branches in 18 countries.

VISTA LAND WINS MAJOR PDS AWARD

Vista Land & Lifescapes, Inc was named Top Traded Corporate Bond Issuer for 2021 at the 17th PDS Annual Awards held in March 2022. The award was for Vista Land's PHP 10 billion Fixed Rate Bonds due 2025, the same issue which also won them a similar citation the previous year.

The PDS Annual Awards recognizes PDS members who have distinguished themselves over the past year, contributing to the growth and stability of the Philippine financial markets. Creating Value, the theme for the event was embodied by the winners who have remained strong and steadfast behind yet another challenging year. A total of 45 awards, ranging from depository, custody, and settlement, to fixed income market categories were recognized in the virtual awards ceremony.

The Philippine Dealing System Holdings Group (PDS) was built as a community solution following the economic stresses felt in the region in 1997. The Group was formed to shepherd the implementation of a Market Reform – the organized market. Powered by state-of-the-art technology, PDS provides a full suite of services, from trading to clearing and settlement, and post settlement across different asset classes. It also offers learning facilities to equip its markets and communities in keeping pace with market development and professional practice, here and abroad.

VISTA RESIDENCES WINS BIG WITH KIZUNA HEIGHTS

Kizuna Heights by Vista Residences was judged the Best Mixed-Use Development winner in the Outlook 2022: Philippine Real Estate Awards. Mixed-use developments are a masterful integration of modern structures within people-centered designs that create seamless transitions between residential, commercial, and environment-friendly facilities.

One of the latest in Vista Residences' catalog of condo developments, Kizuna Heights is located along Taft Avenue, Malate, Manila. It is a joint-venture partnership with Mitsubishi Estate Co. Ltd. and is named after the Japanese ideology of human connection.

Kizuna Heights is based on "Ikigai", a stylistic and Japanese-inspired lifestyle distinguished by living spaces that carry the essence of happiness, purpose, and motivation. Features and amenities include a swimming pool, a study hall, a function hall, a fitness, and wellness center, and a lobby -- all safeguarded by 24/7 security services.

Kizuna Heights is close to top universities such as De La Salle University, the College of St. Benilde, and the University of the Philippines Manila. It is also near landmarks like the Manila Cathedral and the Philippine General Hospital, prominent commercial centers like Greenbelt or the Mall of Asia, and tourist spots such as Rizal Park, the National Museum, and the historic district of Intramuros.

VISTA LAND IS IN BCI'S TOP DEVELOPER ROSTER

Vista Land & Lifescapes secured a spot on BCI's prestigious Top 10 Developers list in the BCI Asia Awards Philippines, held on June 21, 2022. These awards acknowledge the top property developers and architects in the Philippines, based on the total value of projects under construction in 2021. The rankings take into account the firms' sustainability efforts, emphasizing the importance of socially responsible architecture.

The BCI Asia Awards, held annually, recognize developers and architecture firms that have made significant contributions to the construction industry in seven Asian markets: Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam. The event serves as a platform to promote socially responsible architecture and facilitates networking opportunities for both local and international elite architecture firms, property developers, manufacturers, and service providers.

BCI Central, established in 1998, aims to streamline the construction industry through its software solutions and related services. It provides clients with the tools to identify sales opportunities, make informed decisions, and connect with key target markets while enhancing efficiency and transparency within the industry.

VISTAREIT DEBUTS AT PSE

VistaREIT (VREIT), the premier mall and office real estate investment trust of Vista Land, made its highly anticipated debut on the Philippine Stock Exchange in June 2022. With an impressive portfolio of ten community malls and two PEZA-registered office buildings, VREIT boasts a massive aggregate gross leasable area of 256,404 square meters.

The community malls are strategically located in various cities, such as Las Piñas, Bacoor, General Trias, Imus, Antipolo, San Jose Del Monte, San Fernando, Talisay, and the municipality of Tanza in Cavite. Meanwhile, the office buildings are situated in the bustling cities of Taguig and Bacoor.

VREIT is backed by Vista Land, the Philippines' foremost integrated property developer and the largest homebuilder in the country. Vista Land operates through its six distinct business units, namely Camella Homes, Communities Philippines, Crown Asia, Brittany, Vista Residences, and Vista Malls, in both residential and commercial property development.

Formerly known as Vista One, Inc., VREIT is a wholly owned subsidiary of Vista Land and boasts a diverse portfolio of commercial and office properties situated within Vista Land's integrated communities. The company is committed to investing on a long-term basis in a diversified portfolio of income-generating commercial real estate assets, located within Vista Land's integrated developments or in key urban areas. VREIT aims to maintain high occupancy rates and quality tenants, with a particular focus on those providing essential goods and/or services.

Vista Land Chairman Manuel B. Villar, Jr. with Vista Land President and CEO Manuel Paolo A. Villar

GLASS HOUSE: FOOD AND COFFEE SERVED WITH FAIRYTALE AND MAGIC

GLASS HOUSE is another new chapter in the continuing story of VistaLand's Coffee Project chain. Located at the Palazzo Verde in Vista Alabang, Glass House is a breathtaking glass pavilion filled with natural light and lush gardens. This stunning café offers an enhanced selection of sumptuous dishes and curated coffee-based creations, including Peach and Prosciutto Salad, Squid Ink Spaghetti in Aligue Sauce, and Five Cheese Ziti Al Forno, paired with Glass House's craft beverages.

The biophilic interiors, with warm neutral tones and greenery adorning every corner, create a cozy ambience that blurs the lines between indoors and outdoors. The floor-to-ceiling glass windows provide breathtaking views of the lush gardens within Palazzo Verde or the bright blue sky. At night, Glass House transforms into a romantic spot, offering a fairytale-like dining experience under the stars.

With its beautiful design and exceptional service, Glass House is one of the most beautiful expressions of Coffee Project today, reflecting its expansion, growth, and refinement.

GROWTH
FEATURES

VISTA MALL DAVAO: ELEVATING MALL EXPERIENCES IN DAVAO CITY

VISTA MALL is expanding its portfolio of innovative and elevated mall experiences with the opening of its first location in Davao City. The mall sits on a three-hectare property in the highly-urbanized locale of Barangay Sto. Niño offers a premium mall experience on par with the world's best to the people of Davao City. It's situated just across Vista Land's community of Camella Cerritos Mintal.

The Villar group has once again displayed its vaunted synergy with the AllValue brands, which include the full-line home retailer AllHome, popular café chain Coffee Project, and two brands from the retail conglomerate's specialty food concepts—AllAmerican Pizza and Bake My Day. Vista Mall has also partnered with Mindanao's leading consumer goods retailer, NCCC Supermarket, to provide a comprehensive retail offering for the community.

AllHome, the country's pioneering full-line home center, is featured as a key anchor to the Vista Mall Davao, providing the local community with a complete home shopping experience—from building to furnishing. Key AllValue brands anchor the comprehensive retail experience that the conglomerate is known for, with customers enjoying shopping trips that are both leisurely and efficient.

Vista Mall has curated a tenant selection that properly caters to the tastes of the Davao customer base through homegrown retailers, popular and well-loved global brands, as well as local and international fast-food restaurants. Additionally, the mall has six digital cinemas, providing Dabawenyos with a cinematic experience in a world-class entertainment facility.

In August 2022, Vista Mall Davao joined the Kadayawan Festival in Davao, the province's annual tradition of celebrating a bountiful harvest through music and dancing, and local cuisine. The Mall offered exclusive deals and up to 70 percent off select items during the AllHome Kadayawan Sale, a free upsize on Iced and Fruit Frenzy drinks from Coffee Project, and discounts on assorted donuts at Bake My Day.

To comply with important safety protocols in the continued re-opening of the economy, Vista Mall-Davao ensures a safe and "out-of-the-box" malling experience. It offers generous and well-appointed outdoor dining spaces that seamlessly flow into thoughtfully-designed mall spaces, akin to the best that can be seen not only in countries like Japan, Thailand, or Korea but across the globe.

The Davao Region's economy grew by 5.9 percent in 2021, valued at ₱882 billion from about ₱833.2-billion in 2022, as reported by the Philippine Statistics Authority. This growth has boosted business confidence in the region, making it an ideal time for Vista Mall to open its doors in Davao City.

Apart from the Davao branch, Vista Land & Lifescapes is present in 44 other mall locations across the country, including Evia Lifestyle Center, Las Piñas, Global South, Lakefront, Taguig, and Sta Rosa, among others.

VISTA LAND'S FUR PARTNERS

DOGDOG

Dogdog is not just a beloved pet at Vista Mall Taguig but an integral part of their community. Abandoned by his original owners as a puppy, Dogdog found care and companionship with the mall's security team, who gave him his unique name. Now, now a viral sensation, everyone at the mall knows Dogdog by this unique moniker.

Dogdog's loyalty and irresistible charm have endeared him to the mall's staff. Beyond his social media fame, he has proven himself as a defender and helper. When a thief snatched a delivery driver's phone from his truck, Dogdog chased the culprit and helped the security team apprehend him. Dogdog has been a valued member of the mall's "security force" ever since.

The people of Vista Mall Taguig have been instrumental in shaping Dogdog's loving and protective nature. They provided him with a home, ensuring he is bathed, fed, and loved by the caring employees. Taguig's veterinary office assists in keeping Dogdog's vaccines up to date, and the mall's security team regularly monitors his health. Dogdog's story is a testament to the wonderful community at Vista Mall Taguig, where people came together to embrace and care for a stray puppy.

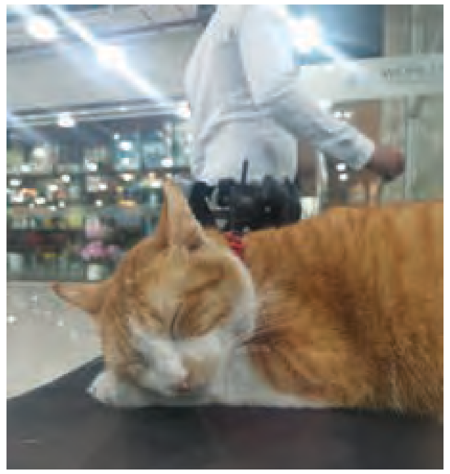
MINGMING

Across town, at the Worldwide Corporate Center (WCC) in Mandaluyong, Mingming the cat joins the security guards in formation before they begin their daily duties.

Nhe Omanga, a utility worker and Mingming's fur mom, shares that during the early days of the COVID-19 pandemic, the cat used to wander around the parking lot of the establishment. The food court's proximity to the parking lot's exit door led to the habit of feeding Mingming. As a result, the cat became comfortable staying there, and eventually, WCC's administration decided to adopt her. Mingming received gifts such as a bed, dress, and nametag from the admin and some call center agents working in the building.

Omanga's initial photos of Mingming being "on duty" with a security guard at one of WCC's entrance doors quickly went viral on Facebook. The post garnered over 3,200 likes, reactions, and more than 600 shares. It also received 230 comments from fellow feline lovers and other Facebook users. Subsequent posts about Mingming received 11,000 likes, reactions, and 1,400 shares on the platform. Most recently, a video referring to her as the "Security Cat" gained 3.3 million views, along with 249,000 likes and "love" reactions.

Vista Mall places great importance on the bond between pets and their owners. That's why they ensure their malls are pet-friendly by providing proper training to their personnel and implementing Pet Guidelines to help customers manage their pets. As long as pets comply with a few simple rules—updated vaccines, including anti-rabies, being leashed or inside carriers/strollers, and proper grooming—they are welcome inside Vista Mall premises.



(A sad Postscript: We regret to say that at the time of this writing, we received news that Mingming passed away. We join his friends, fans, family and fellow members of the WCC Security Team in mourning. Thank you, Mingming, for the joy you have given to everyone.)

FILIPINO CONTRIBUTION TO THE WORLD

THE VILLAR FOUNDATION

"Ang sipag at tiyaga ay ang dalawang bagay na sa aming palagay (the Villar family), kailangan ng sinuman para umangat sa kanilang kinalalagyan ngayon." – Manny Villar, Founding Chairman, Villar Foundation

("Hardwork and perseverance are two things needed by someone who wants to improve his quality of life." – Manny Villar, Founding Chairman, Villar Foundation)

Since 1995, the Villar Foundation, also known as Villar Sipag, a non-stock, non-profit organization founded by the Villar family, has been tirelessly initiating various projects geared toward poverty alleviation and environmental conservation. Its efforts are anchored on two pillar values that the Villar Family strongly uphold – hard work and perseverance.

Starting from barangay-level projects in Las Piñas, the Villar Foundation stretched its advocacies and expanded its coverage throughout the Philippines and now making its impact to the world.

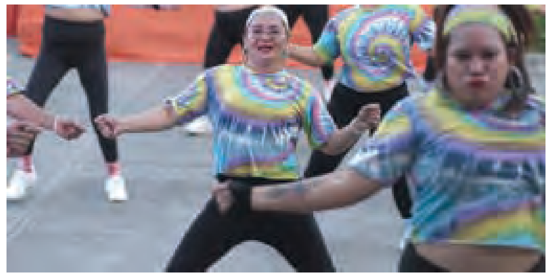
The Villar Foundation has put the country in the map of world environment solutions through the Las Piñas Paranaque Wetland Park Project, now recognized as a RAMSAR site, and the Composting Project of Sen. Cynthia A. Villar which garnered an Energy Globe Award.

The foundation aggressively creates initiatives towards the following concerns:

- *Food security*
- *Job Creation and Livelihood*
- *Environmental Solutions and Sustainability*
- *Women Empowerment*
- *OFW Welfare*
- *Health and Safety*
- *Church Building*

WOMEN EMPOWERMENT FOR A BETTER SOCIETY, BETTER NATION.

1st Inter-Barangay Zumba Competition



"Women play an essential role in building a nation." – Senator Cynthia A. Villar.

This is the strong belief of Senator Cynthia A. Villar that remains evident in all her projects and activities thru the Villar Foundation.

Being women leaders themselves, Senator Cynthia A. Villar and Congresswoman Camille Villar push the welfare of women further in the top segment of the foundation's priority list. Hence, it is inevitable that the women of Las Piñas are always assured recipients of projects that support women's economic empowerment and physical and mental wellness.

On March 4, 2023, as part of the celebration of Women's Month, the first-ever Inter-barangay Zumba Competition was launched for the women of Las Piñas. The project's aim was to promote women's physical health and mental well-being, especially in a time when most Filipinos were recovering from long periods of inactivity during the Covid-19 pandemic.

The event was participated by women from all ages, including senior citizens from various Las Piñas barangays. It was a showcase of creative choreography, unique costumes and pure talent and dance skills that went across all ages. The spirit of sportsmanship was felt and women of Las Piñas were celebrated.

The awarding ceremony held on March 10, 2023 at the Villar Sipag Complex was an exciting day for all women participants. But moreso, it was a day of women celebrating other women's creativity and talent. It was a day of women encouraging other multitasking homemakers, housewives, mothers and daughters to nurture self-love. It was a day of honoring the women's significant role in building the society in Las Piñas and their contribution in nation-building. These are values that the Villar Foundation will continuously foster.

The 2023 Inter-barangay Zumba Competition Winners were declared as:

Best in Costume: Brgy. Pamplona 3

Best Choreography: Brgy. DanielFajardo

2nd Runner-up: Brgy. Talon Uno

1st Runner-up: Brgy. Almanza Uno

Champion: Brgy. CAA Group B

SAVING LIVES THROUGH KNOWLEDGE

Fire Prevention Awareness Month

Fire prevention activities have been staple segments in the Villar Foundation's yearly agenda. The foundation, with the support of the Bureau of Fire Protection – Las Piñas has been aggressively focusing on disseminating fire prevention strategies to Las Piñeros throughout the decades.

This year's Fire Prevention Month event, graced by Senator Cynthia A. Villar, aimed to promote awareness, and to empower individuals by equipping them with adequate knowledge on fire prevention techniques.

The event's theme for this year's activity was "Sa Pag-iwas sa Sunog, Hindi Ka Nag-iisa" ("You Are Not Alone In Preventing Fires"), it was held last March 16, 2023 and was participated by Las Piñas fire volunteers and other constituents.

The participants were taught how to assess possible risks during fire incidents, first response demonstrations and other demonstrations on how to use fire safety tools like extinguishers. Other practical drills were shared too such as how to handle a burning LPG, a lesson that was very useful to the women and the homemakers of Las Piñas.

Aside from the seminar and demos, the event also incorporated the Fire Olympics – a fun competition among the fire volunteers and participants.

The Villar Foundation believes that knowledge builds confidence. That confidence in handling fire emergency situations can definitely lower the statistics of fire cases in the country, can save valuable assets and properties and most importantly, it can save lives.

CORPORATE
SOCIAL RESPONSIBILITY

MAGICAL VOICES UNITE IN WORSHIP AND PRAISE

Las Piñas Inter-Parish Chorale Competition

"It is through your songs and music that we are able to relive the love, compassion and service of San Ezekiel Moreno." – Sen. Cynthia A. Villar

In mid-April 2023, heavenly voices filled the San Ezekiel Moreno Oratory, the church built by the Villar family in Las Piñas. This event was in commemoration of the 175th birthday of San Ezekiel Moreno, a parish priest in Las Piñas in the 1800's.

Back in 1876, San Ezekiel Moreno was known for his great love for the Las Piñeros especially when they were devastated with calamities like drought, sickness and tragic fires in the city's Poblacion. He was cited as "a living example of holiness for bishops" and was canonized as a saint by Pope John Paul II. His relic was preserved in the church's museum.

The event kicked off with a healing mass attended by Senator Cynthia A. Villar.

But the highlight of the program was the Inter-Parish Chorale Competition participated by 9 chorale groups from various parishes in Las Piñas.

The day was a showcase of world-class talent and soulful orchestra of voices, as the choirs paid tribute to San Ezekiel Moreno.

The winners of the chorale competition were:

Best in Artistry: Santo Cristo Parish
Best in Technical Capability: Christ The King Parish
2nd Runner-up: Holy Family Parish
1st Runner-up: Parish Of The Last Supper Of Our Lord
Grand Champion: Diocesan Shrine and Parish of St. Joseph








LAS PIÑAS' PROTECTED PARADISE

16th Anniversary of Las Piñas – Parañaque Wetland Park

Every year, there is a global call for humanity to protect the planet and work towards building a healthy environment. For 2023, Earth Day's theme is "Invest in our Planet", encouraging organizations and businesses to intensify green innovation and escalate environment conservation.

In Las Piñas, this started sixteen years ago, when the Las Piñas – Parañaque Wetland Park was established as a critical habitat and a protected area, through the initiative of Senator Cynthia A. Villar and the Villar Foundation. It is now also known as Ramsar site 2124 located in the heart of National Capital Region or the Ramsar of International Importance.

Last April 22, 2023, coinciding with Earth day, Las Piñas celebrated the 16th anniversary of LPPWP or Las Piñas – Parañaque Wetland Park. The event kicked off with a cleanup activity attended by 200 participants. There was also series of environmental lectures led by Philippine Educational Theater Association (PETA) founder and environmental advocate, Cecille Guidote – Alvarez and Frenchman Hubert d' Aboville of Together Ensemble.

The event was graced by Senator Mark Villar, members of the LPPWP Protected Area Management Board, the Office of Senator Cynthia A. Villar, Wild Bird Club of the Philippines, Society for the Conservation of Wetlands and Las Piñas and Parañaque barangay officials and civil society organizations.

The program also included a competition labelled as Eco-Art Challenge: Upcycling Marine Litter for Wetland Protection.

Today, the wetland park covers a massive area of rich flora and fauna. It is even home to certain threatened endangered bird species. The park also caters to bird watchers and tourists, constantly pushing tourism to flourish in the area.

REMEMBERING A LIFE OF COMPASSION

117th Death Anniversary of San Ezekiel Moreno

San Ezekiel Moreno is close to the hearts of Las Piñeros. He served as a parish priest in the Parish of St. Joseph – Las Piñas Bamboo Organ Church in 1876 to 1879. He is known for his open spirit and as someone who dedicated his life for the service of others. His love for the poor and the sick was immense and knew no limits. And today, many Catholics label him as the patron saint of cancer patients.

In 2011, Former Senate President Manny Villar, Senator Cynthia A. Villar and the whole Villar Family, started the construction of the San Ezekiel Moreno Oratory in Las Piñas. In 2014, the first mass held in the said church, now known to be the center of devotion to St. Ezekiel.

The church boasts of its stunning architectural elements inspired by the Spanish colonial period. It seats 700 people and is located in Barangay Pulanglupa, Las Piñas City.

August 19 is the death anniversary of the healing saint. And in honor of his life and service, Las Piñeros paid tribute to San Ezekiel Moreno once more by conducting a solemn commemoration for its devotees.

FREE SPAY AND NEUTER FOR LAS PIÑAS CITY AND BACOOR PETS

For A Rabies Free Community under RA 9482 or the Anti-Rabies Act of 2007, Senator Cynthia Villar launched, her project together with the Villar SIPAG and with the Philippine Veterinary Medical Association, the Philippine Veterinary Drug Association, Vets Love Nature and PAWS, the "Libreng Kapon at Ligate para sa Aso at Pusa ng Las Piñas City at Bacoor," last January 15, 2023, at the Villar SIPAG Farm School in Barangay San Nicolas I. This is to promote responsible dog and cat ownership.

The project served more than 100 pets where free castration, spaying, and anti-rabies vaccinations were given. Videos were shown promoting proper animal care such as making sure that their dog is not

a nuisance to others. That they should always keep their pet on a leash and under the control of a responsible adult when outside of their premises. They are to pick up dog waste and do their best to minimize barking.

The second leg of the project was conducted in June 26, 2023, where another group of a hundred more pet owners joined the "Libreng Kapon at Ligate Para sa Aso" also at the same venue, where Sen. Cynthia Villar graced the affair.

The Villar Social Institute for Poverty Alleviation & Governance (SIPAG) 2nd leg partners were VetsLove Nature and Philippine Veterinary Drug Association, and the Paranaque Veterinary Service Office.

The Villar SIPAG has also established an animal shelter facility in Camella Springville in Bacoor City to address the perennial problem on stray animals particularly dogs and cats spreading rabies in the locality.

VILLAR SIPAG REHABILITATED ITS 56-KM RIVERDRIVE IN LAS PIÑAS; BAGS ITS FIRST UNITED NATIONS BEST WATER MANAGEMENT PRACTICES AWARD

The Zapote and Las Piñas Riverdrive as well as the Molino Riverdrive, has ease flooding, has provided employment and livelihood to a number of workers doing daily river clean up, weaving coconets waterlilies and other handicrafts.

Las Piñas, located south of Manila, has two major rivers: the 12.6-kilometer Las Pinas river, and the 18.3-k Zapote river which is shared with the Bacoor, Cavite. There are tributary waterways and creeks that total 25.1 kilometers running through the 20 barangays of Las Piñas city. This gives the Las Piñas River a total span of 56 kilometers but due to, urbanization it is subjected neglect, waste dumping, and pollution.

The Sagip Ilog project of Villar Foundation now Villar SIPAG was launched on Senator Manny Villar's birthday, on December 13, 2002, during which he donated a backhoe on a barge, a speedboat with barge, and a garbage truck — all of which were essential in cleaning and dredging the river, the initial main tasks that had to be undertaken to revive the rivers.

The cleaning of the river was faced with many problems, but solutions were found. The presence of water hyacinths that clogged the rivers and multiplied at a fast rate in a matter of days. We found a use of water hyacinth stalk as raw material for various items. Once harvested, they are dried under the sun and weaved by residents into useful items as slippers, clothes hampers, bags, trays, mats and baskets and are sold to dealers. This encouraged many to remove the wastes found in the rivers, for the livelihood component they derived out of keeping the river clean. There are no longer any water hyacinth along the river but the residents

source out their raw materials in some nearby areas within the City where there are still enough for their craft.

Next are the coconut husks being thrown into and contributing to the clogging of rivers, which were also converted into an income source. The Foundation established several decorticating machines, which extracts the fiber from the husks were set up to produce coco coir which is woven into nets that are placed on the riverbanks bank and hill sites to prevent soil erosion.

Vista Land buys their finish products for their land development requirements. Villar SIPAG has also put up several water hyacinth weaving centers, near households where women from the neighborhood do coir weaving practically walking distance from their homes or backyards. Each family with two persons can produce nets amounting to ₱6,000 a week.

Villar SIPAG gave birth to green social enterprises.

This won for Villar SIPAG The United Nations 2011 Water for Life Best Water Management Practices Award first edition, for this Las Piñas-Zapote Rivers Rehabilitation Program.

Through the years, Villar SIPAG, has built barangay-based livelihood enterprises that are models of proper waste management and good examples of how garbage can be turned into useful end-products.

Up to this day, the foundation does continuous improvements and maintenance of the 29 kilometers Las Piñas – Zapote Rivers by deploying river clean up teams in major waterways and river arteries within the City.

VILLAR SIPAG'S LAS PIÑAS COMPOSTING PROJECT BAGS AN INTERNATIONAL AWARD FOR ENVIRONMENTAL PROJECT

Senator Cynthia Villar accepts the recognition bestowed by the Austria's 23rd Energy Globe Awards for the VIllar SIPAG's Las Piñas Kitchen Wastes Composting Project, as one of the "World's Best Environmental Projects."

Energy Globe Awards is the world's most prestigious award, for environmental sustainability. The award founded in 1999 by the energy pioneer Wolfgang Neumann.

Senator Cynthia Villar as Director, received a "Certificate of Honor" from Austrian Ambassador to the Philippines Johann Brieger and Commercial Counselor of the Embassy of Austria in the Philippines Christina Stieber. The Villar SIPAG (Social Institute for Poverty Alleviation and Governance) was acknowledged for its significant contributions and sustainable efforts to protect, preserve and save the environment.

The certificate was handed to the senator during the 23rd Energy Globe of Austria Award held November 22, 2022 at Villar SIPAG Complex, C5 Ext.,Pulang Lupa,Las Piñas City. The awarding was joined by the senator's family- former Senate President Manny Villar, founder of Villar SIPAG along with Sen. Cynthia; Sen. Mark Villar; House Deputy Speaker Camille Villar and Vista Land CEO Paolo Villar, and witnessing the event is Vice Mayor April Aguilar, who represents the Las Piñas city government.

The award is presented in the country where a project is being implemented in cooperation with the international offices of the Austrian Chamber of Commerce and the United Nations Industrial Development Organization (UNIDO).

For the award year, there were 180 participating countries. The composting project which was started by Sen. Cynthia in 2002. It enables Las Piñas City to save more than P300M annually from recycling 75% of their wastes, where 50% are kitchen and garden wastes into organic fertilizer. Senator Cynthia Villar noted this project helps people to properly segregate and dispose their trash to reduce its harmful effects on land and water, and to protect the Las Piñas-Zapote River from garbage going there.

The Villar SIPAG- a Corporate Social Responsibility (CSR) arm of Vista Land, has

established 137 composting facilities- 87 in the 20 barangays in Las Piñas and 50 in Vista Land communities nationwide.

It also contributes to the promotion of organic farming in the Philippines as farmers are given free compost as they are among the main beneficiaries of this composting project.

The project touches the lives of many vegetable enthusiasts interested in home gardening, the farmers and private individuals for they can avail free organic fertilizer together with vegetable seeds for their farms or backyard garden, which are likewise given by Villar SIPAG for free. She said the composting project was triggered by the closure of primary disposal facilities near the National Capital Region, the overflowing water of Las Piñas – Zapote Rivers and the ongoing soil degradation, among others.

FROM NUISANCES TO MASTERPIECE

16th Waterlily Festival 2022

The overgrowth of waterlilies in the rivers of Las Piñas has become a perennial environmental problem of the city. It has clogged the rivers causing flooding and has been the source of breeding grounds for mosquitoes.

But who would have thought that these water nuisances can be transformed into elegant masterpieces?

For the past 15 years, the Villar Foundation has been amplifying efforts to reuse and recycle waterlilies for a good cause. This is part of the "Sagip Ilog" project of Senator Cynthia A. Villar.

July 27 was tagged as the 15th Water Lily Festival which aims to promote Las Piñas' local products and handicrafts made out of water lilies - water plants that were used to be labelled as aquatic pests.

The Villar Foundation was able to create a recycling process where these water lilies go through different stages of drying, cutting, wire bending, trimming, blow torching, and varnishing, in order to come up with woven products like tissue holders, baskets and bags, shoes, hampers and other handicrafts.

This gave birth to a livelihood project for the women of Las Piñas that remains stable until this day. The newly-found usefulness of these plants led the local residents of Las Piñas to venture in waterlily-making businesses as well.

The festival's highlights included a costume competition where all gowns were uniquely crafted and accented with waterlilies and Sayaw Kabataan (SK) Para sa Kalikasan Winners. These fashionable runway masterpieces were paraded by the most beautiful women of Las Piñas who competed for the title Ms. Water Lily Festival.

Therese Glorianne Almirez of Barangay Pilar clinched the 15th Ms. Las Piñas Water Lily 2022 title.

The yearly festival is an illustration of Filipino resourcefulness, ingenuity and creative artistry – values that we can proudly showcase to the rest of the world.

GARBAGE TO GLITTERING GEMS

The Las Piñas Parol Festival – Parol making contest

The season of Christmas is the most awaited time of the year for Filipinos. But for the Las Piñeros, this season is extra ordinary.

Being Metro Manila's Lantern Capital, Las Piñas takes pride in shining extra brighter during this festive time.

Since 2007, upon setting up a Parol Center and encouraging "magpaparols" to organize the Samahang Magpaparol ng Las Piñas, Senator Cynthia A. Villar, through the Villar Foundation, has made sure that the lantern industry remains thriving through the years. The Las Piñas Parol Center was setup to be a venue and platform for trainings, workshops and other programs

partnered with the Department of Trade and Industry.

Every year, as part of the Parol Festival celebration, the Villar Foundation initiates a Parol-making contest with the objective of spreading the Christmas spirit by promoting the ingenuity of generations of the "magpaparols".
The parol entries have always surpassed the previous seasons in terms of excellence and craftsmanship.

During the Parol Festival last December of 2022, Mr. Richard Loverez is the third generation "magpaparol". With his unique native parol, Mr. Loverez took home the first prize of the contest.

The schools were also involved thru the 1st Inter School Christmas Chorale Competition. Where students showcased their talents as they hymm to Christmas carols that filled the Villar Sipag Courtyard.

This extraordinary Christmas sparkle in Las Piñas was carried on by the younger generations of "magpaparols" and will definitely be alive for a long time.

PROTECTING FILIPINO SEAFARERS: THE VILLAR FOUNDATION MAKES A NATIONAL IMPACT TO COMBAT THE COVID-19 PANDEMIC

The Covid-19 pandemic had a profound impact on the lives of seafarers worldwide, including Filipino seafarers who comprise 25% of the almost 2 million mariners in the global shipping industry. Recognizing the importance and urgency of protecting our seafarers, Villar Foundation of Senator Cynthia A. Villar, former Senate President Manny Villar and the Villar Family, opened the gates of the The Tent in Vista Global South as one of Maritime Industry Authority or MARINA's three jab sites for their vaccination program.

"The Villar Tent is a favorite vaccination place of the seafarers because it affords an orderly conduct of the vaccination procedure and it provides convenience to the participants. It is spacious enough for the observance of the necessary physical distancing, it has sufficient seating capacity, it is fully-airconditioned with appropriate air circulation, and equipped with sufficient, clean an accessible comfort room facilities,", Sen. Villar shares.

This partnership between MARINA and Villar Foundation played a pivotal role in ensuring establishment of vaccination centers specifically dedicated to seafarers. It expedited the vaccination process, ensuring proper protocols and providing essential resources for a smooth vaccination drive. There was a significant national impact as it benefitted both Pinoy seafarers and the resiliency of the maritime industry.

It made certain the continuity of essential shipping operations while mitigating the disruptions in the global supply chain. In countries where the maritime sector is integral to the economy such as the Philippines, the dedication of the Villar family in minimizing the risk of Covid-19 outbreaks in vessels and in protecting the health of seafarers propelled the vaccination program of MARINA to far-reaching implications for the national economy and trade.

Vaccinating the seafarers secured the uninterrupted movement of goods and commodities which are essential in economic recovery and stability amidst the continued threat of Covid-19. But this collaborative effort of the Villar Foundation and MARINA goes beyond safeguarding the Philippines' economic status.

Ultimately, the proactive measures of the Villar Foundation to fulfill the vaccination of the seafarers also promoted the well-being of the society's basic unit from which every nation is founded and built on – their families.

The families of over 4,000 vaccinated Filipino seafarers were reassured of a loved one's safe return to work as they continually earn a living during a most trying time.

YOUTH EMPOWERMENT: VILLAR SIPAG AWARDS YOUNG GAME CHANGERS

The 5th Villar SIPAG Awards on Youth Poverty Reduction Challenge has recognized the outstanding efforts of Filipino youth organizations in addressing poverty-related issues in their communities. The annual competition, initiated by Former Senate President Manny Villar and Senator Cynthia A. Villar, aims to empower young individuals and encourage their active participation in nation-building through social enterprises. This year, ten (10) organizations were named as Most Outstanding Youth Social Enterprises, with one (1) group receiving a special reward.

Seventy-five (75) youth groups participated in the competition, each demonstrating their commitment to creating positive change and uplifting their respective communities. After a meticulous screening process, twenty (20) organizations underwent final validation by a panel of judges. The criteria focused on originality, adaptability, sustainability, and common upliftment. The ten (10) winners showcased their dedication to various causes, including the promotion of Filipino arts and culture, entrepreneurship in agriculture, environmental preservation, leadership development, and social media and sports training.

It was a day of celebrating young human spirit last August 5, 2022 at Villar SIPAG Center in Las Piñas City as the foundation conducted the awarding ceremony. During the rites, a trophy and cash prize of One Hundred and Fifty Thousand Pesos (Php150,000) was awarded to each of the ten (10) winning groups.

Additionally, one organization received a special award, consisting of a trophy and a cash prize of Fifty Thousand Pesos (Php50,000).

The 2022 Winning Organization in the National Capital Region (NCR) were:

1. Gloria Compound Youth Organization, Pilar, Las Pinas City

2. Tondo Youth Pataas Compound Care, Inc., Tondo, Manila

3. Simeona F. Chanyungco Lahing Kayumanggi Mananayaw, Marikina Inc., Marikina City

In Luzon,

4. San Carlos City Federation, 4-H Club, San Carlos City, Pangasinan

5. JCI Dagupan Bangus, Dagupan City, Pangasinan

6. Mga Tala at Tula Community, Candaba, Pampanga

7. Katoto Project, Paete, Laguna

And from the Visayas,

8. Youth Proyekto Philippines Inc., Iloilo City

While from Mindanao,

9. Mushroom City, Malaybalay City, Bukidnon
10. Butwa'an Arts Centre/Butwa'an Dance Ensemble, Butuan City, Agusan Del Norte

The Special Award was granted to Cantor's League from E. Aldana, Las Piñas City. They were recognized for their youthful passion and dedication to music.

The 5th Villar SIPAG Youth Poverty Reduction Challenge has celebrated the remarkable achievements of Filipino youth organizations committed to making a difference and marking a strong impact to the society. Through their innovative social enterprises, these young individuals have demonstrated resilience, creativity, and a deep sense of community. The Villar Foundation's initiative continues to inspire and empower the next generation from around the archipelago to actively contribute to poverty reduction and nation building in the Philippines.

BAGONG SIMULA SA SARILING BANSA: OVERSEAS FILPINO WORKERS MOVE FORWARD WITH NEW HOPE

The 11th OFW & Family Summit 2022, held in The Tent Vista Global South, organized by the Villar Foundation, served as a platform to empower, educate and entertain overseas Filipino workers (OFWs) and their families as they embark on a new chapter in their lives post-pandemic. With the theme "Bagong SImula sa Sariling Bansa", the summit provided a wealth of knowledge, resources, and learning opportunities for thousands of our modern day heroes on how to start or put up a local business, other ways to invest their well-earned money, including protection of their rights and welfare.

By equipping OFWS with essential skills, promoting entrepreneurship, and offering guidance on various aspects of reintegration to the community, the summit fostered a sense of hope, resilience, and renewed motivation among participants.

The summit recognized the numerous challenges faced by the OFWs, from the emotional strain of being separated from their families to the need for financial stability and support upon their return. Participants also had a chance to raise questions and queries to resource persons and other subject matter experts from government agencies.

With this in mind, Villar Foundation curated a comprehensive program to address these concerns.

In summary, the key highlights of the orientation were:

1. Knowledge Sharing & Empowerment on financial literacy, entrepreneurship, and career development or investments.
2. Livelihood and Business Opportunities with guidance on how to establish small to medium businesses, access support funding, and explore potential collaborations.
3. Reintegration Programs and Services for emotional well-being, family relationships and housing options.
4. Financial Management and Investments through the experts shared strategies on budgeting, savings, and investment opportunities, empowering participants to make informed financial decisions for themselves and their families.
5. Inspirational Stories and Recognition by celebrating the achievements and contributions of successful OFWs who have made a positive impact in their respective fields and communities . Their inspiring stories served as a motivation for participants, highlighting the potential for personal and professional growth back in the country.

The summit was also an open door for bigger blessings with raffle prizes like motorcycles, home appliances, and livelihood starter packages such as a Sari-Sari Store Showcase.

Spotlight was drawn to the astounding and lifechanging Camella house and lot winner from Sta. Rosa, Laguna.

THE COOPERATIVES' FIGHT AGAINST POVERTY: VILLAR SIPAG RECOGNIZES WINS ON POVERTY REDUCTION

In a powerful display of commitment to poverty alleviation, the Villar SIPAG (Social Institute for Poverty Alleviation and Governance) honored 14 cooperatives for their outstanding contributions in improving the quality of life for Filipinos, particularly those residing in rural areas. The prestigious awarding ceremonies were led by former Senate President Manny Villar and Senator Cynthia A. Villar, who presented plaques of recognition to the deserving cooperatives from various parts of the country.

These cooperatives were acknowledged for their exemplary assistance and dedication to uplifting their communities. To further support their remarkable efforts, each awardee received a generous cash prize of P250,000 from Villar SIPAG Foundation. The financial aid will undoubtedly serve as a valuable source for the cooperatives to continue their poverty reduction initiatives and make lasting impact on the lives of those in need.

The selection process was rigorous, as a total of 153 entries were evaluated. From this impressive pool, 34 cooperatives were shortlisted for their exceptional commitment to poverty reduction. The final 14 awardees demonstrated exceptional vision, innovative approaches, and tangible results in their respective communities.

Former Senate President Manny Villar expressed his appreciation for the crucial role that cooperatives play in fulfilling the dreams and aspirations of fellow Filipinos, particularly those residing in rural areas. Drawing from his own experience as a successful businessman and public servant, he emphasized the importance of hard work and perseverance, values embodied by the cooperatives being recognized. The Villar family's commitment to poverty alleviation is unwavering, and their recognition of these cooperatives is a testament to their dedication in supporting initiatives that uplift marginalized communities.

Senator Cynthia A. Villar, added her thoughts on the significance of the recognition. She expressed hope that the acknowledgement of these cooperatives' remarkable achievements would serve as an inspiration for others to follow suit. By shining a spotlight on their remarkable work, the Villar SIPAG aims to encourage and motivate other cooperatives to continue their efforts in improving the lives of their communities.

The 10th Villar SIPAG Awards for Poverty Reduction showcased cooperatives from Luzon, Visayas and Mindanao.

From Luzon;

1. THANKSGIVING MULTI-PURPOSE COOPERATIVE, UPPER GREEN VALLEY, CAMP 6 KENON ROAD, Tuba, Benguet
2. ST. PASCHAL BAYLON MULTI-PURPOSE COOPERATIVE, ZONE 3 SAN QUINTIN, Pangasinan
3. BAGNOS MULTI- PURPOSE COOPERATIVE, BRGY. #9 BINACAG, Banna, Ilocos Norte
4. ATIMA VIGAN MULTI-PURPOSE COOPERATIVE, PANTAY FATIMA VIGAN, Vigan City, Ilocos Sur
5. ST. VINCENT PARISH MULTI- PURPOSE COOPERATIVE, ST. JAMES COOP BUILDING, BRGY. BAGUMBAYAN DUPAX DEL SUR, Dupax Nueva Viscaya
6. ST. JAMES THE APOSTLE MULTI-PURPOSE COOPERATIVE, ST. JAMES COOP BUILDING, PUROK 3, San Miguel Betis, GUAGUA PAMPANGA
7. GENERAL TRIAS DAIRY RAISERS MULTI-PURPOSE COOPERATIVE, PUROK 1 BRGY. SANTIAGO, General Trias, Cavite
8. PANGKALAHATANG SAMAHAN NG MGA MAGSASAKA NG SINILOAN, L. DE LEON STREET, BRGY. WAWA, Siniloan , Laguna
9. DAMAYAN SA CAVITE COMMUNITY MULTI-PURPOSE COOPERATIVE, 2ND FLOOR DACCO MPC, 40 Anabu Road, Anabu II, Imus's Cavite
10. IBABAO MULTI- PURPOSE COOPERATIVE, NATIONAL ROAD, IBABAO, Cuenca,Batangas
11. BAAO PARISH MULTI-PURPOSE COOPERATIVE, NATIONAL HIGHWAY SAN NICHOLAS, Baao, Camarines Sur

In Visayas;

12. LA CASTELLANA 1 PERSONNEL MULTI-PURPOSE COOPERATIVE, COR.FERLA ROXAS STREET, BRGY. ROBLES LAS CASTELLANA, Negros Occidental
13. BOHOL COMMUNITY MULTI-PURPOSE COOPERATIVE, POBLACION UBOS, Loay, Bohol

And in Mindanao;

14. BANSALAN MULTI-PURPOSE COOPERATIVE, Ramon delos Cientos Street, Bansalan, Bansalan, Davao del Sur

SEASON OF JOY: SPREADING CHRISTMAS CHEERS THE VILLAR FOUNDATION WAY

The Villar Foundation, true to its dedication to community development, upliftment and in assuaging poverty, once again embraced the spirit of giving during the 2022 holiday season. In its annual Christmas gift-giving charity event, the foundation painted smiles and joy to 150 children from Baseco, Tondo and Brgy. Iruhin, Tagaytay City. And for 13 years now, this heartfelt initiative continues to create a memorable experience for the young beneficiaries as their yuletide season brightens.

The Villar Foundation has been at the forefront of numerous community initiatives, focusing on education, livelihood, health, disaster resilience and environmental advocacies. This yearly Christmas festivity with the kids serves as an extension of their commitment to making a positive in the lives of underprivileged children, offering them hope and happiness during the festive season.

Held in Banguet Hall, Crosswinds Tagaytay, the venue was transformed into a magical wonderland filled with an abounding and vibrant cheer which truly captured the essence of Christmas – giving with love.

Led by Villar Foundation founder, Former Senate President Manny Villar, Senator Cynthia A. Villar, together with Vista Land President and CEO, Paolo Villar, Las Piñas Representative and Speaker of the House, Congresswoman Camille Villar and Senator Mark Villar with wife former Justice Undersecretary, Emmeline Aglipay-Villar, the foundation handed out presents, taking the time to interact with each child and share warm greetings and encouragement.

The smiles on the children's faces and the sparkle in their eyes were a testament to the impact of this thoughtful gesture which goes beyond the physical presents. It emphasizes the importance of community bonding and spirit of support, a cause the Villar Foundation adheres to.

As the Villar family and foundation fosters these values, it also serves as a model to other organizations that indeed, compassion, generosity and charity cross borders and can reach out to a nation in need of public service. That is the transformative power of kindness and joy that can be shared throughout the year.

MIRRORING A MOTHER: MANNY VILLAR HONORS HIS MOTHER'S LEGACY THROUGH GIVING

As a yearly yuletide affair, Former Senate President Manny Villar recently paid tribute to his late mother, Nanay Curing, by extending joy and generosity to their family's friends and neighbors in Rizal St. Brgy. Pacar, Orani, Bataan. Christmas is meant for sharing and the good Villar surely knows how to spread goodness, a trait his mother exemplified.

In a heartwarming gesture, the Villar family organized a gift-giving event to express his gratitude to the community his mother held dear. This act of giving not only celebrated the spirit of Christmas but also honored the legacy of Nanay Curing and her enduring impact on the lives of the people in their hometown.

"It always feels good to visit Bataan and be reminded of how my Nanay Curing, the original Ms. Sipag at Tiyaga, lived as a young woman," Villar shared.

He added, "She taught me the value of sipag at tiyaga, which has become my mantra in both my private and public life,".

Curita Bamba Villar instilled in her children the values of hard work, integrity and giving back to the community. And Former Senate President Manny Villar's annual visits and gift-giving to the Bataoenos in Orani is a deeply felt homage to his mother's memory and her commitment to serving others.

The water lily baskets filled with surprises was a way to express gratitude to the people of Orani. He recognizes that his accomplishments were made possible by the trust and support of the people who have always been there for the Villar family, and he intends to reciprocate that support by bringing instantaneous gratification to their lives.

Just as his mother holds a special place in his heart, Manny Villar makes sure to send a message across to everyone who remembers him – they too matter. And this goodwill is being magnified every season of giving.

EMPOWERING TRAINERS AND FARMERS: VILLAR FARM SCHOOLS PLANTS FRUIT-BEARING EDUCATION

Senator Cynthia A. Villar, as evidenced by their Villar Foundation, has been a staunch advocate for agricultural development and support for local farmers. Being the Chairperson on Agriculture, Food and Agrarian Reform, her commitment to improving their lives was translated through legislation of laws and the establishment of four farm schools under their very own Social Institute for Poverty Alleviation and Governance (SIPAG).

Since its first farm school in Las Piñas City on September 2015, the advocacy to train trainers on modern methodologies in farming grew stronger with 3 more farm schools being put up year after year. With a second being erected in San Jose Del Monte, Bulacan, followed by two more in San Jose, San Miguel, Iloilo and in Davao, combined with the Senator's legislation of two agriculture-related laws, the vision to transform and empower with skills through advance training lead to a transformative impact on the lives of the farmers and trainers in each region.

Villar explains, *"Our farm schools have a special role in our objective to make our farmers and fisherfolk competitive and profitable through training programs that will help them produce more and earn more with the help of modern technology,".*

The legislative efforts of Senator Villar on the Farm Tourism Development Act of 2016 or Republic Act 10816 which encourages the conversion of farms into tourist farms and learning sites; along with Republic Act 11203 which approved the P10-billion Rice Competitiveness Enhancement Fund for the extension services program of farm schools, further advanced opportunities for farm schools and was indeed instrumental in driving agricultural innovation and promoting sustainable farming practices.

"For those who really want to run their farm as a business, they will be supported because under the new law, the Department of Trade and Industry's Bureau of Small and Medium Enterprise Development and the Bureau of Domestic Trade Promotion and the DA's Agribusiness and Marketing Assistance Service shall assist farm tourism operators and practitioners in the marketing and distribution of their products, and link them with consumers' cooperatives and organizations, and retailers. That is very important, especially to new farm tourism sites." said Villar.

The Villar Foundation's establishment of four farm schools further demonstrates Senator Cynthia A. Villar's commitment to uplifting the national farming community. With its free training programs, these four farm schools provide farmers and trainers with the necessary upgrade on knowledge and the continued development of skills to succeed in a rapidly changing landscape and to be at par with neighboring countries who thrive on farming as well.

Farmers and trainers from Luzon, Visayas and Mindanao benefits from a wide range of courses and practical training, covering various aspects of farming, including organic agriculture, livestock production, fishery and crop management. They have the opportunity to learn sustainable and innovative farming techniques that promote higher yields, reduce environmental ill-effects, and improve overall agricultural profitability.

> **"Our farm schools have a special role in our objective to make our farmers and fisherfolk competitive and profitable through training programs that will help them produce more and earn more with the help of modern technology."**
>
> **Senator Cynthia A. Villar**

VILLAR SIPAG FARM SCHOOL DAVAO

VILLAR SIPAG FARM SCHOOL BULACAN

Now that the agri-community is in its post-pandemic revival phase, it is significant that the farm schools equip farmers and trainers with practical and modern skills required to implement efficient farming methods, adapt to market demands, and navigate challenges arising overtime from the pandemic.

The post-pandemic era still presents varied challenges to the Filipinos and our agricultural sector across the country continues to address the disrupted supply chains, changing consumer demands and economic uncertainties. With these all on note, the four farm schools of the Villars, together with 2,363 more accredited farm schools in the country, plays a vital role in empowering farmers and trainers to adapt and evolve, be equipped with informed decisions, abide in new sustainable practices and secure their livelihood with an entire nation benefitting from it.

VILLAR SIPAG FARM SCHOOL ILOILO

SIPAG SAVES EARTH: TRANSFORMING PLASTIC WASTE INTO SCHOOL CHAIRS

The use of plastic is a way of life, specially to a nation labelled as a "sachet economy".

And in "The Face of Plastic" article released by Ateneo de Manila July of last year, the Philippines is considered the third largest contributor to plastic waste worldwide. It appears that in less than a year, the Philippines rose to no. 1 amongst countries feeding the global plastic problem with a 35% of the total plastic waste volume emitted to the ocean.

This is what the Villar Foundation's Waste Plastic Recycling Factory is addressing. To help reduce plastic trash. Collected plastic waste is brought to the recycling facility in Las Piñas and other Villar Sipag Farm Schools plastic recycling facilities and are then being turned into sustainable and durable plastic school chairs.

Senator Cynthia A. Villar, Senate Chairperson of the Committee on Environment, Natural Resources and Climate Change, founder and author of bills on proper waste management and regulation of single-use plastic product cites that the mission is far and wide.

"In turning plastic wastes into useful furniture like school chairs, we are not only reducing the amount of plastic garbage that goes into our water resources, which harms the environment. We are also able to provide livelihood sources to the poor, because the jobless, the non-skilled and even the physically disabled are employed by the factories," she said.

The Waste Plastic Recycling Program aims to reduce the plastic waste problem while simultaneously addressing the needs of schools for useable chairs. This is the remarkable contribution of Villar Foundation's initiative, highlighting how waste plastic is transformed into functional armchairs and distributed to schools benefiting altogether the environment and education.

But these recycled plastic armchairs not only provide seating solutions but also convey a powerful message about the importance of recycling and environmental responsibility as a means and measure in solving the uncontrolled disposal of plastic waste.

From the first recycling facility in Barangay Ilaya, Las Piñas City, Villar Foundation has already erected two more factories in San Miguel, Iloilo and Cagayan de Oro City. And the recycling program spearheaded by Senator Cynthia A. Villar grows stronger in accomplishing and achieving on a national scale the environmental and social benefits of managing waste plastic.

Through this program, Villar Foundation not only contributed to environmental conservation but also fosters a culture of responsible consumption among Filipinos. The impact of this initiative extends beyond the production of armchairs. It inspires individuals and communities to take proactive steps in addressing the global plastic waste challenge.

"In turning plastic wastes into useful furniture like school chairs, we are not only reducing the amount of plastic garbage that goes into our water resources, which harms the environment. We are also able to provide livelihood sources to the poor, because the jobless, the non-skilled and even the physically disabled are employed by the factories."

Senator Cynthia A. Villar
Senate Chairperson of the
Committee on Environment,
Natural Resources, and Climate Change

Cagayan de Oro City plastic waste recycling factory.

MANNY VILLAR EXCELLENCE AWARDS

In 1996, Villar SIPAG began a tradition recognizing excellence among the students in the public elementary and high schools in Las Piñas and Muntinlupa. The Villar Excellence Award has been given every year to the valedictorian of each graduating class to recognize academic achievement and encourage the pursuit of excellence among Filipino students. The nationwide recognition for outstanding graduates of public high schools and state colleges and universities started in 2001. This is being continued up to this day. This highlight and promote the value of hard work as a tool in overcoming poverty among students, which is the main objective of the Villar SIPAG.

ADVOCATING SUSTAINABLE FOOD SUPPLY: SENATOR CYNTHIA A. VILLAR PROMOTES VEGETABLE GARDENING

In retrospect, both the natural restrictions set by the pandemic and those imposed by the national government to curb the spread of the coronavirus have, if not forced, persuaded the Filipinos to adhere to the new normal. And with face-to-face classes having been temporarily halted, educational institutions were also challenged on how to uniquely and productively adapt to the challenging circumstances. This led to the Department of Education (DepEd) introducing the concept of Gulayan sa Tahanan as part of its annual Brigada Eskwela initiative. This program aims to foster sustainable food supply at home and strengthen the School-Family-Community partnerships.

Senator Cynthia A. Villar, in her advocacy on food and agriculture, has taken this opportunity to intensify her push for vegetable gardening known as "Gulayan sa Paaralan" along with distributing seedlings of varied vegetable not only in schools but across regions.

"This is my humble way of joining the Brigada Eskwela-- giving them seeds and organic fertilizers from my composting and vermi-composting facilities which they can plant in the school compounds," said Villar.

Recognizing the importance of promoting health awareness, good nutrition, and combating malnutrition, Villar has filed Senate Bill No. 147, also known as the Instructional Gardens Act. This bill seeks to establish instructional gardens in all elementary and secondary schools, whether public or private, making it a requirement for schools to be issued with permits.

Villar's vision is to institutionalize the "Gulayan sa Paaralan" program, which encourages schools to incorporate vegetable gardening into their curriculum.

By providing a green and healthy environment, these agri-gardens offer numerous benefits. Not only do they serve as hands-on learning platforms, but also provide nutritious food options for not only for students but for the whole household. With time, people can witness the fruits of their labor as they harvest vegetables grown on the school premises and in their

own backyards. By engaging in vegetable gardening or backyard farming, individuals can ensure a sustainable and nutritious food supply for their families while contributing to the country's overall food sufficiency.

It is with this reason that the good senator has been actively distributing vegetable seedlings and organic fertilizers to schools, local government units (LGUs), farmers' cooperatives, and individual households. She believes that during crisis and emergency situations such as the previous community quarantine, it is essential for everyone or every family to have a vegetable garden to provide food on the table in time of crisis.

The distribution of seedlings by Senator A. Villar also aligns with the broader global trend of increased interest in self-sufficiency and sustainable food practices. As more Filipinos embrace the concept of growing their own food in their backyard, they not only gain access to nutritious meals but also reduce their reliance on external food sources.

In effect, this contributed to food security and sustainability at both individual and national levels.

OPLAN SIPAG SA SAGIP: VILLAR FOUNDATION CONSISTENTLY PROVIDES RELIEF OPERATIONS WHERE NEEDED

In the face of natural disasters and calamities, the Villar Foundation has consistently played a vital role in providing relief operations to affected areas and communities in the Philippines. And with its strong commitment to public service, the Villar Foundation, has made significant efforts to alleviate the suffering of disaster-stricken areas all year round. Recognizing the urgent need for assistance, Villar Foundation mobilizes its resources in providing relief to the families and individuals who are victims of these calamities.

Notably, the foundation's key initiatives during this period included the following:

1. Distribution of immediate relief goods and emergency supplies.
2. Going beyond the immediate response phase, the foundation also focused on Rebuild and Recover in support to the rehabilitation process from the long-term impact of disasters.
3. Livelihood and housing assistance, and infrastructure rehabilitation

As the nation continues to face the challenges posed by disasters, The Villar Foundation remains steadfast in its mission to alleviate suffering and contribute to the long-term recovery and resilience of affected provinces, communities and individuals. Through its comprehensive approach to disaster response and recovery, the destructive force of nature is being countered by the solid and significant impact through providing hope and support to those affected. This is the Villar Foundation during crisis.

INVIRONMENTAL

SOCIAL

GOVERNANCE

UN SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABILITY REPORT 2022

VISTA LAND & LIFESCAPES, INC.

Annex A: Reporting Template

CONTEXTUAL INFORMATION

Name of Organization	Vista Land & Lifescapes, Inc. (PSE: VLL)
Location of Headquarters	LGF, Building B Evia Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City
Location of Operations	Philippines
Report Boundary: Legal entities (e.g., subsidiaries) included in this report*	This Annex reports on the following projects and operations of VLL: ● Brittany Corporation ● Camella Homes, Inc. ● Communities Philippines, Inc. ● Crown Asia Properties, Inc. ● Vista Residences, Inc. Vistamalls, Inc. (PSE: STR), a subsidiary of VLL, publishes its sustainability report separately.
Business Model, including Primary Activities, Brands, Products, and Services	Vista Land & Lifescapes, Inc. (also referred as "the Company") is one of the leading integrated property developers in the Philippines and the largest homebuilder in the country. The Company is present in 147 cities and municipalities in 49 provinces across the country. It operates its residential property development and commercial property development businesses through six distinct business units – Camella Homes, Communities Philippines, Crown Asia, Brittany, Vista Residences, and Vistamalls.
Reporting Period	January 1, 2022 – December 31, 2022
Highest Ranking Person responsible for this report	**Brian N. Edang** Chief Financial Officer and Head of Investor Relations

MATERIALITY PROCESS

The GRI and SASB Standards are the guidelines used by VistaLand, as well as the rest of the Villar Group of companies in their materiality processes.

The methods are as follows:

Pre-identification of Topics – Different references such as the sector-specific publications from GRI and SASB standards for Real Estate, and industry peers were collated. The list was simplified using common topics defined in previous reports, with a few additional ones to ensure that the economic, environmental, social, and governance (EESG) aspects of the organization are covered.

1. **Identification of Material Topics** – The Company conducts a review of the list to assess if the topics are material to the operations and their stakeholders. An online form is provided that allowed the Company to identify topics that are material by selecting 'Yes' or 'No'.

2. **Materiality Assessment** – Topics deemed as material are processed into an online survey which measures each topic's critical impact using a five-point scale with 1 as low to no impact and 5 with the highest impact.

In 2022, they determined some major risks that may impact the sustainability of the Company. These include the following:

- Natural catastrophes and Global Warming
- Unavailability of affordable construction materials
- Lack of available raw lands
- Pandemic

These scenarios may result in failure to deliver quality service and to keep up with agreed timelines.

Therefore, the respondents suggest Vista Land to set up sustainability goals such as boost digital marketing; do awareness campaigns that promotes the existing sustainability efforts and how to improve them; explore and implement innovations in the development phase, construction method, or use of materials; invest in environment-friendly technologies and practices such as renewable energy; and prioritize the well-being of people i.e., people and homeowners.

To engage more in the Company's sustainability, majority of the respondents believe that having a proactive communication and implementation of the above goals will encourage them to be in sync to achieve organizational goals.

Table 1. Vista Land 2022 Material Topics[1]

	2022 Topics
1	Customer Satisfaction
2	Ethical Business Practices
3	Occupational Health and Safety
4	Innovation
5	Governance
6	Community
7	Well-being
8	Human Rights
9	Data Protection and Cyber Security
10	Green Buildings
11	Land Use
12	Regulatory Compliance
13	Training and Development
14	Energy
15	Landscape Impacts
16	Economic Performance
17	Tax
18	Responsible Supply Chain
19	Procurement Practices
20	Local Employment

Consistent with the 2020 and 2022 results, Vista Land positions Customer Satisfaction as the number one material topics for 2022. Being the largest homebuilder in the Philippines, it is important for the Company to provide the needs of Filipinos with trust and quality.

Next to Customer Satisfaction, Vista Land brings back Ethical Business Practices as the second most critical material topic to the business and its stakeholders. Built with the highest ethical standards, the Company sees importance to commit to the principles of good governance in achieving corporate and sustainability goals.

With the ease of COVID protocols to alert level 1 status, Vista Land believes that the health and safety of people remain its top priority in 2022. Booster shots were encouraged and completed across all its internal stakeholders. The Villar Group, including Vista Land, continues to invest in providing a clean, healthy, and safe workplace for its employees and clients. Strict implementation of safety protocols, and regular disinfection of facilities have become standard business procedures.

1 Topics with similar rankings indicate similar weighted averages.

Figure 1. Vista Land 2022 Materiality Matrix

ECONOMIC & GOVERNANCE DISCLOSURES

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (in millions PhP)		
	2022	2021	2020
Direct economic value generated (revenue)	28,841.82	29,631.97	31,256.08
Direct economic value distributed:			
a. Operating costs	7,207.73	7,210.64	6,884.43
b. Employee wages and benefits	1,352.71	1,240.16	1,276.76
c. Payments to suppliers, other operating costs	1,070.91	22,819.00	12,020.71
d. Dividends given to stockholders and interest payments to loan providers	10,112.06	10,475.54	10,585.86
e. Taxes given to government	3,108.08	2,914.63	2,152.93
f. Investments to community (e.g., donations, CSR)	5,542.97	240.65	5,326.51

Impact	Stakeholders Affected
Vista Land & Lifescapes, Inc., posted a core net income of P7.7 billion for 2022, up 10% from 2021. The Company launched a total of P40.0 billion worth of projects across the country which was four times higher than the projects launched in 2021. The Company remains bullish with the industry for 2022 especially with the level of our project lunches last 2021. Vista Land has a pipeline in place for their projects going into 2023 and are slated to launch more projects for 2022 as buyer's confidence is back. The Company sustained growth in Overseas Filipinos (OF) remittance which is projected to grow by 4% this year. Demand from OF remained strong which resulted in the 12% growth in our reservation sales of P65.5 billion in 2022. Vista Land also reported real estate revenue at Php12.8 billion, while leasing income was strong at Php13.7 billion, up by 48% compared to previous year's performance. As of end December 31, 2022, the group has accumulated a total of over 1.6 million sqm of gross floor areas of investment properties consisting of 45 malls, 56 commercial centers and 7 office buildings.	Employees, Investors, Business Partners, and Customers

Management Approach to Impacts
Following the accelerated digital transformation of Vista Land in previous years, the Company is bent on continuing its upgrade and development to its various digital initiatives in 2022 to "future-proof" the Company while increasing the quality of service to its customers and expand its reach. Vista Land has fully utilized its digital platform in order to continue serving its customers and have replaced traditional on-site visits to properties with the more convenient and optimized-reaching virtual property tours. The Company also augmented its social media platforms and messaging application to connect more with its customers. **Developments in 2022** In 2022, Vista Land development takes its operation to another level. During the pandemic, the group was able to identify more areas in our land bank that are ripe for development into sustainable communities that will nurture even for future generations. Like its parent company, Vista Land, Vista Estates continues to expand its geographic reach in Metro Manila and across growth centers in the country. The estate' s lifestyle hub is dedicated to shopping strips, upscale vertical residences, active zones, office blocks, a medical center, transport hub, and vibrant spaces bringing business and leisure in one buzzing spot. In the same year, Camella Turns 45, after an excellent track record in house and lot development, the country's most trusted real estate brand Camella, is making a name in condominium development with its resort-themed, mid-rise vertical villages in key cities nationwide. To date, Vista Land has developed communities in 49 Philippine provinces and 149 key cities and municipalities. Camella believes that a reason for its longevity is its five brand pillars. Everything they do, build, and take through their day-to-day activities are based upon, framed by, and focused on these five aspirations: Dream Communities; Convenience and Accessibility; Safety and Security; Wise investment; and Value for Money. The year has been very optimistic to Vista Residences, the premier condominium arm of the Philippines' largest integrated property developer, Vista Land. The bullish property market has allowed pre-pandemic growth and expansion, with house-and-lot and condominium developments taking the lion's share of real estate investments. Condominiums, in particular, took the third largest share in the country quarter-on-quarter, with focus on mid-sized abodes with one or two bedrooms. Renewed interest in residences located in Metro Manila and other established cities has taken flight, given the ease in restrictions and improved confidence in the stabilizing economy.

Risks	Stakeholders Affected
The COVID-19 pandemic continues to be a challenge for Vista Land during the first months of 2022 due to Omicron virus. This imposes a potential impact on the Company's sales due to a reduced confidence among buyers to commit large purchases (i.e., housing units) as well as a possible decline in sales to overseas Filipinos in countries that are severely affected by the pandemic. In particular, sales of investment-type residential products may be significantly affected during this period. Other risks include the following: ● Potential cancellation of prior years' sales ● Potential delay in bank releases due to longer due diligence for consumer loans	Employees, Investors, Business Partners, and Customers

- Potential decline in footfall of malls and a possible impact on the sales of the tenants with variable rental rate. There is also a risk of a potential decline in footfall for its malls as well as a possible impact on sales of its mall tenants with variable rental rates due to COVID-19, especially in Metro Manila
- Potential termination of contract by office tenants

Despite the continued presence of identified risks in 2022, it is worth noting that there are positive developments in our operations, as they have returned to pre-pandemic levels.

Management Approach to Risks
The Board of Directors at Vista Land oversees the vetting of business decisions, weighing opportunities with the business risks in terms of the economic, social, and environmental impact. The Vista Land Management Committee is tasked with ensuring that financial resources are prudently optimized. Risk management is handled by its Enterprise Risk Management (ERM) team while financial risk management is the key responsibility of the Board Risk Oversight Committee. The Company is guided by the Philippine Financial Reporting Standards when preparing its financial reports to ensure that it abides by the principles of transparency, materiality and completeness. An external auditing firm reviews and audits the reports annually to validate the reports on its financial and operating performance following the set standards. Vista Land also conducts press and analyst briefings on a quarterly basis for its financial and operating reports. The Company files and submits its financial statements to relevant regulatory agencies on a quarterly and annual frequency contingent to guidelines. Vista Land employees receive base pay and enjoy benefits such as medical insurance, car plans, housing plans and allowances. Vista Land also offers a non-contributory defined benefit pension plan for all of its regular employees. The benefits are computed based on current salaries, years of service, and related compensation based on the last year of employment. The Company places great importance in compliance to mitigating risks related to above mentioned in the way it does business. Periodic evaluations are held particularly in reviewing income tax positions taken in situations where the applicable tax regulations are subject to interpretation and other gray areas. The Company assesses whether it is probable that those income tax positions will be accepted by the tax authorities, if not, the Company recognizes additional income tax expense and liability relating to those positions. The Controller and Chief Financial Officer (CFO) formally reviews and approves the tax strategy of the Company. Vista Land's Legal team and its relevant external parties are tasked to review all tax-related issues.

Opportunities	Stakeholders Affected
Vista Land will maintain its stance on minimal land acquisition thereby maximizing its existing land bank and will be conservative in terms of its leasing space expansion program. As of the end of December 2022, the Company has 2,902.5 hectares of land. The Company recently listed VREIT, its flagship Real Estate Investment Trust (REIT) company, with an initial portfolio of 10 community-based malls and two office buildings. VREIT is a wholly-owned subsidiary of Vista Land, maintaining a diversified portfolio of commercial and office properties strategically located within Vista Land integrated communities. The funds raised for this exercise will be deployed to various real estate developments including additional commercial spaces.	Employees, Investors, Business Partners, Customers, and Local Communities
Management Approach to Opportunities	
Vista Land maintains its business strategy to maximize the synergy between its residential and leasing businesses, and implement innovations homebuyers and customers have come to expect in a Vista Land property.	

Climate-related risks and opportunities[2]

Governance Disclose the organization's governance around climate related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	The Board of Directors ("Board") is tasked to sustain the long-term success of the business, its competitiveness, and profitability that are consistent with the corporate objectives and best interests of its stakeholders. The Board defines and monitors key areas and performance indicators in order to mitigate risks against its operational and financial viability. Its Board Risk Oversight Committee (BROC) oversees the Company's Risk Management System which includes climate-related risks and opportunities that impact its functionality and effectiveness.
b) Describe management's role in assessing and managing climate- related risks and opportunities	The Management provides accurate and timely information to all the members of the Board. Any climate-related risks and opportunities are filtered and vetted by the BROC.

2 Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	As a corporate resident of the Philippines, Vista Land is exposed to natural disasters such as typhoons, massive flooding, droughts, volcanic eruptions, and earthquakes.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	In cases when an uninsured loss or a loss in excess of insured limits occur, Vista Land faces the risks of losing all or a portion of any capital invested in its properties, as well as the anticipated future turnover from such properties, while remaining liable for any project construction costs or other financial obligations related to the properties.
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a $2^{0}C$ or lower scenario	Vista Land conducts a thorough technical due diligence and environment scanning on all its land acquisitions and project launches, all in consideration of the Company's exposure to climate-related risks. Technical due diligence includes environmental studies in specific land parcels and adjacent areas. As Vista Land progresses to more resilient design for its future developments, it will consider additional measures for pressing climate-related events including the $2^{0}C$ or lower scenario such as sea-level rise and intensified patterns of precipitation in its Enterprise Risk Management ("ERM").

Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
a) Describe the organization's processes for identifying and assessing climate-related risks	Vista Land's processes for identifying and assessing climate- related risks are laid out in the Company's ERM. This is assessed annually by the BROC in close coordination with the Chief Risk Officer ("CRO").
b) Describe the organization's processes for managing climate-related risks	The Company's processes for managing climate-related risks are defined and discussed in its Enterprise Risk Management plan.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Vistal Land's Risk Management System primary goal is to reduce any potential impacts of risks to the business as a means of enhancing shareholding value by effectively and efficiently balancing risks and rewards. Its Risk Policy details how each identified risk are assessed to formulate strategies in mitigating or eliminating said risk.

Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Natural disasters directly affect the Company's operations. These are measured as follows: ● Number of days of delays in project timeline ● Number of days of property downtime and business disruption ● Costs of repair or replaced damage or destroyed assets ● Costs for maintenance due to wear and tear on or damage to buildings
b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Vista Land implements the following business operation protocols to mitigate or eliminate identified risks: • Conduct regular preventive check and maintenance of all assets • Retrofit buildings and other developments • Track the frequency of discussions with the Board and Management on climate-related risks • Track the frequency of communication and training with employees regarding protocols in situations related to natural catastrophes or severe weather conditions.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	2022	2021	2020
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100%	100%	100%

Impact	Stakeholders Affected
Vista Land contributes to the local economy by sourcing its supply requirement from a broad base of local suppliers. The Company employs the services of the local workers in its host community/ies, thus strengthening the relationship with the local residents.	Local suppliers, Business partners

Management Approach to Impacts
Vista Land employs an unbiased policy of a healthy competition among its suppliers, regardless of origin. In a fair market, however, the Company favors local partners in the belief that proximity and a common cultural background aid in faster communication and thus more efficient operations.

Risks	Stakeholders Affected
Vista Land identified the following procurement risks that are inherent to the Company: ● Local suppliers may lack the technical capability or other resources needed to support the Company's requirements. This may result in less efficiency to their production capabilities and therefore less competitive in their offers. ● The Company is in the business of constructing houses that uses materials such as steel, cement, and other raw materials that are subject to price fluctuations. It is also vulnerable to labor shortages especially with the government ramping up its infrastructure programs.	VLL Community

Management Approach to Risks
Vista Land requires that all its suppliers are not only professionally responsible but also financially and economically stable. Suppliers undergo thorough evaluation and assessment of their technical capabilities. They are required to undertake a rigorous background investigation, submit complete and updated financial documents, government permits and certifications, company and plant visits, and other relevant inquiries. Vista Land's in-house purchasing group facilitates the suppliers' accreditation process. The Company ensures that all transactions with suppliers are compliant with rules and regulations of the Company. Its employees are expected to avoid conflict of interest situations and should always act with the Company's interest in mind.

Opportunities	Stakeholders Affected
Vista Land aims to be present in 200 cities and municipalities across the country. This ambition will open doors to more local suppliers in communities which will host its future development projects. The purchasing group will continuously review the supplier base to maintain a reliable and diverse pool.	Local suppliers and VLL Community

Management Approach to Opportunities
Vista Land believes in establishing long-term relationships with local suppliers which will in turn benefit the local economy. The Company invests in learning development by providing the necessary training sessions to further improve its employees' skills as procurement professionals. They are sent to conventions, trade fairs, and symposia not only to keep up with the latest technological trends and innovations but also to continually find ways to improve current business processes.

Governance

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	2022	2021	2020
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100
Percentage of directors and management that have received anti-corruption training	100	100	100
Percentage of employees that have received anti-corruption training	100	100	100

Incidents of Corruption

Disclosure	2022	2021	2020
Number of incidents in which directors were removed or disciplined for corruption	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	0

Impact	Stakeholders Affected
The Company abides by the principles of good corporate governance. It has made a policy to maintain the employees' high awareness level of operating in an ethical workplace through regular training on anti-corruption policies and procedures. The Company has a zero-tolerance approach to bribery and corruption, i.e. extortion, fraud, insider dealing, money laundering, kickbacks and facilitation payments. The Company continuously strives for excellence in work and integrity in its business conduct. Vista Land operates within the laws and regulations and in accordance with the highest ethical standards. To date, Vista Land reported zero incidents of corruption and related issues.	Employees, Investors, Business Partners, Directors and Management, and Customers

Management Approach to Impacts
The Board has institutionalized adopting anti-corruption policies in the Company, including Whistleblowing and Anti-Bribery Policy. These policies were crafted in compliance with the principles and best practices set out in the Company's Manual on Corporate Governance. The employees are trained on these policies during job orientations, and refresher training is conducted during Vista Land's annual corporate values session. These are facilitated by the Human Resources (HR) Department via Zoom. These policies are posted in the Company's website as a convenient reference for all its stakeholders. The Board and Management also participates in the Annual Corporate Governance Seminar that reinforces the internal stakeholders' knowledge on the different sound governance practices and continuance of building an ethical culture in Vista Land. Details of this seminar can also be viewed from the Company's website.

Risks	Stakeholders Affected
The Company recognizes its exposure to corruption risks if anti-corruption and other related policies are not well communicated. This may result in reported incidents that may negatively impact the Company.	Employees, Business Partners, Directors and Management, Investors, and Customers

Management Approach to Risks
Vista Land, through its HR team, ensures that discussion of the Anti-Corruption Policies of the Company are made a part of the on-the-job orientation and conducted during the annual corporate values session of the Company. Audit procedures are in place to ensure that appropriate disclosures and accounting are strictly enforced. Vista Land's Code of Business Conduct and Ethics describes the provisions on the proper and moral transactions within and outside the Company. Any misconduct or failure to exercise good judgment will be subjected to corrective actions based on due process in accordance with the labor laws. The Company is committed to continuously improve its governance practices as aligned with the company's Code of Business Conduct and Ethics and other company policies, i.e. Whistle-blowing Policy, Conflict of Interest Policy, Insider Trading Policy, and Related Transactions Policy.

Opportunities	Stakeholders Affected
Vista Land will continue to seek opportunities that will uphold a cooperative, efficient, and productive work environment and business organization.	Employees, Business Partners, Directors and Management, Investors, and Customers

Management Approach to Opportunities
To ensure adherence to corporate principles and best practices, the Compliance Officer is responsible for the following: a) Monitor compliance with the provisions and requirements of this Manual on Corporate Governance ("Manual") and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation; b) Appear before the Securities and Exchange Commission when summoned in relation to compliance with this Manual; and c) Issue a certification every January 30th of the year on the extent of the Corporation's compliance with this Manual for the completed year, and, if there are any deviations, explain the reason for such deviation.

ENVIRONMENT DISCLOSURES

Resource Management

Energy consumption within the organization[3]

Disclosure	2022[4]	2021	2020
Gasoline (in GJ)			
Communities Negros, Inc. (Communities Philippines, Inc.)	7,909.09	7,768.73	346.95
Communities Koronadal, Inc. (Communities Philippines, Inc.)	4,442.58	4,342.70	578.53
Communities Gapan, Inc. (Camella Homes, Inc.)	3,179.23	2,988.86	85.02
Communities Taal (Camella Homes, Inc.)	3,854.23	3,774.95	246.60
Crosswinds (Brittany Corporation)	-	-	-
Crown Asia Valenza (Crown Asia Properties, Inc.)	60.12	50.41	2.10
Vista Hub (Vista Residences)	See note[5]	See note	202.92
Electricity (in kWh)			
Communities Negros, Inc. (Communities Philippines, Inc.)	113,262.44	116,515.57	109,389.17
Communities Koronadal, Inc. (Communities Philippines, Inc.)	32,296.50	31,174.23	117,700.13
Communities Gapan, Inc. (Camella Homes, Inc.)	20,619.43	19,999.45	5,227.58
Communities Taal (Camella Homes, Inc.)	32,917.77	31,590.95	49,040.17
Crosswinds (Brittany Corporation)	303,595.75	299,404.09	85,293.72
Crown Asia Valenza (Crown Asia Properties, Inc.)	289,031.84	283,642.63	29,852.56
Vista Hub (Vista Residences)	See note[4]	See note[4]	4,556.00

Reduction[6] of energy consumption

Disclosure	2022 vs 2021	2021 vs 2020	2020 vs 2019
Gasoline (in GJ)			
Communities Negros, Inc. (Communities Philippines, Inc.)	-140.36	7,421.78	224.28
Communities Koronadal, Inc. (Communities Philippines, Inc.)	-99.88	3,764.17	-326.98
Communities Gapan, Inc. (Camella Homes, Inc.)	-190.37	2,903.84	331.57
Communities Taal (Camella Homes, Inc.)	-79.28	3,528.35	300.67
Crosswinds (Brittany Corporation)	-	-	-
Crown Asia Valenza (Crown Asia Properties, Inc.)	-9.71	48.31	58.44
Vista Hub (Vista Residences)	See note[5]	See note[5]	-120.21
Electricity (in kWh)			
Communities Negros, Inc. (Communities Philippines, Inc.)	3,253.13	7.206.40	46,815

3 Communities and sites included in the scope are projects that are not yet turned over to the Homeowners' Association (HOA).
4 The 2022 data shows a higher consumption in Gasoline and Electricity due to economic reopening and longer operating activities.
5 Energy consumption in Vista Hub is not available as of 2022 and 2021. This will be disclosed in the next reporting year.
6 Reduction is computed as the difference between the previous and current energy consumption. Negative values mean an increase in consumption versus the previous consumption.

Disclosure	2022 vs 2021	2021 vs 2020	2020 vs 2019
Communities Koronadal, Inc. (Communities Philippines, Inc.)	-1,122.27	-86,525.90	-20,587
Communities Gapan, Inc. (Camella Homes, Inc.)	-619.98	14,771.86	39,600
Communities Taal (Camella Homes, Inc.)	-1,326.82	17,449.22	2,432
Crosswinds (Brittany Corporation)	-4,191.66	214,110.37	370,799
Crown Asia Valenza (Crown Asia Properties, Inc.)	-5.389.21	253,790.07	210,811
Vista Hub (Vista Residences)	See note[5]	See note[5]	901,508

Impacts and Risks	Stakeholders Affected
Vista Land manages the energy consumption of common areas such as streetlights, clubhouses, parks, and other open spaces as part of its business operations. The Company's operations may be inherently affected by power interruptions due to natural disasters.	VLL Community, Homeowners

Management Approach to Impacts and Risks
Vista Land manages energy consumption by monitoring the electricity and gas consumption of its residential projects and continuously finds ways on how to achieve effective and efficient use of these resources. The Company also makes sure that the communities are serviced by a reliable electricity provider that is capable of restoring power in the fastest time possible after the event of natural disasters.

Opportunities and Management Approach	Stakeholders Affected
Vista Land is continuously exploring the viability of installing technologies that enable efficient use of energy from renewable sources in malls. While the Company is using retail electricity supplier to aggregate power, it sustains initiatives designed to improve the efficiency of energy use especially of gas and electricity.	Communities, Homeowners

Water consumption within the organization

Disclosure	2022	2021	2020
Water withdrawal (in m^3)	N/A	N/A	N/A
Water consumption (in m^3)			
Communities Negros, Inc. (Communities Philippines, Inc.)	4,701.93	4,609.74	8,548.13
Communities Koronadal, Inc. (Communities Philippines, Inc.)	8,030.90	7,873.43	20,456.63
Communities Gapan, Inc. (Camella Homes, Inc.)	1,436.16	310.88	1,408.00
Communities Taal (Camella Homes, Inc.)	18,829.93	18,213.85	18,281.49
Crosswinds (Brittany Corporation)	104,385.74	128,176.75	98,477.12
Crown Asia Valenza (Crown Asia Properties, Inc.)	26,161.58	25,573.39	10,741.15
Vista Hub (Vista Residences)	See note[7]	See note[7]	10,786.00
Water recycled and reused (in m^3)	N/A	N/A	N/A
Total volume of water discharges	N/A	N/A	N/A
Percent of wastewater recycled	N/A	N/A	N/A

Impacts and Risks	Stakeholders Affected
Vista Land manages water consumption of common areas such as swimming pools, clubhouses, parks, and other open spaces as part of its regular operations. Its residential developments may experience periodic water shortages during the summer season that will inconvenience the homeowners.	VLL Community, Homeowners

Management Approach to Impacts and Risks
Vista Land manages its water consumption by keeping track of the activities in projects to achieve effective and efficient use of such resources. The Company ensures that its residential communities' water consumption needs are provided with a reliable distributor. In addition, Vista Land's residential developments are equipped with elevated water tanks.

Opportunities and Management Approach	Stakeholders Affected
Vista Land is looking for the possibility of installing water- recycling equipment to divert discharges to other uses such as landscape maintenance.	VLL Community

7 Water consumption in Vista Hub are not available as of 2021 and 2022. This will be disclosed in the next reporting year.

Materials used by the organization

Vista Land identified Materials as not a material topic in 2022.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Vista Land reports no significant impacts to lands with high biodiversity value or near protected areas. Before acquiring any property, Vista Land conducts market research to meet the demands of future homeowners.

The Company considers the following criteria in its land acquisition study:

- the general economic condition of the environment surrounding the property;
- proximity of land to areas to existing products and service brought about by nearby developments;
- accessibility to roads and major thoroughfares;
- availability of electric facilities, telephone lines, and water systems; and
- overall competitive landscape and neighboring environment and amenities.

Vista Land also considers the feasibility of obtaining required governmental licenses, permits, authorizations, and developing necessary improvements and infrastructure, including sewage, roads, and electricity.

While landscapes play a big factor in a prospective homeowner's selection of a residential community, Vista Land looks at landscapes beyond mere embellishment. Rather it is an investment into nurturing a lush and green environment for future generations.

Vista Land's teams of horticulturists are encouraged to follow a landscaping philosophy that seeks to create forests and gardens where there were none and just the way nature intended. They prioritize the use of plants endemic to the country and its specific regions. With the vision of recreating the country's natural habitats the way nature intended, the Company is hopeful that the return of endemic flora and fauna will arrive as well–the end being the creation of nature sanctuaries within the communities.

On occasions when mandatory aesthetics require the introduction of unfamiliar species into the landscape mix, research is done into the possible effects the new species will have on the environment and countermeasures are created to make sure the endemic plant life does not suffer simply "for the sake of beauty."

It is Vista Land's ambition to mitigate climate change one plant at a time. This is demonstrated by designing landscapes that have the added effect of influencing the country's climate to make it cleaner, cooler, and more conducive to life. By creating microclimates within the communities, the Company believes that it is creating residential oases that are healthier places to live, especially with the looming global warming and the pollution problems plaguing cities. It predicts that the benefits of these microclimates will create a halo around the surrounding areas and thus influencing the temperature and air quality in many parts of the country as well originating from each Vista Land host community.

The key in creating these microclimates is allowing for better carbon sequestration. The Vista Land landscape is designed such that it is not only pleasing to the eye, but must carry a collection of plants that will better accumulate carbon dioxide and efficiently transform it into oxygen—improving air quality effectively.

Environmental Impact Management

Air Emissions

GHG (in tCO_2e)

Disclosure	2022	2021	2020
Direct (Scope 1) GHG Emissions			
Communities Negros, Inc. (Communities Philippines, Inc.)	528.82	519.43	23.51
Communities Koronadal, Inc. (Communities Philippines, Inc.)	297.04	290.36	39.20
Communities Gapan, Inc. (Camella Homes, Inc.)	212.57	199.84	5.76
Communities Taal (Camella Homes, Inc.)	257.70	252.4	16.71
Crosswinds (Brittany Corporation)	-	-	-
Crown Asia Valenza (Crown Asia Properties, Inc.)	4.02	3.37	0.14
Vista Hub (Vista Residences)	See note[8]	See note[8]	13.75
Energy indirect (Scope 2) GHG Emissions			
Communities Negros, Inc. (Communities Philippines, Inc.)	80.67	82.98	77.91
Communities Koronadal, Inc. (Communities Philippines, Inc.)	25.18	24.31	91.77
Communities Gapan, Inc. (Camella Homes, Inc.)	14.69	14.24	3.72
Communities Taal (Camella Homes, Inc.)	23.44	22.5	34.93
Crosswinds (Brittany Corporation)	216.22	213.24	60.75
Crown Asia Valenza (Crown Asia Properties, Inc.)	205.8	202.01	21.26
Vista Hub (Vista Residences)	See note[8]	See note[8]	3.24
Emission of ozone-depleting substances (ODS)	N/A	N/A	N/A

8 Direct and Indirect GHG Emissions in Vista Hub are not available as of 2021 and 2022. This will be disclosed in the next reporting year.

Air Pollutants

Vista Land has no available monitoring system to track air pollutants.

Impacts and Management Approach	Stakeholders Affected
For 2022, gas consumption largely contributes to the overall emissions of the Company. As occupants in the developments increased, more people appreciate the amenities provided in the subdivisions, hence increasing the demand for gas-powered equipment. Effects of continuous emissions may manifest in the air quality which, directly or indirectly, impacts the health of homeowners, tenants, and surrounding communities. Vista Land manages its electricity consumption through regular monitoring and documenting of consumption. Moreover, it considers the feasibility of clean energy technologies to engage homeowners and tenants to source their electricity to cost-efficient and cleaner means.	Homeowners, Tenants, Nearby communities

Opportunities	Stakeholders Affected
Vista Land will continue monitoring the gas and electricity consumption in all its properties and implement sustainable practices for all its homeowners and tenants.	Homeowners, Tenants, VLL Community
Management Approach to Opportunities	
The Villar Social Institute for Poverty Alleviation and Governance (SIPAG), an implementing arm of Vista Land, advocates for programs and activities in its developments that encourages communities to switch into a more sustainable lifestyle. Greenscapes, its horticulture initiative, aims to improve the air quality within the immediate vicinity and provide cooler surroundings by growing different endemic plants in property grounds. In this way, the Company reverts the impact of emissions from their properties.	

Solid and Hazardous Wastes

Included in the scope of this report are not yet turned over residential developments by Vista Land. However, the data is not available as of 2022.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	2022	2021	2020
Total amount of monetary fines for non- compliance With environmental laws and/or regulations	0	0	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0
No. of cases resolved through dispute resolution mechanism	0	0	0

Impact	Stakeholders Affected
Compliance to the different environmental laws enables Vista Land to freely advertise its projects and promote good corporate reputation. There are no fines and sanctions on record due to non-compliance with environmental laws and regulations in 2022.	VLL Community
Management Approach to Impacts	
Vista Land has a technical services team that tracks environmental law compliances from business development to post-business development stage. Regular department updates on permit/license requirements are done to ensure minimal or non-material incidents of non- compliance.	

Risks	Stakeholders Affected
Non-compliance with the environmental laws may result in a decline of property sales corresponding to an adverse impact on the financial standing of Vista Land. Exposure to risks relating to pending compliances may also negatively lead to failure in project launches.	VLL Community
Management Approach to Risks	
Vista Land updates its operations, most especially its construction and property management, with the modern technologies being introduced as means to efficiently implement sanitation, environment, and safety laws and regulations regardless of cost.	

Opportunities and Management Approach	Stakeholders Affected
Vista Land considers entering certifications and other environmental initiatives such as ISO 140001 to largely contribute to the betterment of the environment. The Company continuously conducts research on how to improve its existing practices to help preserve the environment.	VLL Community

SOCIAL DISCLOSURES

Employee Management

Employee Hiring and Benefits

Employee Data

Disclosure	2022	2021	2020
Total number of employees[9]	1,867	1,638	1,407
a. Number of female employees	1,215	1,276	1,053
b. Number of male employees	652	362	354
Attrition rate[10]	0.25%	12%	-14%
Ratio of lowest paid employee against minimum wage	1:01	1:1	1:1

Employee Benefits

List of Benefits	Y/N	% of female employees who availed in 2022	% of male employees who availed in 2022
SSS	Y	25	13
PhilHealth	Y	3	0
Pag-IBIG	Y	2	1
Parental leaves	Y	4	1
Vacation leaves	Y	97	97
Sick leaves	Y	72	62
Medical Benefits (aside from PhilHealth)	Y	83	88
Housing assistance (aside from Pag- IBIG)	Y	11	10
Retirement fund (aside from SSS)[11]	Y	0	0
Telecommuting	Y	14	16
Flexible-working Hours[12]	N	N/A	N/A

Diversity and Equal Opportunity

Disclosure	2022	2021	2020
% of females in the workforce	65	78	75
% of males in the workforce	35	22	25
Number of employees from indigenous communities and/or vulnerable sector[13]	Not Measured		

9 Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)
10 Attrition rate = (no, of new hires – no. of turnover)/(average of total no, of employees of previous year and total no. of employees of current year)
11 The Company has a noncontributory defined benefit pension plan covering substantially all its regular employees. The benefits are based on current salaries and related compensation on the last year of employment. For 2022, none has availed of this benefit as no one retired for the mentioned year.
12 This benefit is available and can be granted to employees on a case-to-case basis.
13 Vulnerable sectors include, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Management Approach to Impacts

Vista Land takes pride in its people and considers them its prime assets.

The Company invests in its employees by providing competitive salaries and benefits. In the belief that a well-compensated staff has increased work productivity and job satisfaction. In addition to statutory benefits, eligible Vista Land employees enjoy additional perks such as leave credits, health care insurance, salary increases based on performance, mobile plan, car plan, long-term incentives such as housing assistance and retirement plans, and opportunities to promote career growth through training and webinars. Employees can also avail of an emergency loan during times of need, as an additional bonus. A 2022 poll resulted in Vista Land employees assessed as "very satisfied" with the Company's benefits packages.

Vista Land's employee retention program also focuses on continuous learning and ensuring a safe workplace and collaborative culture. For more details, refer to the following sections: Employee Training and Development and Workplace Conditions, Labor Standards, and Human Rights.

Vista Land considers itself an Equal Opportunity Employer that hires staff regardless of age, gender, marital status, cultural background, or place of origin. Employment is given to the rightful candidates based on needed skills and experience required for the role. The Company includes diversity in its recruitment policy as it believes that the broader pool of talent opens a greater chance of finding the qualified person for the job.

A competitive salary program benefits the Company to attract and hire quality hires; retain motivated or engaged employees; and can be a leverage for an employee's overall job satisfaction.

Employees can avail the salary advance or financial assistance upon request. For long-term assistance, the nature and merit of request is carefully reviewed before endorsing for implementation. Aside from the minimum requirements by the regulatory institutions, the Company extends what are deemed necessary for employees, like HMO with one (1) dependent, allowance, mobile plan for communication, company car allocation (based on level/rank), etc.)

Risks

The Company's success is contingent upon its ability to recruit, retain, and educate an effective workforce equipped with the necessary skills and knowledge to serve customers. It is evident that the pandemic created big changes among all businesses and organizations on how to retain and engage its workforce. Common challenges are mental health and well- being of the employees, public transportation, employee communication, managing remote work or seeking alternative work arrangement, to work hybrid or remotely from home.

Management Approach to Risks

Vista Land, through its Human Resource Department, continuously engages its employees remotely through maximization of various online platforms such as Zoom & Microsoft Teams. Employees were still able to celebrate annual company-wide gatherings via VPortal, Vista Land's internally developed e-conference facility.

With the easing of community quarantine restrictions in 2022, the work-from-home rule was applied only for employees with symptoms, exposed or tested as positive to COVID. Vista Land continues to ensure the safety of its employees by giving COVID-19 tests for free, office disinfectants and sanitations, and providing shuttle services to employees manning the offices. Furthermore, the

Company, along with the other companies in the Villar Group, has provided booster vaccines from Moderna to their employees, as well as to their families and households.

One method of candidate development involves job rotations within the organization. This not only provides key performers the opportunity to gain experience and new skills in working in other departments but also allows the opportunity to identify, prepare and develop the designated "number 2" to ensure proper workplace succession. Management education and mentoring through leadership training and management development programs are also provided to employees.

Opportunities and Management Approach

Being present in 147 cities and municipalities across 49 provinces, Vista Land also provides employment opportunities to these locations. As it plans to expand to 200 cities and municipalities, it is expecting to gain more talents from those areas.

The Company aims to become a powerful employer brand, increase the efficiency of the recruitment process by investing in digital technology, and continue efforts towards digital transformation.

In the year 2022, it has digitalized the following platforms:

- Electronic Document Tracking System (EDTS) - system application for payment request processing
- Human Resource Information System (HRIS) –intended for accessing all employee- related data and for requests for leave approval, Certificate of Employment (COE), Certificate of Employment with Compensation (COEC), and other employee-related documents
- IT Helpdesk – intended for all IT-related concerns
- Building Information Modeling Helpdesk – intended to monitor and manage the requests for information and approval raised during the plan development stage up to the construction of each project.

Vista Land will continue to focus on employee wellness in view of operating challenges in the New Normal.

Employee Training and Development

Disclosure	2022	2021	2020
Total training hours			
a. Female employees	2,506	9,210	8,616
b. Male employees	1,276	3,680	2,960
Average training hours[14]			
a. Female employees	2.06	0.14	0.12
b. Male employees	1.96	10.17	8.36

Impact

Training and development offer employees the following advantages:

- enhance the employees' skills and exposes them to the latest trends and issues related to the nature of their job;
- prepares them for the next level of responsibilities they will assume;
- expands their network; and
- allows them to share best practices with other players in the industry.

14 Amended figures following the formula from SEC Guidelines (total training hours/total employee (gender)

Prior to the pandemic, Vista Land targeted to send all employees to 16-24 hours of training per year.

Due to the limitations of the face-to-face formal training, the online platform was maximized for the purpose.

Management Approach to Impacts

The training program that the Company provides is divided into four levels to address employees' training needs based on the rank/level they are in:

1. Fundamental and Mandatory Trainings (FMT);
2. Skills Enhancement Training;
3. Leaders Enhancement & Development;
4. Executive Education.

In 2022, the Company implemented orientation and awareness seminars on COVID-19 vaccination and prevention through the V-Healthy program.

Training and Assistance Programs

New Employee Onboarding / Orientation Training. Required training for newly hired employees to adopt and integrate in the company

SEO (Search Engine Optimization) Training. In keeping with the Company's desire to sustain its upgraded digital platforms. This training seeks to develop skills that can optimize website content for the best possible search engine ranking. Each course is intended to build on skills in a specific area and open the doors to a career in digital marketing or online content development, including on-page and off-page optimization, optimizing for local and international audiences, conducting search-focused website audits, and aligning SEO with overall business strategies

Customer Relation Management (CRM) Training. Intended to equip attendees with the skills in using CRM systems.

All Properties Website Training. Intended for all Sales and Marketing employees to provide the skills in using All Properties Website.

Basic Training for Pollution Control Officer (PCO). Intended for the designated (Pollution Control Officer) of the Company in compliance with the mandatory requirements of DENR.

Training Course for Managing Head. Intended for the designated Managing Head of the Company in compliance with the mandatory requirements of DENR.

Risks and Management Approach

Training and seminars are believed to be most effective in a classroom set-up. However, because of the pandemic, facilitating activities on-site were limited. Therefore, Vista Land is in the process of developing a Learning Management System that will effectively facilitate the training and development initiatives of the Company.

Opportunities and Management Approach

Vista Land recognizes employees who have done exceptional work in their respective fields. The Company evaluates employee performance annually based on two indicators: performance factors and behavioral factors.

Employees need to accomplish an assessment form as part of the evaluations. Based on the annual performance appraisal, the Company recognizes the employee's performance through merit increase and promotion to the next rank. Specific ranks come with specific benefits such as mobile plan and car plan. Aside from promotion to the next rank with salary increment, the Company rewards an employee's excellent performance through travel incentives.

Every second week of December, the Villar Group holds a Christmas party (also called as MBV (Manuel B. Villar)) that includes recognition of personnel with tenure of at least five years. Employees with exemplary marks or performances are also recognized in the event.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	2022	2021	2020
Safe Man-Hours	3,847,840	N/A	N/A
No. of work-related injuries	0	0	0
No. of work-related fatalities	0	0	0
No. of work-related ill-health	0	0	0
No. of safety drills	2	2	2

Impacts, Risks, and Opportunities

With COVID-19 protocols still maintained at Alert Level 1 in 2022, the Villar Group prioritizes measures that will ensure the health and safety of its people.

The Company recognizes the need to be proactive about mitigating the risk of an employee's exposure through physical modifications in the workspace in reducing contact, changing work schedules to limit the number of employees physically present in the office, encouraging social distancing, and strictly enforcing cleaning hygiene.

By the end of 2022, majority of its staff and management are fully vaccinated with updated boosters.

Management Approach to Impacts, Risks, and Opportunities

All companies of the Villar Group promote the creation of a healthy and safe workplace for its employees and clients.

The Group provided Moderna and Oxford-AstraZeneca vaccines to employees and their families and households. Employees working on-site are given COVID-19 tests for free. Office disinfectants and sanitations are still being done regularly while shuttle services are still provided for most especially to areas where public transportation still has certain restrictions.

The Group has also contributed to the efforts of the government to fight COVID-19 by converting forum halls to COVID-19 facilities and providing hospital beds and freezers for swabbing facilities; donating disinfecting apparatus, face masks and drinking water to various hospitals, food and accommodation to frontliners, and installation of public handwashing stations, among others.

Vista Land partners with a Health Maintenance Organization (HMO) and ensures its employees' health and wellness by mandating employees to undergo annual physical examinations (for staff to middle managers) and executive check-ups (for senior managers and up).

Occasionally, the Company would sponsor fitness activities, mostly online but sometimes in-person (F2F), including sports fest, Zumba, and weight management contests to encourage participation. It also implements Occupational Health and Safety (OHS) policies and programs to promote Vista Land as a drug-free workplace, to prevent illnesses like Hepatitis B, HIV/AIDS, and Tuberculosis. These activities, policies and programs are communicated through the Post Master, the Company's official corporate communication platform. The Company participates in the different fire and earthquake drills as part of emergency preparedness.

Health and Safety Committees are formed per cluster as part of the Company's OHS Management System. The committee is responsible for doing risk assessments for the Company. Committee members undergo two critical training: a 40-hour Occupational Health and Safety (OSH) training and a 40-hour First Aid (FA) and basic life support training. It also conducts risk assessments and meetings to reduce the likelihood of risks to happen in the workplace. In case of serious injuries, illnesses, or fatalities, assessments are done by the highest-ranking personnel or officer-in-charge in the area. Results of assessments are reported to the HR Department. If the employee needs to be brought to the hospital, the HR coordinates with the partner HMO.

The Company identifies occupational safety hazards and risks through risk assessment and hazard assessment. Any identified risk is dealt at once. Accident Reporting and Investigation Procedure is in place for any work-related hazards or incidents.

The general training for disaster preparedness involves the following: Employees and workers responsibilities, Identification of possible threats or disaster and its protective action, and discussion of the following procedures: disaster communication, emergency preparedness and response, emergency evacuation and accountability procedure, including the use of emergency equipment.

Labor Laws and Human Rights

Disclosure	2022	2021	2020
No. of legal actions or employee grievances involving forced or child labor	0	0	0

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If yes, cite reference in the company policy
Forced labor	N	N/A
Child labor	N	N/A
Human Rights	Y	**Sexual Harassment Policies and Procedures** – The Company will not tolerate any behavior that amounts to sexual harassment and any officer or employee found to have committed sexual harassment shall be subjected to disciplinary action, up to and including dismissal.

Labor-Management Relations

Disclosure	2022	2021	2020
% of employees covered with Collective Bargaining Agreements	0	0	0
Number of consultations conducted with employee concerning employee-related policies	At least once a year company-wide discussion		

Impact

In 2022, there were zero incidents reported in relation to human rights violation or discrimination. Vista Land continues to abide by labor laws and respect human rights in the workplace. No employee is involved in any worker union. The Company's policies governing employees follow the existing labor laws and regulations.

Management Approach to Impacts

Employee Engagement in Vista Land

The Company encourages proactive communication across ranks. It encourages employee participation using platforms like quarterly surveys, focus-group discussions, regular staff meetings, and coordination meetings. Company-wide meetings are done at least annually while per department meetings may vary. Some meet at least quarterly but others, especially marketing groups, meet weekly.

To keep the employees informed and on track of the organizational goals and objectives, the Company conducts a monthly Jumpstart Activity – an event where employees of a cluster/group convene to present monthly goals, targets, and performance. This activity is delivered via Zoom in 2022. During this activity, open discussion is encouraged to hear suggestions and inputs of the employees.

In this culture of open communication, employees are encouraged to freely disclose to HR, immediate Heads, or to any officer level in the organization with whom an employee is more comfortable disclosing their concern without fear of retribution. The Company also organizes regular values sessions, done per department or per division, where company values are reiterated and at the same time becomes an avenue for employees to voice out their concerns.

Complaints Management

Any complaints received pertaining to discrimination will be dealt promptly and with fairness. The complainant is protected by a non-retaliation policy of the Company. Same as other offenses, the Human Resource Department will investigate based on the incident report, testimony of the witnesses, and other evidence related to the commission of the offense. All employees shall be afforded with due process before implementation of the sanction, if applicable.

Each employee also has responsibility to the Company to avoid situations where a conflict of interest might occur. Employees are required to disclose to the Company any interest or benefits they have that may conflict with the business or interests of the Company. They are expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with the performance of their responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company.

The Company issues a Notice to Explain to the erring employee. If the violation is related to dishonesty, loss of confidence, or gross negligence, the employee will be put on a 30- day preventive suspension. A committee composed of the internal audit head, accounting head, COO and the specific brand of the erring employee, will hold an administrative hearing before the release of the final decision.

Risks

Failure to comply with labor laws and human rights will have an impact on the productivity of employees (should a worker strike occurs) and Vista Land's reputation. Additionally, the pandemic has forced businesses to alter workplace setups, resulting in new norms.

Management Approach to Risks

The Company does not tolerate, engage in, or support human trafficking, forced labor or child labor of any kind. Furthermore, the Company recognizes and respects the rights and dignity of each individual and commits to respect human rights in the conduct of its business and comply with applicable local laws and international human rights standards and protocols.

The Board has established policies, programs, and procedures that encourage employees to actively participate in the realization of the Company's goals and in its governance. The Board likewise established a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices without fear of retaliation, and to have direct access to an independent member of the Board and a unit created to handle whistleblowing concerns. Due to the pandemic, the Company re- assessed and adjusted existing policies and processes to conform with the new requirements of the Inter-Agency Task Force in the workplace.

The Human Resources Department is mandated to welcome, accommodate, and address the concerns of the employees. Vista Land organizes regular values sessions, done per department or per division, where the Company values are reiterated and at the same time becomes an avenue for employees to voice out their concerns without fear of retaliation. Employees are protected by an existing whistle blowing policy that allows them to freely communicate their concerns and to have direct access to an independent member of the Board or unit to handle whistleblowing concerns. Suppliers may reach the company through the Procurement team, either through email or company mobile number.

Opportunities

Vista Land has grievance mechanisms in place that encourage employees to freely communicate their concerns (including workplace discrimination and bullying) without fear of retaliation. Through the different programs that encourage employee participation, the Company becomes aware of and will immediately work to address the employees' concerns.

Management Approach to Opportunities

Vista Land offers open various communication channels to encourage employees and suppliers to raise their concerns.

The Company has an existing whistle blowing mechanism consistent with the corporate values and the Code of Conduct set by the Board. The Management values the inputs of employees through the KISS (Keep It Straight and Simple) Campaign wherein the employees are encouraged to suggest ways to simplify and streamline the existing practices of the Company.

Supply Chain Management

Vista Land has a supplier accreditation policy that includes the following topics:

Topic	Cite Reference in the Company Policy
Environmental performance	Annex 1 - Quality Management - ISO 14000 or equivalent, DENR Permits/Certifications
Forced labor	Annex 1 - Quality Management - DOLE DO#18 requirement (Sections 6-7)
Child labor	Vista Land requires suppliers to be compliant with the Labor Code Book III.
Human Rights	
Bribery and corruption	Included in the Company Accreditation process

Impact

Vista Land's supply chain process begins with determining market demand in the target area. It is reflected in the number of units for turn-over. Once demand is identified, suppliers are asked to provide the materials and services based on the projected timeline and actual demand of the construction group. After passing all requirements of the Company, products and/or services are ready for deployment in accordance with the agreed timeline. Materials are delivered to warehouses either as stock or direct items. The Materials Management team monitors inventory use and replenishment, and issues requisitions accordingly. In case of additional requirements on site, the Procurement team issues a Purchase Order. This cycle repeats until the project is complete.

There were no significant environmental and social impacts in VLL's supply chain in 2022.

Management Approach to Impacts

Vista Land promotes an unbiased selection and welcomes all suppliers who employ workers from the disadvantaged groups or have sustainability initiatives in place.

The Company has an established accreditation process that assesses the suppliers' ability to meet the requirements, including proof of their production capacity, their compliance with set standards and regulations, and the legitimacy of their operations.

Specifically, suppliers are chosen based on their capacity to fulfill the requirements, competitiveness of their offer, historical performance, and results of background checking, among others. Through their submissions, their environmental and social impacts are also reflected. Above all, suppliers are also expected to always adhere to the Philippine laws and act ethically.

Risks

Any construction or infrastructure failures, design flaws, significant project delays, and quality control issues or otherwise, could reflect on Vista Land's capability to deliver and may cause difficulty attracting new customers.

Management Approach to Risks

Vista Land evaluates suppliers' performance on a regular basis. Suppliers with recurring concerns are issued with a maximum of three warnings, after which they will be tagged as "Banned". Non-compliant incidents are reported to the Company by key persons on-site. Once a formal report is filed, the Management takes the necessary action to address the issue immediately. Banned suppliers will not be entertained by the Company for future transactions.

The Company offers various communication channels to facilitate doing business with suppliers. Suppliers may reach the Company through the Procurement team, either through email or company's designated mobile number.

Opportunities and Management Approach

Vista Land maintains long-term partnerships with over 300 accredited independent contractors and deals with each of them on an arm's-length basis. To this end, it is important that the contractors and suppliers share Vista Land's mission-vision of building homes for every Filipino by monitoring their environmental and social impacts to all their stakeholders.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant impacts on local communities	Vista Land designs communities that are self-contained and walkable. Housing developments are integrated with commercial spaces, green and open spaces, schools, and churches.
Location	Cagayan de Oro, Iloilo, Antipolo
Vulnerable groups[15]	Children and Youth
Does the particular operation have impacts on indigenous people?	VLL's operations may have an indirect impact to indigenous people.
Collective or individual rights that have been identified that or particular concern for the community	Right to education, worship, rest, and leisure
Enhancement measures	Vista Land constructs churches in support of the activities of religious organizations within subdivisions. For instance, Deux Pointe, a Swiss-designed church, was established in Crosswinds as a place of worship for the homeowners.

15 Vulnerable sectors include, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Operations with significant impacts on local communities	Villar SIPAG Farming School has trained thousands of participants on agriculture-related courses including modern farming for free. As of 2022, there are 2,805 accredited farm schools nationwide available for farmers and plant enthusiasts.
Location	Las Piñas
Vulnerable groups[14]	Children and Youth
Does the particular operation have impacts on Indigenous people?	VLL's operations may have an indirect impact to indigenous people.
Collective or individual rights that have been identified that or particular concern for the community	Right to education, work, be free from hunger
Enhancement measures	Started in 2001, Vista Land's Corporate Social Responsibility (CSR) arm, the Villar Social Institute for Poverty Alleviation and Governance (Villar SIPAG), continued to search for students nationwide who have excelled in elementary and secondary education to be awarded with the Villar Excellence Award. Because of this, students are encouraged to pursue exemplary performance in their studies. Additionally, more livelihood programs outside Las Piñas are encouraged.

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certificate Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: **N/A**

Corporate Social Responsibility Programs

Name of the Program	Overview of Program
Tree-planting activity in Brittany project locations	Brittany's tree-planting activity aims to engage its employees, sales networks, and homeowners to plant and nurture pine trees within its developments. The general public may perceive Brittany to be a socially-responsible, environment-sensitive company. Tree-planting can be considered good for publicity or feel like a "greenwashing" effort. Tree planting may be considered as the sole or core strategy to adopt to be considered as a conscious, sustainable company. Current activity is not sustainable.
CAMELLA: Redefining community - living through verdant transformations	Camella's team of horticulturists combines their skills and passion for greenery to create living communities that grow into habitats ideal for plants, wildlife, and, of course, families. Working with Camella's engineers, architects, master planners, and property managers, the group designs the landscaping, public areas, and clubhouse gardens to bring to life the many verdant Camella communities. The group sources endemic saplings and flora that go into the designs and manages central and commercial nurseries to support the developments.

Impacts, Risks, and Opportunities

Vista Land interacts with the local communities where the Company is present from the time the project was launched up to its completion hence, making them part of an integrated community. The Company partners with its host communities, giving employment, sourcing materials from them, and offering them sponsorships for their programs and initiatives towards the environment. This creates opportunities for Vista Land to expand integrated urban developments across the country.

In 2022, there were no recorded significant negative impact or risks to/involving the local communities.

Management Approach to Impacts, Risks, and Opportunities

Vista Land annually allocates budget for its CSR program activities as approved by the Board and Management. It partners with one local non-stock and non-profit organization.

The Company integrates volunteerism into its corporate culture with the guidance of its management committee. Employees are invited to participate in their program which includes activities like coastal clean-up, relief operations, and tree planting among others. Employees are also encouraged to share their inputs for volunteer work.

Various Villar SIPAG programs are in line with its key advocacies such as livelihood generation, jobs creation, environment protection, assistance to the OFWs, development of community enterprises, church-building, and agricultural training through the Villar Farm Schools. Vista Land has also established long-term and sustainable projects such as providing training to residents of the barangay beneficiaries that gives birth to numerous livelihood opportunities, helping in transformation of critical habitats to thriving eco-tourism destinations, among others.

The Company has also contributed to the efforts of the government to fight COVID-19 by converting forum halls into COVID-19 facilities with hospital beds and freezers for swabbing; donating disinfecting apparatus, face masks, and drinking water to various hospitals, food, and accommodation to frontliners; and installation of public handwashing stations among others.

Vista Land partnered with other organizations in 2020 and provided funding for building laboratory testing centers for procurement of laboratory supplies to expand community and pooled testing. Moreover, the VHealthy program was introduced in 2021 and continued in 2022. The group-wide immunization program made it possible to administer the Moderna and Oxford-AstraZeneca vaccinations to Villar Group employees as well as follow-up Moderna booster doses in 2022.

There are no significant negative impacts on its local communities reported for 2022.

Customer Management

Customer Satisfaction[16]

Disclosure	2022	2021	2020[17]
Customer Satisfaction	97	80	-
Conducted by third party?	-	-	-

Impact and Management Approach

In a recent survey by Philippine Survey and Research Center (PSRC) on its Project Mana: A Quantitative Usage, Attitude and Image Study on Real Estate, the Company enjoys a brand awareness/preference of 97%, which is like a fast-moving good product.

The Company is committed to delivering the Vista Land standard of living to its customers through its integrated communities – real estate developments that integrate beautiful and quality homes with commercial establishments, office buildings, leisure areas and socio- civic amenities. Vista Land ventured into integrated development to provide a future worth living for and to make life more beautiful for those who already trusted the Company to build their homes.

Vista Land offers top-tier leisure condominium and residential properties in the country's most scenic and exquisite locales, and offers hotel amenities and services (for condominiums). Its projects are also located in the most accessible and attractive locations across Philippines and in key tourist destinations, near main transportation hubs and right across premier colleges and universities.

Since Vista Land projects are widespread across the country, the Company has a hotline (023-Camella) so customers and homebuyers can easily call for inquiries or concerns. In response to the COVID-19 pandemic, Vista Land fully utilized its digital platform such as virtual property tours to continue serving its customers who prefer not to physically visit the site. The Company also boosted social media platforms and messaging applications such as Vista Home – especially created for the homebuyers – and Vista Chat to connect more with customers to reach the organization for inquiries or concerns.

Aside from the above platforms, Vista Land mandated all its employees in all departments to be the customer service ambassadors for all buyers. This initiative made sure that customers can rely on any of the Vista employees should they have questions or clarifications on their transactions.

In 2022, Vista Estates expanded its footprint in Luzon, Visayas and Mindanao. These projects are located in key cities and municipalities across the country, making amazing lifescapes more accessible to thousands of Filipinos who are in the market for real estate investments that are sustainable, innovative, lifestyle-driven, world-class, and primed for growth.

Risks

In 2022, majority of the concerns of the Company's homebuyers raised pertains to payment concerns. When the community quarantine was first imposed in 2020, settling of monthly amortizations in Vista Land offices were halted and physical visits to sites and offices were restricted. Existing digital platforms may not capture all inquiries and concerns of the customers.

16 Brand awareness
17 The supposed 2020 survey did not push through because of the pandemic.

Management Approach to Risks

To address such concerns, Vista Land expanded its online payment options beyond banks and implemented it across the brands. All communication lines remained open and accessible for all stakeholders of Vista Land. The Company beefed up its digital capacity not just for the platforms to sell the products, but also to further engage its customers via Vista Home and Vista Chat. This is in addition to the then launched 023-Camella hotline for customers to easily call for concerns or inquiries.

Opportunities and Management

Through Vista Land's platforms and programs of getting customers' feedback, the Company was able to address their concerns. Hence, the Company continues to do its best effort to address them as soon as possible and to lower the number of complaints to a minimum or even zero if possible.

The Company has a dedicated team that supports and receives all the concerns raised by its customers. Customer portals across all digital platforms will be improved to include mechanisms that capture customer feedback.

Health and Safety

Disclosure	2022	2021	2020
No. of substantiated complaints on product or service health and safety[18]	0	0	0
No. of complaints addressed	0	0	0

Impacts, Risks, & Management Approach

Inventories/houses in the housing developments are first inspected and punch listed to ensure that they are safe and fit to live in before they are turned over to the prospective homeowners. The Technical Services Department conducts the punch listing along with the contractor hired.

To ensure the health and safety of tenants and homeowners in Vista Land properties, Globalland Property Management, Inc. (Globalland) manages all properties and acts as oversight of the homeowners' association's activities. Globalland is also responsible for the financial management, security, landscape maintenance, and association of social activities. The Company also hired a third-party security agency to ensure safety of tenants and homeowners.

The Company also partners with Globalland to develop extensive health and safety protocols that will ensure the well-being of customers and homebuyers especially the condominium dwellers who are the most exposed in using shared facilities and compact spaces such as elevators.

COVID-19 presented the Company with an unprecedented set of challenges. Construction of residential developments were halted due to the community quarantine implemented by the local government units (LGUs). When the lockdowns were lifted, Vista Land was able to fast track the construction from the usual six months to an average of four months to finish a housing unit.

In the commercial business, some of the gross floor areas (GFA) were temporarily closed during the lockdown. Since the majority of the tenants are categorized as essential, Vista Land managed to increase the operating GFA from 60% to 95% in May 2021. As of end 2022, operating GFA is 100%.

18 Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies. This definition also applies to the disclosures under Marketing and Labeling and Customer Privacy.

Additionally, sanitation is provided and temperature checks are done in all entrances of Vista Land establishments.

Marketing and Labeling

Disclosure	2022	2021	2020
No. of substantiated complaints on marketing and labeling	0	0	0
No. of complaints addressed	0	0	0

Impact

The Company fully utilized its digital platform and print ads in order to continue serving its customers such as virtual property tours to do away with actual site visits. Also augmented our social media platforms and messaging app to connect more with our customers. Also, VistaLand will be focusing on mixed used developments with a combination of vertical and commercial developments in key cities with the launch of their new Vista Estates development.,

Management Approach to Impacts

Since Vista Land is widespread across the country, each local office has a dedicated team on the ground that spearheads monthly events for its sales network and prospect homebuyers. Before marketing materials are published, the Corporate Communications group reviews and approves them. After which, local marketing teams produce the materials through the accredited suppliers. There are more than 10,000 sales agents nationwide as of 2022.

The Company conducts monthly virtual events for its sales network such as sales rally, open house, and sales seminars.

Vista Land conducts monthly meetings with the sales and marketing teams to revisit and to improve, if necessary, its existing marketing efforts. The Company ensures all public marketing materials are compliant with the Ad Standards Council (ASC). Moreover, all project launches must be registered with the Housing and Land Use Regulatory Board (HLURB).

Vista Land has provided major contributions in the country's real estate industry and is currently one of the leading integrated property developer. In 2022, the Company decided to take on the launch of its master planned developments across growth centers in the country under Vista Estates.

The end-to-end processes of Vista Estates are all done in-house, transcending the typical standards of a thoughtfully designed megalopolis by creating cities-within-cities that are sustainable, innovative, lifestyle-driven, world-class, and primed for growth. Each of the launched 11 estates in 2022 are uniquely themed - in consideration of the shape of the land's surface or its topography and in conjunction with the economic vision of the local government units (LGU) they are a part of.

Aside from building Vista Estates on a deep understanding of what Filipinos hope for, five cornerstones make sure it stays on track. These pillars frame everything Vista Estates does as a builder:

Sustainable. Meeting needs without compromising the ability of future generations to meet theirs.
Lifestyle-Driven. Developing communities specifically designed with residents' needs and lifestyle in mind.
Primed for Growth. Committed to delivering excellent long-term growth for our stakeholders' investments.
Innovative. Adapting a forward-thinking approach that brings to life cutting-edge ideas.
World Class. Bringing home the best in the world for Filipinos to experience.

Vista Estates are designed to allow divergent individuals, families, and groups to find their dream places in the world and to grow and thrive there. These communities are located in flourishing urban centers yet have become a break from the noise and bustle that are the burdens of teeming and strenuous cities. Thoughtfully master planned and moving in time with the preferences and aspirations of its residents, Vista Estates offer sanctuaries that extend beyond the home.

Vista Estates is and will continue to expand in key cities and municipalities across the country, building lifescapes that truly makes one aspire for amazing. Vista Estates has launched 11 master planned communities in 2022 alone, all with individual concepts from creation to execution accomplished in-house.

The expansion of Vista Estates has been exponential. For 2022 alone, it has amassed a total property value of about PHP 10 billion for its initial launches. Like its parent company, Vista Land, Vista Estates continues to expand its geographic reach in Metro Manila and across growth centers in the country.

Vista Land is investing into these master planned developments, making good on its promise to its homebuyers and investors to continue to create superior offerings, and more importantly, deliver excellent long-term investment growth.

Risks and Management Approach

With the reopening of the economy due to easing quarantine restrictions imposed by the Government amidst COVID-19, Vista Land's continuously improving its marketing strategy by mixing traditional marketing with the digital platforms, which are on-site marketing activities, print ad campaigns, online campaigns, as well as distribution of printed marketing materials.

In response, the Company strengthened its digital initiatives that included implementation of virtual property tours and step by step reopening to the public the actual site visits. It also augmented its social media platforms across the brands, and maximized online payment facilities. In 2022, the majority of the sales produced from the time restrictions imposed came from online sales.

Opportunities and Management Approach

With the shift of marketing initiatives to digital platforms, Vista Land believes that it will reach more target buyers and customers safely and more quickly. The Company will continue to maximize its digital initiatives such as online reservations, virtual property tours, and online sales platforms and innovations that are geared towards providing for what its integrated communities need.

The year 2022 became a landmark year for Vista Land when it unveiled prime developments of Vista Estates across major growth centers all over the nation. Each Vista Estates development comprises business parks and IT zones, institutional complexes, such as learning institutions, places of worship, events venues, and healthcare centers, commercial and retail districts, leisure and wellness hubs, and horizontal and vertical residential enclaves. Vista Estates transcends the typical standards of a master planned megalopolis by building cities-within-cities that are inspiring in vision, compelling in creativity, and grand in diversity.

With over 20 estates in the pipeline for launching in 2023, Vista Estates is bracing for another exciting year, infusing billions worth of investments into each of these estates.

Customer privacy

Disclosure	2022	2021	2020
No. of substantiated complaints on customer privacy	0	0	0
No. of complaints addressed	0	0	0
No. of customers, users, and account holders whose information is used for secondary purposes	0	0	0

Data Security

Disclosure	2022	2021	2020
No. of data breaches, including leaks, thefts, and losses of data	0	0	1

Impact

Vista Land further strengthened its privacy and security infrastructure in 2022. No data security incident for 2022

In June 2020, the Company reported an incident regarding the defacement of its website. Within twenty-four (24) hours from discovery by a contracted provider, the Company, through its DPO, reported the breach incident to the National Privacy Commission (NPC). Subsequently and upon request of the NPC, the Company submitted all pertinent requirements for the investigation of said breach. As investigated by the NPC, the incident did not qualify as a major breach and the risk is low and negligible.

To avoid repeating such an incident, Vista Land revamped the whole website. It purchased a web scanning software, Qualys, as a long-term solution in protecting customer privacy. The software will help see vulnerabilities ahead of time without the need to outsource for vulnerability assessment and penetration testing (VAPT).

Management Approach to Impacts

Vista Land and Lifescapes, Inc. and its officers, employees, third-party providers, professional advisors are fully aware of and strictly comply with the terms set out in the Company's Privacy Manual. The most salient points of the Company's privacy policies are duly disseminated throughout the organization by means of regular offline and online briefings with all departments and their respective staffs and officers.

The Data Privacy Officer (DPO) and Compliance Officer for Privacy (COP) monitor changes or updates in data privacy legislation or in the laws, rules and regulations and policies regarding privacy and, if need be, recommend suggested actions or changes in the privacy approach of the Company.

The Company continues to implement reasonable and appropriate Organization Security Measures, Physical Security Measures, and Technical Security Measures and other procedures intended for the protection of personal information or data against any accidental or unlawful destruction, alteration and disclosure even when there are no identified substantiated complaints as confirmed for year 2022.

Vista Land's websites are equipped with the Secure Socket Layer (SSL)/Transport Layer Security (TLS) protocol, in which all information entered in the website is processed securely. This lessens the chances of interception of data by cyber criminals. All client-facing materials in all platforms, either through physical forms or digital ones, includes a consent form which customers may agree to share their personal information with the Company.

The Company employs strict observance of the Data Privacy Act in the event of an incident of data breach or any other data security-related concerns. Its Privacy Policy attests to the Company's commitment for a more reliable data security system and respectful consent of collecting information. The Privacy Policy can be accessed here.

Risks

Gathering of information through VLL's online reservation portals which are hosted in secured websites and through contact tracing using physical forms or through an application via mobile phone increases the vulnerability of customer information for privacy and data security risks. Moreover, VLL acknowledges the risk of intrusion of data security protection and controls that may result to data breaches, leaks, thefts, and losses of data.

Management Approach to Risks

Vista Land follows the government's protocols regarding contact tracing and other platforms requiring customer information and ensures that all data submitted have signed consent forms. Contract tracing forms are accomplished either through physical forms or an application via mobile phone. Information shared in these forms are handled in accordance with the existing privacy laws and regulations. The collation and storage of the data collected are done by the authorized officers only.

The Company uses an intrusion detection system to monitor security breaches and alerts the organization of any attempts to interrupt or to disturb the system. It also reviews and evaluates software applications before the installation thereof in computers and devices of the organization to ensure the compatibility of security features with the overall operation.

Opportunities

Customers are leaning towards transactions that can be conducted in the comforts of their homes. Hence, the demand of operational digitalization during the pandemic has significantly increased in avoidance for potential contact with the virus.

Management Approach to Opportunities

Vista Land continues to explore new technologies on top of its existing technologies to ensure data privacy and security. The Company also has a dedicated DPA team to address issues relating to data privacy and security.

The Company conducts Privacy Impact Assessments for all systems annually. Results of which are discussed with and submitted to the Management for reference. The IT group also has standard procedures set to make sure that all suppliers follow the Company's privacy policies in working on projects.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Residential Development Business	
Societal Value / Contribution to UN SDGs	8 DECENT WORK AND ECONOMIC GROWTH	Vista Land is an Equal Opportunity Employer that provides employment opportunities in its host communities. With its increasing visibility to more cities and municipalities across the Philippines, more communities are given access to employment opportunities hence, contributing to the growth of the local economy.
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Part of Vista Land's land acquisition study is the proximity of transport services and other infrastructures to the residential development. This is incorporated in the strategic planning of the development that ensures uninterrupted supply of electricity and water, circulation within the property, and such related infrastructure improvements.
	11 SUSTAINABLE CITIES AND COMMUNITIES	Vista Land's continuous residential development decreases the housing requirement of the country. Master planning of residential projects employs strategic planning that integrates housing, commercial spaces, and access to green and open spaces which aims to make subdivisions self- contained and walkable.
	13 CLIMATE ACTION	Camella is to design landscapes that have the added effect of improving the country's climate to make it cleaner, cooler, and more conducive to life. By creating microclimates within the communities, Camella is creating residential oases that are healthier places to live, especially with the looming global warming and the pollution problem currently plaguing our cities.
	15 LIFE ON LAND	Brittany's tree-planting activity aims to engage its employees, sales networks, and homeowners to plant and nurture native pine trees within its developments. Planting trees can help to restore important ecosystem services in urban and suburban areas. Tree planting is a key strategy for becoming a conscious and sustainable company.

Potential Negative Impact of Contribution	The Company continues to cater to various housing tastes and needs in different cities and municipalities. While it continuously progresses towards its vision of being the leading home builder for every Filipino, its efforts may bring unfavorable impacts mostly to the environment and to the society. These may include the following: ● Potential displacement of biodiversity and communities ● Increase in volume of traffic and pollution in the area ● Higher occupancy rate increases water and energy demand ● Higher water demand results to more wastewater and higher wastewater treatment demand ● Higher density impacts the air quality ● Higher percentage of built surface cause heat island effect
Management Approach to Negative Impact	**Reversing Migration:** Most projects are strategically selected and developed outside Metro Manila. This decreases the influx of population and the traffic volume in the urban areas which eventually lessens the impact to the ambient air quality in the metro.
	Designing Self-contained and Sustainable Communities: Vista Land employs mixed-use development that encourages homeowners or tenants to support the local economy. This also lessens the need for traveling to other areas. Although increasing occupancy has a direct relationship with consumption of utility services, Vista Land is studying the feasibility of alternative and cost-effective technologies to ensure efficient use of electricity and water in the residential developments.

Corporate Governance

The Vista Land "Manual on Corporate Governance", which was formalized in March of 2007, guides the Company's strategies towards management and investor relations. It ensures that the Company and its employees adhere to set standards and ethics, and requires regular assessments and benchmarking.

The Governance Code evolves to adapt to changes within the organization and the industry.

The Vista Land Governance Code

Board of Directors

The Board of Directors (the "Board") shall be primarily responsible for the governance of the Corporation. In addition to setting the policies for the accomplishment of corporate objectives, it shall provide independent checks on Management. The term "Management," as used herein, shall refer to the body given authority by the Board to implement the policies it has laid down in conducting of the business of the Corporation.

Composition

The Board shall be composed of at least five (5), but not more than fifteen (15) members who are elected by the stockholders, and at least two (2) Independent Directors or such number of Independent Directors that constitute twenty percent (20%) of the members of the Board, whichever is lesser but in no case less than two (2).

The membership of the Board may be a combination of Executive and Non-executive Directors (which include Independent Directors) in order that no Director or small group of Directors can dominate the decision making process.

The Non-executive Directors should possess such qualifications and stature that would enable them to participate effectively in the deliberations of the Board.

Chairman

The Chairman of the Board, and President and Chief Executive Officer have been separated to ensure balance of power, increased accountability, and better capacity for independent decision making by the Board.

Board Performance

The Board holds regular meetings. To assist the Directors in the discharge of their duties, each Director is given access to the Corporate Secretary and Assistant Corporate Secretary, who serve as counsel to the Board and at the same time communicate with the company shareholders and investing public.

In 2022, the Board held 9 meetings. The record of attendance is indicated in the chart below:

Board Meeting Attendance

Name of Director	Mar 28	Apr 18	May 4	May 30	Jun 15	Aug 9	Sep 30	Nov 14	Dec 28
Manuel B. Villar, Jr.	P	P	P	P	P	P	P	P	P
Manuel Paolo A. Villar	P	P	P	P	P	P	P	P	P
Cynthia J. Javarez	P	P	P	P	P	P	P	P	P
Camille A. Villar	P	P	P	P	P	P	P	P	P
Frances Rosalie T. Coloma	P	P	P	P	P	P	P	P	P
Justina F. Callangan	P	P	P	P	P	P	P	P	P
Romulo L. Neri	P	P	P	P	P	P	P	P	P

Legend : (A) Absent, (P) Present, (-) Not applicable

Board Committees

To comply with the principles of good corporate governance, the Board created two (6) Committees.

Nomination Committee. Three (3) Directors comprise the Nomination Committee, one of whom is an Independent Director, namely Chairman Manuel B. Villar, Jr., Cynthia J. Javarez, and Justina F. Callangan (Independent Director). This committee formulates screening policies to enable the committee to effectively review the qualification of the nominees for Independent Directors; and conducts nominations for such directors prior to the stockholders' meeting in accordance with the procedures set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code, as the same may be amended from time to time.

Compensation and Remuneration Committee. Three (3) Directors comprise the Compensation and Remuneration Committee, one of whom is an independent director, namely Chairman Manuel Paolo A. Villar, Camille A. Villar, and Romulo L. Neri (Independent Director). This committee establishes the formal and transparent procedure for developing a policy on executive remunerations, and fixing remuneration packages of Corporate Officers and Directors. It also provides oversight over remuneration of senior management and other key personnel, ensuring that compensation is consistent with the Corporation's culutre, strategy and control environment.

Audit Committee. The Audit Committee is composed of three (3) members, two (2) of which are Independent Directors namely Chairman Romulo L. Neri and Justina F. Callangan, and Frances Rosalie T. Coloma. This committee assists the Board in providing oversight for the financial reporting process, system of internal control, audit process, and monitoring of compliance of applicable laws, rules, and regulations. It also provides oversight over Management's activities in managing credit, the market, liquidity, operations, legal and other risks of the Corporation. This includes regularly receiving information on risk exposures and risk management activities from Management.

In compliance with SEC Memo Circular No. 4 series of 2012, the Board approved and adopted the Audit Committee Charter. The Audit Committee will hereafter meet to assess its compliance with the aforementioned SEC Memo Circular.

Corporate Governance Committee. The Corporate Governance Committee is composed of three (3) members, two (2) of which are Independent Directors namely Chairman Justina F. Callangan and Romulo L. Neri, and Manuel B. Villar, Jr. This committee assists the Board in the performance of its corporate governance functions and responsibilities. It shall also be tasked with ensuring compliance with and proper observance of corporate governance principles and practices.

Board Risk Oversight Committee. The Board Risk Oversight Committee is composed of three (3) members, two (2) of which are Independent Directors namely Chairman Romulo L. Neri and Justina F. Callangan, and Cynthia J. Javarez. This committee is responsible for the oversight of the Corporation's Enterprise Risk Management system to ensure its functionality and effectiveness.

Related Party Transactions Committee. The Related Party Transactions Committee is composed of three (3) non-executive members, two (2) of which are Independent Directors namely Chairman Justina F. Callangan and Romulo L. Neri, and Frances Rosalie T. Coloma. This committee is tasked with reviewing all material related party transactions of the Corporation.

Management

Management is primarily responsible for the day-to-day operations and business of the Company. The annual compensation of the Chairman, CEO, and the top five (5) Senior Executives of the Company are set out in the Definitive Information Statement distributed to Shareholders.

Compliance Monitoring

The Compliance Officer is responsible for monitoring compliance by the Company with the provisions and requirements of good Corporate Governance.

On May of 2017, the Board of Directors amended its "Manual of Corporate Governance" in compliance with the revised code of Corporate Governance issued by the Securities and Exchange Commission.

Annual Corporate Governance Report

In compliance with SEC Memorandum Circular No. 15 Series of 2017, the Company submits an Integrated Annual Corporate Governance Report (I-ACGR) to the Securities and Exchange Commission and Philippine Stock Exchange every year.

This report shall contain the Company's compliance/non-compliance with the recommendation provided under the Code of Corporate Governance issued by the Securities and Exchange Commission.

https://www.vistaland.com.ph/corporate-governance/

Website

Up-to-date information on the Company's corporate structure, products and services, results of business operations, financial statements, career opportunities, and other relevant information on the Company may be found on its official website: https://www.vistaland.com.ph

To view the Manual on Corporate Governance please refer to the link below.
https://www.vistaland.com.ph/corporate-governance/

BOARD OF DIRECTORS

Manuel B. Villar, Jr.
Chairman of the Board

Manuel Paolo A. Villar
Vice Chairman of the Board

Cynthia J. Javarez
Director

Camille A. Villar
Director

Frances Rosalie T. Coloma
Director

Justina F. Callagan
Independent Director

Romulo L. Neri
Independent Director

Manuel B. Villar, Jr., Chairman of the Board
Mr. Villar, 73, was Senator of the Philippines from 2001 to June 2013. He served as Senate President from 2006 to 2008. He also served as a Congressman from 1992 to 2001 and as Speaker of the House of Representatives from 1998 to 2000. A Certified Public Accountant, Mr. Villar graduated from the University of the Philippines in 1970 with the degree of Bachelor of Science in Business Administration and in 1973 with the degree of Masters in Business Administration. He founded Camella Homes in the early 1970s and successfully managed said company over the years, to become the largest homebuilder in the Philippines now known as the Vista Land Group. Mr. Villar is also Chairman of the Board of Vistamalls, Inc. (formerly Starmalls, Inc.), AllHome Corp., AllValue Holdings Corp., AllDay Marts, Inc. and Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.).He is a member of the following organizations: Makati Business Club, Manila Golf Club, Management Association of the Philippines, Financial Executive Institute of the Philippines (FINEX), Philippine Institute of Certified Public Accountants, and the Villar Social Institute for Poverty Alleviation and Governance (SIPAG).

Manuel Paolo A. Villar, Vice Chairmain of the Board and President & Chief Executive Officer
Mr. Villar, 46, graduated from the Wharton School of the University of Pennsylvania, Philadelphia, USA with a Bachelor of Science in Economics and Bachelor of Applied Science in 1999. He was an Analyst for McKinsey &Co. in the United States from 1999 to 2001. He joined the Vista Land Group in 2001 as Head of Corporate Planning then became the Chief Financial Officer of the Company in 2008. He was elected President and Chief Executive Officer of the Company in July 2011 and President of Vistamalls, Inc. (formerly Starmalls, Inc.) in June 2019. In addition, he is the CEO and Chairman of St. Augustine Gold and Copper Limited and Chairman of TVI Resources Development Philippines, Inc., Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation, Vista Residences, Inc., VistaREIT, Inc., and Powersource Phils Development Corp. Mr. Villar is also the majority shareholder of Prime Asset Ventures, Inc., and director of Fine Properties, Inc, AllHome Corp. and AllDay Marts, Inc.

Cynthia J. Javarez, Director, Treasurer and Chief Risk Officer
Ms. Javarez, 59, graduated from the University of the East with a degree in Bachelor of Science in Business Administration major in Accounting. She is a Certified Public Accountant. She completed a Management Development Program at the Asian Institute of Management in 2006. Ms. Javarez was previously the Chief Financial Officer of Polar Property Holdings Corp. until 2011 and the Tax & Audit Head in the MB Villar Group of Companies until 2007. She was the Controller and Chief Financial Officer of Vista Land since 2013 until she became Chief Operating Officer from November 2018 to June 2022. She was the President of Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation and Vista Residences, Inc. until 2021. She is currently the Chairperson of the Board of Prime Asset Ventures, Inc. and is the President of Fine Properties, Inc.

Camille A. Villar, Managing Director, Vista Land Commercial Division
Ms. Villar, 38, graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management. She took Management in Business Administration, Global Executive MBA Program in Instituto de Estudios Superiores de la Eprese (IESE) Business School, Barcelona, Spain. She joined the Corporate Communications Group of Brittany in 2007 until she assumed the position of Managing Director of Vista Land Commercial. She is a Director of Vistamalls, Inc. (formerly Starmalls, Inc.) and Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.). She is also the Concurrent President of All Value Holdings Corp., the Vice Chairman of AllHome Corp. and a director of AllDay Marts, Inc. Ms. Villar is currently a Congresswoman, representing Las Pinas City.

Frances Rosalie T. Coloma, Director
Ms. Coloma, 60, graduated cum laude from the University of the Philippines with the degree of Bachelor of Science in Business Administration and Accountancy. She is a Certified Public Accountant. Ms. Coloma was also the Chief Financial Officer and Chief Information Officer of Golden Bria Holdings, Inc. from 2016 to 2019. She was also the Chief Financial Officer of Vistamalls, Inc. (formerly Starmalls, Inc.) from 2012 to 2016. She is currently the Chief Financial Officer and Director of AllHome Corp. and Director of Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.). She is also a director, the President and Chief Executive Officer of AllDay Marts, Inc.

Justina F. Callangan, Independent Director
Atty. Callangan, 70, graduated cum laude from the University of the East with the degree of Bachelor of Arts in Political Science in 1973, and from San Sebastian College with the degree of Bachelor of Laws in 1980. She was a Political Science Instructor of the University of the East from 1974 to 1981 and became an Assistant Professor in Taxation and Business Laws from 1981 until her retirement from the university in 1995. Atty. Callangan started her career in the Securities and Exchange Commission as Analyst II in 1982 and held various positions with the Commission until she became Director of the Corporation Finance Department (now the Corporate Governance and Finance Department) from February 2001 to October 2017. She was also an Assistant Vice President of the Legal Department of the Urban Bank from November 1995 to November 2000. From November 2018 to December 2019, Atty. Callangan served as consultant in the Listings Department of the Philippine Stock Exchange. She was elected in August 2020 as Director representing the Public Sector in the Securities Investors Protection Fund, Inc. Currently, she is an Independent Director of ORIX Metro Leasing and Finance Corporation, Panasonic Manufacturing Philippines Corp. and AIB Money Market Fund, a SEC-registered mutual fund. She is also a consultant to ASA Philippines Foundation, Inc. and to Divina Law Office since 2018. Atty. Callangan is a Mandatory Continuing Legal Education (MCLE) Lecturer on various SEC matters in both UP Law Center Institute for the Administration of Justice and Center for Global Best Practices.

Romulo L. Neri, Independent Director
Mr. Neri, 73, graduated magna cum laude and class valedictorian from the University of the Philippines with the degree of Bachelor of Science in Business Administration in 1970. He took Master in Business Administration Major in Finance and International Management from the University of California in Los Angeles in 1979. Mr. Neri was a faculty member of the University of the Philippines from 1970 to 1971 and was an Asian Professor for Corporate Financial Management from 1986 to 1990 and Associate Professor from 1990-2002 both in Asian Institute of Management. Mr. Neri held various positions in the Philippine Government, including: Director General of the Congressional Planning and Budget Office from 1990 to 2002; Secretary of Socio-Economic Planning and Director General of the National Economic Development Authority from 2002 to 2005 and from 2006 to 2007; Secretary of the Department of Budget and Management from 2005 to 2006; Monetary Board Member from 2005 to 2008; Chairman of the Commission on Higher Education from 2007 to 2008; and President and Chief Executive Officer of the Social Security System from 2008 to 2010. Mr. Neri also rendered various consultancy services such as Capacity Building Programs for the Public Private Partnership (PPP) Center under ADB sponsorship and review of various studies by World Bank, ADB, JICA and FEF on Bangsa Moro and Mindanao Development programs. He was also Consultant to the Energy Regulation Commission from 2019 to 2020 and to Faberco Life Sciences from 2020 to 2021.Mr. Neri is also currently serving as an independent director of Regina Capital Development Corporation from 2021 to present.

Jerylle Luz C. Quismundo, Chief Operating Officer
Ms. Quismundo, 59, graduated cum laude with a degree in Bachelor of Science in Business Economics from the University of the Philippines Diliman in 1983. She took her Master in Business Administration from the same university in 1989. She has held various positions under the M.B. Villar Group of Companies since1989 and is the incumbent President of various Vista Land and Lifescapes, Inc. subsidiaries including Brittany Corporation, Camella Homes, Inc. Vista Residences, Inc., and Crown Asia Properties, Inc.

Brian N. Edang, Chief Financial Officer and Head, Investor Relations
Mr. Edang, 44, is a Certified Public Accountant. He graduated cum laude with a Bachelor of Science in Accountancy from the University of St. La Salle - Bacolod. He is currently the Treasurer and Director of the following companies: Vista Residences, Inc., Brittany Corporation, Crown Asia Properties, Crown Asia Properties, Inc., Communities Philippines, Inc., and Camella Homes, Inc. Prior to joining the group, he was with SGV & Co. (EY Philippines) as an external auditor from 1999 to 2004. He is the Head Investor Relations of Vista Land from 2007 up to present and the Chief Financial Officer of the Company since November 2018. Mr. Edang is a member of the Philippine Institute of Certified Public Accountants (PICPA) and the Financial Executives Institute of the Philippines (FINEX). He is also currently serving as a director of VistaREIT, Inc.

Gemma M. Santos , Corporate Secretary
Atty. Santos, 61, graduated cum laude with the degree of Bachelor of Arts, Major in History from the University of the Philippines in 1981, and with the degree of Bachelor of Laws also from the University of the Philippines in 1985. She is a practicing lawyer and Special Counsel in Picazo Buyco Tan Fider & Santos Law Offices. She is also the Corporate Secretary of Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.) and VistaREIT, Inc. and a director of Philippine Associated Smelting and Refining Corporation (PASAR), Fine Properties, Inc., Bulacan Water District and Bulakan Water Co., Inc.

Nalen SJ Rosero, Chief Legal Counsel, Chief Information Officer and Compliance Officer
Atty. Rosero, 52, graduated salutatorian from the San Beda College of Law in 1997. She is currently the Corporate Secretary and a Director of the following companies: Household Development Corporation, Brittany Corporation, Crown Asia Properties, Vista Residences, Inc., Communities Philippines, Inc., Camella Homes, Inc., Mandalay Resources, Inc., Prima Casa Land & Houses, Inc., Vista Leisure Club, Inc., and Brittany Estates Corporation. She is also currently serving as the Chief Compliance Officer and Assistant Corporate Secretary of VistaREIT, Inc. She is also a Director of Manuela Corporation and Masterpiece Properties, Inc., and the Corporate Secretary of Vistamalls, Inc. (formerly Starmalls, Inc.). From 1997 to 2000, she was an Associate in the Litigation Group of Angara Abello Concepcion Relaga& Cruz (ACCRA) Law Offices. On September 11, 2013, Atty. Rosero was appointed as Compliance Officer and Chief Information Officer of Vista Land & Lifescapes, Inc.

Lorelyn D. Mercado, Controller
Ms. Mercado, 53, graduated from the University of Batangas with a degree in Bachelor of Science in Business Administration-Accounting. She took Master in Business Administration at the De La Salle University. She used to be the Chief Accountant of Vista Residences, Inc. and Adelfa Properties, Inc., She is currently the Chief Accountant of Vista Land &Lifescapes, Inc. and its subsidiaries, and a Director in Vista Residences, Inc., Brittany Corporation, Crown Asia Properties, Inc., and Camella Homes, Inc.

Melissa Camille Z. Domingo, Chief Audit Executive.
Ms. Domingo, 36, graduated cum laude from the University of the Philippines with the degree of Bachelor of Science in Business Administration & Accountancy in 2008. She is a Certified Public Accountant. In 2011, she took the Certified Internal Auditor examination and was part of the Top 50 successful examinees globally. Prior to joining Vista Land in 2013 as Senior Financial Analyst, she was with SGV & Co. (EY Philippines) as Associate Director. She was the Finance Head of Vista Land until she assumed the Chief Audit Executive position in June 2019. She is also currently serving as a director, and then Chief Financial Officer, Treasurer, and Head, Investor Relations of VistaREIT, Inc.

MANAGEMENT COMMITTEE

Manuel Paolo A. Villar
President & Chief Executive Officer

Camille A. Villar
Managing Director of Commercial Division

Cynthia J. Javarez
Treasurer & Chief Risk Officer

Jerylle Luz C. Quismundo
Chief Operating Officer

Brian N. Edang
Chief Financial Officer & Head, Investor Relations

Gemma M. Santos
Corporate Secretary

Ma. Nalen S.J. Rosero
Asst. Corporate Secretary
Chief Compliance Officer,
Chief Information Officer &
Chief Legal Counsel

Lorelyn D. Mercado
Controller

Mellisa Camille Z. Domingo
Chief Audit Executive

REVIEW OF YEAR END 2022 VS YEAR END 2021

Revenues

Real Estate
The Company recorded revenue from real estate sales amounting to ₱12,789.9 million for the year ended December 31, 2022, a decrease of 26.5% from ₱17,397.9 million last year. This was primarily attributable to the decrease in the overall completion rate of sold inventories of its business units specifically in the affordable segment as a result various factors such as (a) the impact of the extended payment terms granted to buyers during the pandemic specifically in the affordable segment. (b) the implementation of the community quarantine that slowed down construction activities in certain areas (c) the rainy season in the 2nd half of the year. The Company uses the Percentage of Completion method of revenue recognition where revenue is recognized in reference to the stages of development of the properties:

- Real estate revenue of Brittany increased by 167.0% to ₱1,347.0 million for 2022 from ₱504.4 million last year. This increase was principally attributable to the increase in the number of sold homes completed or under construction in the Mega Manila area in the high-end housing segment.

- Real estate revenue of Crown Asia increased by 8.4% to ₱513.8 million for 2022 from ₱474.1 million in 2021. This increase was principally attributable to the increase in the number of sold homes completed or under construction in the Mega Manila area in the upper middle-income housing segment during the year.

- Real estate revenue from Vista Residences was flat at ₱2,505.9 million for 2022 from ₱2,512.1 million for 2021. This was principally attributable to the number of sold condominium units completed or under construction during the period. Vista Residences is the business unit of Vista Land that develops and sells vertical projects across the Philippines.

- Real estate revenue of Communities Philippines decreased by 16.7% to ₱5,587.2 million for 2022 from ₱6,709.9 million for 2021. This decrease was principally attributable to the decrease in the number of sold homes completed or under construction outside the Mega Manila area in the low and affordable housing segment during the period as a result of the various lockdown measures implemented in the provincial areas.

- Real estate revenue of Camella decreased by 60.6% to ₱2,836.0 million for 2022 from ₱7,197.5 million for 2021. This decrease was principally attributable to the decrease in the number of sold homes completed or under construction in the Mega Manila area in the low and affordable housing segment during the period.

Rental income
Rental income increased by 47.6% from ₱9,312.7 million for the year ended December 31, 2021 to ₱13,724.3 million for the year ended December 31, 2022. The increase was primarily attributable to the recovery of the malls, increase foot traffic and the contribution of newly opened commercial centers.

Interest income from installment contract receivable and investments
Interest income from installment contract receivable and investments decreased by 27.6% from ₱2,323.9 million for the year ended December 31, 2021 to ₱1,682.5 million for the year ended December 31, 2022. The decrease was primarily attributable to the decrease in both the interest income from investments of 36.7% to ₱981.2 million for the year ended December 31, 2022 due to settlement of dollar liabilities using our dollar investments and interest income from installment contract receivables of 9.4% to ₱701.3 million for the year ended December 31, 2022 as more buyers are availing of bank financing.

Parking, hotel, mall administrative and processing fees and others
Income from parking, hotel, mall administrative and processing fees and others decreased by 25.1% from ₱2,146.9 million for the year ended December 31, 2021 to ₱1,607.3 for the year ended December 31, 2022. The decrease was primarily attributable to the mall administrative and processing fees as well as loan processing fees from banks. Parking fees and hotel revenues posted increases for the year.

Costs and Expenses

Cost and expenses decreased by 15.3% to ₱15,190.4 million for the year ended December 31, 2022 from ₱17,941.2 million for the year ended December 31, 2021.

- Cost of real estate sales decreased by 35.0% from ₱8,533.4 million for the year ended December 31, 2021 to ₱5,543.0 million for the year ended December 31, 2022 primarily due to the decrease in the overall recorded sales of Vista Land's business units specifically the provincial projects. The decrease was also due to cost efficiencies realized during the year as the decline in costs was significantly higher than the decline in real estate revenues.

- Operating expenses decreased by 2.5% from ₱9,407.8 million for the year ended December 31, 2021 to ₱9,647.4 million for the year ended December 31, 2022 primarily due to the following:

- a decrease in commission expenses from ₱829.7 million for the year ended December 31, 2021 to ₱606.1 million in the year ended December 31, 2022 due to decrease in real estate sales for the year and the shift to digital marketing.

- a decrease in provision from impairment losses on receivables and investments from ₱443.3 million for the year ended December 31, 2021 to ₱21.7 million for the year ended December 31, 2022 due to the reduced probability of impairment for receivables and investments as situation are returning to normalcy.

Interest and other financing charges
Interest and other financing charges increased by 20.9% from ₱4,315.3 million for the year ended December 31, 2021 to ₱5,217.9 million for the year ended December 31, 2022. The decrease was primarily attributable decrease in interest bearing debt for the year and the lower capitalization rate for interest expense.

Provision for Income Tax

Provision for income tax increased by 3.2% from ₱1,957.6 million for the year ended December 31, 2021 to ₱2,021.1 million for the year ended December 31, 2022 primarily due to a higher taxable base for the year coming from the higher contribution of the commercial segment compared to prior year.

Net Income

As a result of the foregoing, the Company's net income increased by 6.1% to ₱7,392.7 million for the year ended December 31, 2022 from ₱6,967.2 million for the year ended December 31, 2021. Core net income on the other hand increased by 10% to ₱7,667.9 million excluding loss of fire recorded at ₱275.2 million net of tax.

For the year ended December 31, 2022, except as discussed in Note 36 – Other Matters of the 2022 Financial Statements on the impact of the COVID-19 pandemic, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.

The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

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

FINANCIAL CONDITION

As of December 31, 2022 vs. December 31, 2021

Total assets as of December 31, 2022 were ₱322,492.1 million compared to ₱313,986.6 million as of December 31, 2021, or a 2.6% increase. This was due to the following:

- Cash and cash equivalents including short term and long-term cash investments, and investments at amortized costs decreased by 8.7% from ₱62,0101.1 million as of December 31, 2021 to ₱56,617.0 million as of December 31, 2022 due primarily to decrease in investments at amortized costs as this was used for payment of dollar bond that matured during the year.

- Investments at fair value through other comprehensive income decreased by 5.9% from ₱124.5 million as of December 31, 2021 to ₱117.2 million as of December 31, 2022 due to the disposal during the year.

- Real estate inventories including raw land for residential development and construction materials increased by 7.9% from ₱49,596.9 million as of December 31, 2021 to ₱53,533.9 million as of December 31, 2022 due to increase in project launches for the year.

- Advances to a related parties increased by 15.7% from ₱6,085.2 million as of December 31, 2021 to ₱7,042.3 million as of December 31, 2022 due to advances for the year.

- Pension assets increased by 13.3% to ₱320.7million as of December 31, 2022 from ₱283.0 million as of December 31, 2021 as a result of actuarial adjustment for the company's retirement program.

Total liabilities as of December 31, 2022 were ₱198,563.9 million compared to ₱201,459.7 million December 31, 2021, or a 1.4% decrease. This was due to the following:

- Security deposits and unearned rental income increased by 7.4% to ₱1,856.5 million as of December 31, 2022 from ₱1,729.3 million as of December 31, 2021 due to renewal of lease contract and new tenants of our commercial segment.

- Income tax payable increased by 155.8% from ₱49.7 million as of December 31, 2021 to ₱127.1 million as of December 31, 2022 due primarily to the higher taxable income for the year coming from the commercial segment.

- Dividend payable increased by 505.6% from ₱15.9 million as of December 31, 2021 to ₱96.0 as of December 31, 2022 due primarily to the remaining dividends for the year.

- Notes payable including non-current portion decreased by 5.1% from ₱107,930.2 million as of December 31, 2021 to ₱102,448.2 million as of December 31, 2022 due primarily to the settlement of USD370.5 million dollar bond in June offset by the corporate note issuance in December.

- Loans payable including non-current portion increased by 41.1% from ₱3,779.5 million as of December 31, 2021 to ₱5,334.6 million as of December 31, 2022 due to availment of Contract to sell financing during the year.

- Contract liabilities including non-current portion increased by 19.0% from ₱1,801.5 million as of December 31, 2021 to ₱2,143.6 million as of December 31, 2022 due to advance payments from buyers of residential properties under construction.

- Deferred tax liabilities – net increased by 21.5% from ₱4,934.3 million as of December 31, 2020 to ₱5,995.9 million as of December 31, 2022 due to the additional deferred tax liabilities recognized for the year.

- Other noncurrent liabilities decreased by 9.7% from ₱3,521.4 million as of December 31, 2021 to ₱3,179.0 million as of December 31, 2022 due primarily to the decrease in the liabilities for purchased land.

Total stockholder's equity increased by 9.9% from ₱112,526.9 million as of December 31, 2021 to ₱123,650.2 million as of December 31, 2022 due to the net income recorded for the year ended December 31, 2021 and increase in non-controlling interest coming from the proceeds from the offering of Vista REIT.

Considered as the top five key performance indicators of the Company as shown below:

Key Performance Indicators	12/31/2022	12/31/2021
Current ratio [a]	2.89:1	2.48:1
Liability-to-equity ratio [b]	1.61:1	1.79:1
Interest expense/Income before Interest expense [c]	35.7%	32.6%
Return on assets [d]	2.3%	2.2%
Return on equity [e]	6.0%	6.2%

Notes:

a) Current Ratio: This ratio is obtained by dividing the Current Assets of the Company by its Current liabilities. This ratio is used as a test of the Company's liquidity.

b) Liability-to-equity ratio: This ratio is obtained by dividing the Company's Total Liabilities by its Total Equity. The ratio reveals the proportion of liability and equity a company is using to finance its business. It also measures a company's borrowing capacity.

c) Interest expense/Income before interest expense: This ratio is obtained by dividing interest expense for the period by its income before interest expense. This ratio shows whether a company is earning enough profits before interest to pay its interest cost comfortably

d) Return on assets: This ratio is obtained by dividing the Company's net income by its total assets. This measures the Company's earnings in relation to all of the resources it had at its disposal.

e) Return on equity: This ratio is obtained by dividing the Company's net income by its total equity. This measures the rate of return on the ownership interest of the Company's stockholders.

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Current ratio as of December 31, 2022 increased from that of December 31, 2021 due primarily to the increase in the current assets with the corresponding decrease in current liabilities.

Liability-to-equity ratio decreased due to the decrease in the interest bearing debt of the Group.

Interest expense as a percentage of income before interest expense increased in the year ended December 31, 2022 compared to the ratio for the year ended December 31, 2021 due to the higher interest expense for the year.

Return on asset slightly higher for the year ended December 31, 2022 compared to that on December 31, 2021.

Return on equity was flat for the year ended December 31, 2022 compared to that on December 31, 2021.

Material Changes to the Company's Balance Sheet as of December 31, 2022 compared to December 31, 2021 (increase/decrease of 5% or more)

Cash and cash equivalents including short term and long-term cash investments, and investments at amortized costs decreased by 8.7% from ₱62,0101.1 million as of December 31, 2021 to ₱56,617.0 million as of December 31, 2022 due primarily to decrease in investments at amortized costs as this was used for payment of dollar bond that matured during the year.

Investments at fair value through other comprehensive income decreased by 5.9% from ₱124.5 million as of December 31, 2021 to ₱117.2 million as of December 31, 2022 due to the disposal during the year.

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Contract liabilities including non-current portion increased by 19.0% from ₱1,801.5 million as of December 31, 2021 to ₱2,143.6 million as of December 31, 2022 due to advance payments from buyers of residential properties under construction.

Deferred tax liabilities – net increased by 21.5% from ₱4,934.3 million as of December 31, 2020 to ₱5,995.9 million as of December 31, 2022 due to the additional deferred tax liabilities recognized for the year.

Other noncurrent liabilities decreased by 9.7% from ₱3,521.4 million as of December 31, 2021 to ₱3,179.0 million as of December 31, 2022 due primarily to the decrease in the liabilities for purchased land.

Material Changes to the Company's Statement of Income for the year ended December 31, 2022 compared to the year ended December 31, 2021 (increase/decrease of 5%or more)

The Company recorded revenue from real estate sales amounting to ₱12,789.9 million for the year ended December 31, 2022, a decrease of 26.5% from ₱17,397.9 million last year. This was primarily attributable to the decrease in the overall completion rate of sold inventories of its business units specifically in the affordable segment as a result various factors such as (a) the impact of the extended payment terms granted to buyers during the pandemic specifically in the affordable segment. (b) the implementation of the community quarantine that slowed down construction activities in certain areas (c) the rainy season in the 2nd half of the year. The Company uses the Percentage of Completion method of revenue recognition where revenue is recognized in reference to the stages of development of the properties:

Rental income increased by 47.6% from ₱9,312.7 million for the year ended December 31, 2021 to ₱13,724.3 million for the year ended December 31, 2022. The increase was primarily attributable to the recovery of the malls, increase foot traffic and the contribution of newly opened commercial centers.

Interest income from installment contract receivable and investments decreased by 27.6% from ₱2,323.9 million for the year ended December 31, 2021 to ₱1,682.5 million for the year ended December 31, 2022. The decrease was primarily attributable to the decrease in both the interest income from investments of 36.7% to ₱981.2 million for the year ended December 31, 2022 due to settlement of dollar liabilities using our dollar investments and interest income from installment contract receivables of 9.4% to ₱701.3 million for the year ended December 31, 2022 as more buyers are availing of bank financing.

Income from parking, hotel, mall administrative and processing fees and others decreased by 25.1% from ₱2,146.9 million for the year ended December 31, 2021 to ₱1,607.3 for the year ended December 31, 2022. The decrease was primarily attributable to the mall administrative and processing fees as well as loan processing fees from banks. Parking fees and hotel revenues posted increases for the year.

Cost of real estate sales decreased by 35.0% from ₱8,533.4 million for the year ended December 31, 2021 to ₱5,543.0 million for the year ended December 31, 2022 primarily due to the decrease in the overall recorded sales of Vista Land's business units specifically the provincial projects. The decrease was also due to cost efficiencies realized during the year as the decline in costs was significantly higher than the decline in real estate revenues.

Operating expenses decreased by 2.5% from ₱9,407.8 million for the year ended December 31, 2021 to ₱9,647.4 million for the year ended December 31, 2022 primarily due to the i) decrease in commission expenses from ₱829.7 million for the year ended December 31, 2021 to ₱606.1 million in the year ended December 31, 2022 due to decrease in real estate sales for the year and the shift to digital marketing and ii) a decrease in provision from impairment losses on receivables and investments from ₱443.3 million for the year ended December 31, 2021 to ₱21.7 million for the year ended December 31, 2022 due to the reduced probability of impairment for receivables and investments as situation are returning to normalcy.

Interest and other financing charges increased by 20.9% from ₱4,315.3 million for the year ended December 31, 2021 to ₱5,217.9 million for the year ended December 31, 2022. The decrease was primarily attributable decrease in interest bearing debt for the year and the lower capitalization rate for interest expense.

Provision for income tax increased by 3.2% from ₱1,957.6 million for the year ended December 31, 2021 to ₱2,021.1 million for the year ended December 31, 2022 primarily due to a higher taxable base for the year coming from the higher contribution of the commercial segment compared to prior year.

The Company's net income increased by 6.1% to ₱7,392.7 million for the year ended December 31, 2022 from ₱6,967.2 million for the year ended December 31, 2021. Core net income on the other hand increased by 10% to ₱7,667.9 million excluding loss of fire recorded at ₱275.2 million net of tax.

For the year ended December 31, 2022, except as discussed in Note 36 – Other Matters of the 2022 Financial Statements on the impact of the COVID-19 pandemic, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.

The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **Vista Land & Lifescapes, Inc. and Subsidiaries (the "Group")** is responsible for the preparation and fair presentation of the consolidated financial for the years ended December 31, 2022 and 2021 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether to fraud or error.

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

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

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders or members.

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

MANUEL B. VILLAR, JR.
Chairman of the Board

MANUEL PAOLO A. VILLAR
President and Chief Executive Officer

BRIAN N. EDANG
Chief Financial Officer and Head Investor Relations

SGV
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

Opinion

We have audited the consolidated financial statements of Vista Land and Lifescapes, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

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

Key Audit Matters

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

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

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; (3) application of the input method as the measure of progress (percentage of completion or POC) in determining real estate revenue; and (4) estimation of total project costs.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as payment history of the buyer, age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of COVID-19 pandemic, if it would still support its current threshold of buyer's equity before commencing revenue recognition.

In determining the transaction price, the Group considers the selling price of the real estate property and other fees and charges collected from the buyers that are not held on behalf of other parties.

In measuring the progress of its performance obligation over time, the Group uses input method. Under this method, progress is measured based on actual costs incurred as determined by the accounting department relative to the estimated total project cost. In the estimation of total project costs, the Group requires technical determination by the Group's specialists (project engineers) to estimate all the inputs involved in the construction and development of the projects to include materials, labor and other costs directly related in the construction of the projects.

The disclosures related to the real estate revenue are included in Note 7 to the consolidated financial statements.

Audit Response

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

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the COVID-19 pandemic to the level of cancellations during the year. We traced the analysis to supporting documents such as official receipts and buyer's subsidiary ledger.

For the determination of the transaction price, we obtained an understanding of the nature of other fees charged to the buyers. For selected contracts, we agreed the amounts excluded from the transaction price against the expected amounts required to be remitted to the government based on existing tax rules and regulations (e.g., documentary stamp taxes, transfer taxes and real property taxes).

For the application of the input method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC, including the cost accumulation process, and for determining and updating of total estimated costs, and performed tests of the relevant controls on these processes. We assessed the competence and objectivity of the project engineers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to the supporting documents such as construction contracts, subsequent billings, and other documents evidencing receipt of materials and services from contractors. For the estimation of total project costs, we obtained an understanding of the Group's budgeting and project close-out process. For the estimated project cost, we performed test of details (price and quantity) on a sampling basis, for the inputs for each of the major project development workstream. We also performed test of subsequent changes to the budget by vouching to certain documents such as approved memorandum on budget revision. For both ongoing and completed projects during the year, we compared the actual cost against the revised budget, performed inquiries with the project engineers for the basis of budget revisions and obtained related supporting documents. We visited selected project sites and made relevant inquiries with project engineers affecting the POC during the period, including inquiries on the impact of the COVID-19 pandemic. We performed test computation of the percentage of completion calculation of management.

Provision for Expected Credit Losses

The Group applies simplified approach in calculating expected credit loss (ECL) of its installment contracts receivable and receivable from tenants. Allowance for credit losses and the provision for credit losses as of and for the year ended December 31, 2022 amounted to ₱622.40 million and nil, respectively. Key areas of judgment include segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts; and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays) in calculating ECL.

The disclosures related to the allowance for credit loss using ECL model are included in Note 5 to the consolidated financial statements.

Audit Response

We obtained an understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) assessed the methodology used in applying the ECL model by evaluating the key inputs, assumption and formula used; (c) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (d) tested historical loss rates by inspecting historical recoveries including the timing, related direct costs and write-offs, and the effects of any financial support and credit enhancements provided by any party; (e) compared the classification of outstanding exposures to their corresponding aging buckets; (f) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and the related industry of tenants, including the impact of the COVID-19 pandemic and; (g) tested the effective interest rate, or an approximation thereof, used in discounting the expected loss.

Further, we compared the data used in the ECL models, such as the historical aging analysis and default and recovery data, to the financial reporting systems.

We recalculated impairment provisions on a sample basis and evaluated the adequacy of disclosures made in the consolidated financial statements on allowance for credit losses using the ECL model.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cyril Jasmin B. Valencia.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 90787-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9566009, January 3, 2023, Makati City

April 13, 2023

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31 2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 9, 31 and 32)	**₱15,070,204,626**	₱11,856,655,898
Short-term cash investments (Notes 10, 31 and 32)	**47,278,102**	336,019,645
Current portion of:		
Receivables (Notes 11, 29, 31 and 32)	**53,234,543,776**	50,916,730,101
Cost to obtain contract (Note 7)	**385,648,418**	448,192,229
Current portion of investments at amortized cost (Notes 10, 31, 32)	**9,440,433,583**	15,751,510,319
Real estate inventories (Note 12)	**53,533,899,417**	49,596,883,277
Other current assets (Note 13)	**5,724,758,578**	5,587,209,460
Total current assets	**137,436,766,500**	134,493,200,929
Noncurrent Assets		
Investments at amortized cost - net of current portion (Notes 10, 31 and 32)	**32,059,050,499**	34,065,939,520
Investments at fair value through other comprehensive income (Notes 10, 31 and 32)	**117,158,380**	124,499,183
Receivables - net of current portion (Notes 11, 29, 31 and 32)	**21,166,092,635**	20,316,701,320
Cost to obtain contract - net of current portion (Note 7)	**354,528,291**	450,471,485
Project development costs (Notes 16 and 29)	**1,269,160,947**	1,274,052,864
Advances to a related party (Note 29)	**7,042,276,334**	6,085,189,231
Investment in joint venture (Note 17)	**468,073,789**	458,771,799
Property and equipment (Note 15)	**2,301,086,488**	2,316,890,411
Investment properties (Note 14)	**118,343,597,899**	112,991,827,020
Goodwill (Note 8)	**147,272,020**	147,272,020
Pension assets - net (Note 26)	**320,711,689**	282,965,418
Deferred tax assets - net (Notes 6 and 27)	**111,464,269**	48,383,927
Other noncurrent assets (Note 17)	**1,076,827,824**	930,462,470
Total Noncurrent Assets	**184,777,301,064**	179,493,426,668
	₱322,214,067,564	₱313,986,627,597
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 18, 31 and 32)	**₱15,890,543,266**	₱15,221,445,720
Security deposits and advance rent (Note 19)	**1,856,523,789**	1,729,265,825
Income tax payable	**127,097,100**	49,677,202
Dividends payable (Notes 23, 29, 31 and 32)	**96,024,581**	15,856,454
Current portion of:		
Contract liabilities (Note 7)	**1,085,106,497**	1,234,626,386
Notes payable (Notes 21, 31 and 32)	**12,745,831,195**	24,170,708,067
Bank loans (Notes 20, 31 and 32)	**11,561,568,479**	8,067,321,815
Loans payable (Notes 20, 31 and 32)	**3,767,253,212**	3,460,145,095
Lease liabilities (Notes 28, 29 and 32)	**368,459,297**	348,214,986
Total Current Liabilities	**47,498,407,416**	54,297,261,550

(Forward)

	December 31 2022	2021
Noncurrent Liabilities		
Contract liabilities - net of current portion (Note 7)	**₱1,058,495,304**	₱566,844,304
Notes payable - net of current portion (Notes 21, 31 and 32)	**89,702,372,246**	83,759,525,456
Bank loans - net of current portion (Notes 20, 31 and 32)	**44,385,254,638**	48,925,020,048
Loans payable - net of current portion (Notes 20, 31 and 32)	**1,567,365,940**	319,365,919
Lease liabilities - net of current portion (Notes 28, 29 and 32)	**5,065,593,706**	5,087,625,454
Deferred tax liabilities - net (Notes 6 and 27)	**6,107,386,965**	4,982,650,639
Other noncurrent liabilities (Notes 22, 31 and 32)	**3,178,998,174**	3,521,405,356
Total Noncurrent Liabilities	**151,065,466,973**	147,162,437,176
Total Liabilities	**198,563,874,389**	201,459,698,726
Equity (Note 23)		
Attributable to equity holders of the Parent Company		
Preferred stock	**33,000,000**	33,000,000
Common stock	**13,114,136,376**	13,114,136,376
Additional paid-in capital	**30,684,713,292**	30,655,429,349
Retained earnings	**78,311,116,523**	72,539,569,939
Other comprehensive income (Notes 10 and 26)	**798,914,337**	778,073,767
Treasury shares (Note 8)	**(7,740,264,387)**	(7,740,264,387)
	115,201,616,141	109,379,945,044
Noncontrolling interest (Note 30)	**8,448,577,034**	3,146,983,827
Total Equity	**123,650,193,175**	112,526,928,871
	₱322,214,067,564	₱313,986,627,597

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2021	2020
REVENUE			
Real estate (Notes 6 and 7)	**₱12,789,877,721**	₱17,397,931,318	₱21,800,563,600
Rental income (Notes 6, 14 and 34)	**13,742,258,197**	9,312,720,292	7,196,729,847
Interest income from installment contracts receivable (Notes 6, 11 and 25)	**701,342,313**	774,445,060	628,241,376
Parking, hotel, mall administrative and processing fees, and others (Notes 6 and 25)	**1,607,345,055**	2,146,874,201	1,630,546,121
	28,840,823,286	29,631,970,871	31,256,080,944
COSTS AND EXPENSES			
Costs of real estate sales (Notes 6, 12, and 24)	**5,542,966,656**	8,533,403,321	12,020,714,120
Operating expenses (Notes 6 and 24)	**9,647,400,878**	9,407,780,092	9,084,928,241
	15,190,367,534	17,941,183,413	21,105,642,361
OTHER INCOME (EXPENSES)			
Interest income from investments and other income (Notes 6, 9, 10, 13 and 25)	**981,195,770**	1,549,437,541	1,437,271,393
Interest and other financing charges (Notes 6, 20, 21, 25 and 28)	**(5,217,887,075)**	(4,315,329,854)	(3,971,907,603)
	(4,236,691,305)	(2,765,892,313)	(2,534,636,210)
INCOME BEFORE INCOME TAX	**9,413,764,447**	8,924,895,145	7,615,802,373
PROVISION FOR INCOME TAX (Note 27)	**2,021,114,107**	1,957,648,849	1,229,190,504
NET INCOME	**₱7,392,650,340**	₱6,967,246,296	₱6,386,611,869
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱6,119,908,898**	₱6,426,541,859	₱6,056,015,749
Noncontrolling interest	**1,272,741,442**	540,704,437	330,596,120
NET INCOME	**₱7,392,650,340**	₱6,967,246,296	₱6,386,611,869
BASIC/DILUTED EARNINGS PER SHARE (Note 30)	**₱0.512**	₱0.538	₱0.507

(Forward)

	Years Ended December 31		
	2022	2021	2020
NET INCOME	**₱7,392,650,340**	₱6,967,246,296	₱6,386,611,869
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive gain (loss) to be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustments (Note 32)	**(18,488,017)**	73,378,653	3,850,321
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on defined benefit obligation - net of tax (Notes 26 and 27)	**19,577,219**	113,161,254	(49,875,271)
Changes in fair value on equity investments at fair value through other comprehensive income (Note 10)	**22,000,000**	8,000,000	(1,000,000)
	23,089,202	194,539,907	(47,024,950)
TOTAL COMPREHENSIVE INCOME	**₱7,415,739,542**	₱7,161,786,203	₱6,339,586,919
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱6,140,749,468**	₱6,619,014,287	₱6,008,131,757
Noncontrolling interest	**1,274,990,074**	542,771,916	331,455,162
	₱7,415,739,542	₱7,161,786,203	₱6,339,586,919

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 23)				Other Comprehensive Income					
	Preferred Stock	Common Stock	Additional Paid-in Capital (Note 23)	Retained Earnings (Note 23)	Remeasurement Gains on Retirement Obligation (Notes 26 and 27)	Cumulative Translation Adjustments (Note 32)	Other Comprehensive Income (Notes 10 and 23)	Treasury Shares (Notes 8 and 23)	Noncontrolling Interest (Notes 23 and 30)	Total
Balances as at January 1, 2022	**₱33,000,000**	**₱13,114,136,376**	**₱30,655,429,349**	**₱72,539,569,939**	**₱591,753,078**	**(₱225,416,876)**	**₱411,737,565**	**(₱7,740,264,387)**	**₱3,146,983,827**	**₱112,526,928,871**
Net income	–	–	–	**6,119,908,898**	–	–	–	–	**1,272,741,442**	**7,392,650,340**
Other comprehensive income	–	–	–	–	**17,328,587**	**(18,488,017)**	**22,000,000**	–	**2,248,632**	**23,089,202**
Total comprehensive income (loss) for the year	–	–	–	**6,119,908,898**	**17,328,587**	**(18,488,017)**	**22,000,000**	–	**1,274,990,074**	**7,415,739,542**
Increase in noncontrolling interest (Note 23)	–	–	**29,283,943**	–	–	–	–	–	**4,197,400,031**	**4,226,683,974**
Cash dividend declared	–	–	–	**(348,362,314)**	–	–	–	–	**(170,796,898)**	**(519,159,212)**
Balances as at December 31, 2022	**₱33,000,000**	**₱13,114,136,376**	**₱30,684,713,292**	**₱78,311,116,523**	**₱609,081,665**	**(₱243,904,893)**	**₱433,737,565**	**(₱7,740,264,387)**	**₱8,448,577,034**	**₱123,650,193,175**
Balances as at January 1, 2021	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱66,411,673,066	₱480,659,303	(₱298,795,529)	₱403,737,565	(₱7,740,264,387)	₱2,620,068,365	₱105,679,644,108
Net income	–	–	–	6,426,541,859	–	–	–	–	540,704,437	6,967,246,296
Other comprehensive income	–	–	–	–	111,093,775	73,378,653	8,000,000	–	2,067,479	194,539,907
Total comprehensive income for the year	–	–	–	6,426,541,859	111,093,775	73,378,653	8,000,000	–	542,771,916	7,161,786,203
Cash dividend declared	–	–	–	(298,644,986)	–	–	–	–	(15,856,454)	(314,501,440)
Balances as at December 31, 2021	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱72,539,569,939	₱591,753,078	(₱225,416,876)	₱411,737,565	(₱7,740,264,387)	₱3,146,983,827	₱112,526,928,871
Balances as at January 1, 2020	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱60,952,947,290	₱531,393,616	(₱302,645,850)	₱404,737,565	(₱7,740,264,387)	₱2,303,939,726	₱99,952,673,685
Net income	–	–	–	6,056,015,749	–	–	–	–	330,596,120	6,386,611,869
Other comprehensive income (loss)	–	–	–	–	(50,734,313)	3,850,321	(1,000,000)	–	859,042	(47,024,950)
Total comprehensive income (loss) for the year	–	–	–	6,056,015,749	(50,734,313)	3,850,321	(1,000,000)	–	331,455,162	6,339,586,919
Cash dividend declared	–	–	–	(597,289,973)	–	–	–	–	(15,326,523)	(612,616,496)
Balances as at December 31, 2020	₱33,000,000	₱13,114,136,376	₱30,655,429,349	₱66,411,673,066	₱480,659,303	(₱298,795,529)	₱403,737,565	(₱7,740,264,387)	₱2,620,068,365	₱105,679,644,108

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱9,413,764,447**	₱8,924,895,145	₱7,615,802,373
Adjustments for:			
Interest and other financing charges (Note 25)	**5,217,887,075**	4,315,329,854	3,971,907,603
Depreciation and amortization (Notes 14, 15, 17 and 24)	**2,638,853,067**	2,686,583,410	2,247,713,931
Loss from fire, net of proceeds received (Notes 14, 15 and 24)	**366,965,591**	–	–
Retirement expense, net of payments (Note 26)	**49,730,787**	44,574,335	34,390,695
Unrealized foreign exchange loss (gain)	**4,492,975**	(9,708,504)	3,068,988
Share in equity earnings from investment in joint venture (Note 17)	**(9,301,990)**	(7,043,055)	–
Interest income from investments and other income (Note 25)	**(981,195,770)**	(1,549,437,541)	(1,437,271,393)
Operating income before working capital changes	**16,701,196,182**	14,405,193,644	12,435,612,197
Decrease (increase) in:			
Receivables	**(3,266,159,674)**	(6,559,097,831)	(6,735,973,798)
Real estate inventories (excluding capitalized borrowing costs)	**(2,087,951,696)**	(2,820,564,171)	2,965,977,897
Other current assets and cost to obtain contract	**(1,535,795)**	827,822,686	(50,013,646)
Increase (decrease) in:			
Accounts and other payables	**(119,888,697)**	(752,702,714)	3,612,848,381
Contract liabilities	**342,131,111**	(864,515,875)	188,506,561
Security deposits and advance rent (including noncurrent portion)	**45,769,229**	60,231,281	96,835,288
Other noncurrent liabilities	**(45,803,311)**	(724,789,167)	109,647,135
Plan assets contributions (Note 26)	**(61,374,100)**	(58,425,850)	(3,000,000)
Net cash flows generated from operations	**11,506,383,249**	3,513,152,003	12,620,440,015
Income tax paid	**(886,982,696)**	(926,526,124)	(880,393,483)
Net cash flows provided by operating activities	**10,619,400,553**	2,586,625,879	11,740,046,532
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Maturity of investments at amortized cost (Note 10)	**24,898,766,326**	12,958,036,143	4,414,591,251
Short-term cash investments (Note 10)	**288,741,543**	–	93,887,444
Interest received	**1,080,150,454**	1,256,861,006	1,379,064,131
Proceeds from insurance company (Note 24)	**620,000,000**	–	–
Additions to:			
Investments at amortized cost (Note 10)	**(12,921,556,055)**	(17,452,430,148)	(14,358,230,661)
Investment properties (excluding capitalized borrowing costs) (Notes 14 and 33)	**(5,002,075,927)**	(4,876,747,527)	(3,858,965,384)
Property and equipment (Notes 15 and 33)	**(154,666,117)**	(231,410,097)	(123,425,578)
Short-term cash investments (Note 10)	**–**	(219,091,344)	–
Deductions from (additions to):			
Project development costs	**4,891,917**	1,073,057,252	1,469,215,374
Receivables from related parties	**(957,087,103)**	(14,709,230)	(532,159,473)
Restricted cash	**(105,669,636)**	388,437,931	165,667,619
Other noncurrent assets	**(75,965,633)**	(359,866,212)	102,145,546
Net cash flows provided by (used in) investing activities	**7,675,529,769**	(7,477,862,226)	(11,248,209,731)

(Forward)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Bank loans (Notes 20 and 33)	**₱22,272,518,258**	₱23,377,375,534	₱4,002,692,725
Notes payable (Notes 21 and 33)	**14,600,000,000**	10,909,807,626	9,883,000,000
Loans payable (Notes 20 and 33)	**4,715,767,761**	2,859,085,791	2,066,281,574
Increase in noncontrolling interest (Notes 23 and 33)	**4,226,683,974**	–	–
Payments of:			
Lease liabilities (Notes 28 and 33)	**(375,018,792)**	(283,190,395)	(246,360,955)
Dividends (Notes 23 and 33)	**(438,991,085)**	(326,748,924)	(653,384,724)
Loans payable (Notes 20 and 33)	**(3,160,659,623)**	(3,401,469,422)	(1,149,367,749)
Interest and other financing charges (including capitalized borrowing cost) (Notes 12, 14 and 33)	**(9,716,182,535)**	(9,738,424,964)	(9,514,967,781)
Notes payable (Notes 21 and 33)	**(23,876,278,143)**	(5,657,071,600)	(2,170,841,600)
Bank loans (Notes 20 and 33)	**(23,324,728,434)**	(8,786,974,577)	(8,865,203,848)
Net cash flows provided by (used in) financing activities	**(15,076,888,619)**	8,952,389,069	(6,648,152,358)
EFFECT OF CHANGE IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**(4,492,975)**	9,708,504	(3,068,988)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**3,213,548,728**	4,070,861,226	(6,159,384,545)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**11,856,655,898**	7,785,794,672	13,945,179,217
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 9)	**₱15,070,204,626**	₱11,856,655,898	₱7,785,794,672

See accompanying Notes to Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

Vista Land & Lifescapes, Inc. (the Parent Company or VLLI) was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 28, 2007. The Parent Company's registered office address is at Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City. The Parent Company is a publicly-listed investment holding company which is 65.84% and 65.17% owned by Fine Properties, Inc., (Ultimate Parent Company), as of December 31, 2022 and 2021, respectively, and the rest by the public.

The Parent Company is the holding company of the Vista Group (the Group) which is engaged in real estate activities. The Group has six (6) wholly-owned subsidiaries, namely: Brittany Corporation (Brittany), Crown Asia Properties, Inc. (CAPI), Vista Residences, Inc. (VRI), Camella Homes, Inc. (CHI), Communities Philippines, Inc. (CPI) and VLL International Inc. (VII), and an 88.34% owned subsidiary, Vistamalls, Inc. (formerly Starmalls, Inc.) The Group is divided into horizontal, vertical and commercial and others segment. The Group caters to the development and sale of residential house and lot and residential condominium through its horizontal and vertical projects, respectively. Its commercial and others segment focuses on the development, leasing and management of shopping malls and commercial centers all over the Philippines and hotel operations.

<u>Vista REIT Transaction</u>
On August 7, 2020, the Board of Directors (BOD) of VLLI approved the incorporation of Vista One, Inc. (VOI), to be the vehicle for the Group's Real Estate Investment Trust (REIT) registration under Republic Act 9856 (The REIT Act of 2009). VOI was incorporated in the Republic of the Philippines and was registered with the SEC on August 24, 2020, primarily to own, manage, operate and engage in the leasing of income-generating real properties such as office buildings, shopping centers, hotels, resorts, residential buildings, condominium buildings, among others and to hold for investment or otherwise, real estate of all kind.

In compliance with applicable regulatory requirements of the SEC for companies seeking registration of their securities, VOI entered into and implemented the REIT Formation Transactions as follows:

Amendment of the Articles of Incorporation and By-Laws of VOI
On February 7, 2022, at least a majority of the BOD and the stockholders owning at least two- thirds (2/3) of the outstanding capital stock of VOI approved to increase its authorized capital stock to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share.

The increase in VOI's authorized capital stock from ₱2,000,000,000 divided into 2,000,000,000 shares with par value of ₱1.00 per share to ₱15,000,000,000 divided into 15,000,000,000 shares with par value of ₱1.00 per share was approved by the SEC on March 14, 2022.

On March 16, 2022, the BOD approved various amendments to the Articles of Incorporation and By-Laws of VOI including, among others, the following: (a) change in the corporate name to "VISTAREIT, INC."; (b) change in primary purpose to engage in the business of a real estate investment trust under Republic Act No. 9856 (the REIT Law), including the Revised Implementing Rules and Regulations of the REIT Law); (c) requirement to have independent directors in the Board; and (d) other amendments in connection with the initial public offering of VOI as a REIT entity. Such amendments were approved by the SEC on April 18, 2022.

Execution of Property-for-Share Swap Agreement and Deed of Assignment of Leases between the Sponsors and VOI
On February 7, 2022, VOI entered into various Deeds of Assignment and Subscription Agreements with each of Manuela Corporation (MC), Masterpiece Asia Properties, Inc. (MAPI), Vista Residences, Inc. (VRI), Crown Asia Properties, Inc. (CAPI) and Communities Pampanga, Inc. (CPAM) collectively referred to as the Sponsors, for the assignment, transfer, and conveyance by the Sponsors to VOI of 10 community malls and two office buildings with an aggregate gross lease area of 256,403.95 sqm (collectively, the Assigned Properties) and fair value of ₱35,952,992,730 in exchange for the issuance by VOI to the Sponsors out of the increase in authorized capital stock described hereinabove of an aggregate of 6,990,000,000 common shares at an issue price of ₱1.50 per share, or an aggregate issue or subscription price of ₱10,485,000,000 (the Property-for-Share Swap).

The Assigned Properties consists of Vista Mall Las Piñas (Main), Starmall Las Piñas (Annex), Starmall San Jose Del Monte (SJDM), Vista Mall Pampanga, SOMO - A Vista Mall, Vista Mall Antipolo, Vista Mall General Trias, Vista Mall Tanza, Starmall Talisay - Cebu, Vista Mall Imus, Vista Hub Molino and commercial and office units and parking lots in Vista Hub BGC.

On March 14, 2022, the SEC issued the confirmation of the valuation of the Property-for-Share Swap. The requisite Certificate Authorizing Registrations authorizing the transfer of legal title to the Assigned Properties from the Sponsors to VOI were issued by the Bureau of Internal Revenue (BIR) on April 25 to 29 and May 2, 2022.

On March 16, 2022, pursuant to the Deeds of Assignment and Subscription Agreements for the transfer, assignment and conveyance in favor of VOI of all of the Sponsors' rights, title and interests in the Assigned Properties in exchange for VOI's common shares, VOI and the Sponsors entered into a Deed of Assignment of Leases assigning all of the Sponsors' rights and interests in and to the Contracts of Lease over portions of the Assigned Properties leased out to various entities (the "Leases") effective upon the issuance of VOI's common shares in the name of the Sponsors.

Amendment of the Articles of Incorporation and By-Laws of Communities Palawan, Inc.
On February 16, 2022, at least a majority of the BOD and the stockholders owning at least two- thirds (2/3) of the outstanding capital stock of Communities Palawan, Inc. approved to increase its authorized capital stock to ₱500,000,000 divided into 500,000,000 shares with par value of ₱1.00 per share.

The increase in Communities Palawan, Inc.'s authorized capital stock from ₱50,000,000 divided into 500,000 shares with par value of ₱100.00 per share to ₱500,000,000 divided into 500,000,000 shares with par value of ₱1.00 per share was approved by the SEC on April 18, 2022.

On February 16, 2022, the BOD approved the following amendments to the Articles of Incorporation and By-Laws of Communities Palawan, Inc.: (a) change in the corporate name to "VFUND MANAGEMENT, INC."; (b) change in primary and secondary purpose to engage in the business of providing fund management services to REIT companies, as provided under Republic Act No. 9856; (c) requirement to have independent directors in the Board; and (d) amending the corporate term to perpetual existence. Such amendments were approved by the SEC on April 18, 2022.

The above amendments are pursuant to the Proposed Initial Public Offering of a REIT by VistaREIT, Inc. (VistaREIT) after Communities Palawan, Inc. and VistaREIT entered into a Fund Management Agreement on March 18, 2022 for Communities Palawan, Inc. to act as the Fund Manager to VistaREIT, to perform the functions required thereof as stated in the REIT Law and the regulations of the relevant government entities, which includes, in exchange for a fund management fee as agreed by the parties, execution of investment strategies and overseeing and coordinating property acquisition, property management, leasing, operational and financial reporting, appraisals, audits, market review, accounting and reporting procedures, as well as financing and asset deposition plans.

Initial public offering of VistaREIT
As of December 31, 2022, VistaREIT is 32.96% owned by MAPI, 17.40% owned by VRI, 5.92% owned by MC, 4.86% by Communities Pampanga, Inc., 3.49% owned by CAPI and 35.37% public after it was listed in the Philippine Stock Exchange on June 15, 2022. Effectively, VLLI's effective ownership in VistaREIT as of December 31, 2022 is now at 60.09% from 98.94% as of December 31, 2021 as a result of public offering (see Note 23).

2. Basis of Preparation and Statement of Compliance

Basis of Preparation
The accompanying consolidated financial statements of the Group have been prepared on a historical cost basis, except for the financial assets measured at fair value through other comprehensive income which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱) which is the functional and presentation currency of the Parent Company, and all amounts are rounded to the nearest Philippine Peso unless otherwise indicated.

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

Statement of Compliance
The consolidated financial statements of the Group have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. These accounting pronouncements address the issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry.

Deferral of the following provisions of Philippine Interpretations Committee (PIC) Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry
On December 15, 2020, the Philippine SEC issued SEC Memorandum Circular (MC) No. 34-2020 which further extended the deferral of the following provisions of PIC Q&A 2018-12 until December 31, 2023:

a. Exclusion of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
c. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods under Philippine Accounting Standards (PAS) 23, *Borrowing Cost*, for Real Estate industry

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 3 to the consolidated financial statements.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022.

An investee is included in the consolidation at the point when control is achieved. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests (NCI), even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Parent and the subsidiaries are all domiciled and incorporated in the Philippines and are in the business of real estate development, leasing of commercial centers and buildings and hotel and resorts operation, except for VII and C&P International Limited. The latter are incorporated in Grand Cayman Island and domiciled in Hong Kong and operates as holding companies.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	Percentage of Ownership		
	2022	2021	2020
Brittany	**100.00%**	100.00%	100.00%
Balmoral Resources Corporation*	**36.93**	36.93	36.93
CAPI	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**16.93**	16.93	16.93
VistaREIT, Inc.**	**3.49**	19.61	–
VRI	**100.00**	100.00	100.00
Vista Leisure Club Corporation (VLCC)	**100.00**	100.00	100.00
Vista Hospitality Management Corp.	**100.00**	100.00	100.00
Malay Resorts Holdings, Inc. (MRHI)	**100.00**	100.00	100.00
Mella Hotel, Inc.	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**37.22**	37.22	37.22
VProperty Management, Inc.	**100.00**	100.00	–
VistaREIT, Inc.**	**17.40**	19.61	–
CHI	**100.00**	100.00	100.00
Household Development Corporation (HDC)	**100.00**	100.00	100.00
Brittany Estates Corporation	**100.00**	100.00	100.00
Balmoral Resources Corporation*	**8.92**	8.92	8.92
Mandalay Resources Corp.	**100.00**	100.00	100.00
C&P International Limited	**100.00**	100.00	100.00
Camella Sales Specialists, Inc.	**100.00**	100.00	100.00
Vista Towers, Inc.	**100.00**	100.00	100.00
Prima Casa Land & Houses, Inc. (PCLHI)	**100.00**	100.00	100.00
CPI	**100.00**	100.00	100.00
Communities Batangas, Inc.	**100.00**	100.00	100.00
Communities Bulacan, Inc.	**100.00**	100.00	100.00
Communities Cebu, Inc.	**100.00**	100.00	100.00
Communities Cagayan, Inc.	**100.00**	100.00	100.00
Communities Davao, Inc.	**100.00**	100.00	100.00
Communities General Santos, Inc.	**100.00**	100.00	100.00
Communities Isabela, Inc.	**100.00**	100.00	100.00
Communities Leyte, Inc.	**100.00**	100.00	100.00
Communities Naga, Inc.	**100.00**	100.00	100.00
Communities Iloilo, Inc.	**100.00**	100.00	100.00
Communities Negros, Inc.	**100.00**	100.00	100.00
Communities Pampanga, Inc.	**100.00**	100.00	100.00
VistaREIT, Inc.**	**4.86**	19.61	–
Communities Pangasinan, Inc.	**100.00**	100.00	100.00
Communities Tarlac, Inc.	**100.00**	100.00	100.00
Communities Zamboanga, Inc.	**100.00**	100.00	100.00
Communities Ilocos, Inc.	**100.00**	100.00	100.00
Communities Bohol, Inc.	**100.00**	100.00	100.00
Communities Quezon, Inc.	**100.00**	100.00	100.00
VFund Management, Inc. (formerly Communities Palawan, Inc.)	**100.00**	100.00	100.00
Communities Panay, Inc.	**100.00**	100.00	100.00
VII	**100.00**	100.00	100.00
Vistamalls, Inc.	**88.34**	88.34	88.34
Manuela Corporation (MC)	**99.85**	99.85	98.85
VistaREIT, Inc.**	**5.92**	20.50	45.00
Masterpiece Asia Properties, Inc. (MAPI)	**100.00**	100.00	100.00
VistaREIT, Inc.**	**32.96**	19.61	–

**The Group effectively owns 100% of Balmoral Resources Corporation through Brittany, CAPI, VRI and HDC.*
***The Group effectively owns 60.09% and 98.94% of VistaREIT, Inc. (formerly Vista One, Inc.) through MC, MAPI, Communities Pampanga, Inc., CAPI and VRI and the rest are owned by individual shareholders, as of December 31, 2022 and 2021, respectively.*

Noncontrolling Interests
Noncontrolling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Noncontrolling interests are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results to the noncontrolling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and recognized as "Additional paid-in-capital" in the consolidated statement of changes in equity. If the Group losses control over a subsidiary if:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

As at December 31, 2022, the percentage of noncontrolling interests pertain to (i) VistaREIT at 39.91% and (ii) Vistamalls, Inc. and its subsidiaries at 11.66%. As of December 31, 2021, the percentage of noncontrolling interests pertaining to Vistamalls, Inc. and its subsidiaries is at 11.66%. The voting rights held by the noncontrolling interests are in proportion of their ownership interest.

3. Changes in Accounting Policies

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Voluntary Change in Accounting Policy
Starting January 1, 2021, considering the experience from the pandemic, management made a comparison of the prevailing practice in the industry and noted that most of the big players in commercial and office spaces leasing are using the simplified approach. Given this, management decided to align its accounting policy with what is prevailing in the industry which resulted in voluntarily changing its accounting policy to measure loss allowance for its lease receivables from general to simplified approach. The Group now measures the loss rate using net flow methodology.

Under the simplified approach, in calculating expected credit loss (ECL), the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix for lease receivables, analyzed into third party and related party tenants, that is based on historical credit loss experience and incorporating forward-looking information (called overlays). The change in accounting policy was applied retroactively resulting in additional provision amounting to ₱24.79 million in 2021 and no significant impact for 2020.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2023

- 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 are not expected to have a material impact on the Group.

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

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

  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 are not expected to have a material impact on the Group.

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

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

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  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.

Effective beginning on or after January 1, 2024

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

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

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 and Sustainability 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.

The PIC Q&A provisions covered by the SEC deferral that the Group availed as of December 31, 2022 follows:

	Deferral Period
Exclusion of land in the determination of POC discussed in PIC Q&A No. 2018-12-E	Until December 31, 2023
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
Implementation of IFRS IFRIC Agenda Decision on Over Time Transfer of Constructed Goods under PAS 23, *Borrowing Cost*) for Real Estate industry	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; and
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.

In November 2020, the PIC issued the following Q&As which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

- PIC Q&A 2020-04, which provides additional guidance on determining whether the transaction price includes a significant financing component
- PIC Q&A 2020-02, which provides additional guidance on determining which uninstalled materials should not be included in calculating the POC

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto.

To assist real estate companies to finally adopt the said PIC and IFRIC pronouncements and enable them to fully comply with PFRS 15 and revert to full PFRS, the Commission en banc, in its meeting held on July 8, 2021, approved the amendment to the transitional provisions in the above MCs, under SEC Memo 8-2021, issued last July 2020 which would provide real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach when they apply the provisions of the PIC and IFRIC pronouncements.

The Commission en banc, in the same meeting, likewise approved that the policy option be available to entities that cease availing of the above SEC financial reporting reliefs whether in full or in part.

Had the above provisions been adopted, the Group assessed that the impact would have been as follows:

Treatment of land in the determination of the percentage-of-completion
Adoption of this guidance would have impacted a reduction in revenue from real estate sales, installment contract receivables, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings. These would have not impacted the cash flows. As of December 31, 2022, the Group is still in the process of assessing the impact of excluding land in the determination of POC.

Assessing whether the transaction price includes a significant financing component
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. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings. These would have impacted the cash flows from operations and cash flows from financing activities. As of December 31, 2022, the Group is still in the process of assessing the impact of significant financing component.

Impact of implementing the IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, Borrowing Cost
Adoption of this guidance would have impacted a reduction in net income, real estate inventories, provision for deferred income tax, deferred tax liability, and the opening balance of retained earnings, and a corresponding increase in interest and other financing charges. These would have not impacted the cash flows. As of December 31, 2022, the Group is still in the process of assessing the impact of implementing the IFRIC Agenda Decision.

The Group is still evaluating whether to adopt the above changes using modified retroactive approach or full retroactive approach. If application is using modified retrospective approach, the impact will be recorded during the year of adoption and the opening retained earnings in the year of adoption while if application will be using full retroactive approach, the impact will be recorded in all years presented and the opening retained earnings in the earliest period presented.

4. Summary of Significant Accounting Policies

Current and Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent.

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

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

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash in banks are stated at face amount and earn 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 that are subject to an insignificant risk of changes in value.

Short-term Cash Investments
Short-term cash investments consist of money market placements made for varying periods of more than three (3) months and up to 12 months. These investments earn interest at the respective short-term rates.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

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

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

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term cash investments, receivables (except for advances to contractors, suppliers and brokers), advances to a related party, and restricted cash under "Other current assets" and "Other noncurrent assets", and investments at amortized cost.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's equity instruments classified as financial assets designated at fair value through OCI include investments in golf club shares and preferred shares of utility companies.

Impairment of Financial Assets
The Group recognizes expected credit losses (ECL) for:

- debt instruments that are measured at amortized cost and fair value through OCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

As discussed above, starting January 1, 2021, the Group used simplified approach method in calculating its ECL for lease receivables from the previous general approach. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors (i.e., inflation, GDP growth rate) specific to the debtors and the economic environment.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment loss.

Prior to retroactive adoption of the change in ECL methodology for lease receivables, the Group uses general approach in calculating its ECL. Under the general approach, at each reporting date, the Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss.

For cash in banks, short-term cash investments, restricted cash, and investment in amortized cost, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the instrument has significantly increased in credit risk and to estimate ECLs.

The simplified approach is also applied to installment contracts receivable. The Group has established a vintage analysis for installment contracts receivable that is based on historical credit loss experience, adjusted for forward-looking factors (i.e., bank lending rate, inflation rate or gross domestic product (GDP) growth rate) specific to the debtors and the economic environment.

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

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

The Group's financial liabilities include accounts and other payables, dividends payable, notes payable, bank loans, loans payable, lease liabilities and other noncurrent liabilities (except for deferred output tax, security deposits and advance rent).

Subsequent measurement
Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

This category generally applies to accounts and other payables, dividends payable, notes payable, bank loans, loans payable, lease liabilities and other noncurrent liabilities (except for deferred output tax, security deposits and advance rent) presented in the consolidated statements of financial position.

Derecognition of Financial Assets and Financial Liabilities
Financial asset
A financial asset (or, where applicable, a part of a group of financial assets) is derecognized when, and only when: (a) the right to receive cash flows from the assets expires; (b) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third-party under a "pass-through" arrangement; or (c) the Group has transferred its right to receive cash flows from the asset and either: (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained the risks and rewards of the asset but has transferred control of the asset.

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

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in the consolidated profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the profit or loss.

Financial liability
A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default and in event of insolvency or bankruptcy of the Group and all of its counterparties.

Real Estate Inventories
Real estate inventories consist of subdivision land, residential house, and condominium units for sale and development. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation. These are held as inventory and are measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Acquisition cost of subdivision land;
- Amounts paid to contractors for construction and development of subdivision land, residential houses and lots and condominium units; and
- Capitalized borrowing costs, planning and design costs, cost of site preparation, professional fees, property transfer taxes, construction materials, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of real estate inventories is reduced through the use of an allowance account and the amount of loss is charged to profit or loss.

The cost of real estate inventory recognized in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

Value-Added Tax (VAT)
Input tax represents the VAT due or paid on purchases of goods and services subjected to VAT that the Group can claim against any future liability to the Bureau of Internal Revenue (BIR) for output VAT on sale of goods and services subjected to VAT. The input tax can also be recovered as tax credit under certain circumstances against future income tax liability of the Group upon approval of the BIR and/or Bureau of Customs. Input tax is stated at its estimated net realizable values. A valuation allowance is provided for any portion of the input tax that cannot be claimed against output tax or recovered as tax credit against future income tax liability. Input tax is recorded under current assets in the consolidated statement of financial position.

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

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

Creditable Withholding Taxes
Creditable withholding taxes pertain to taxes withheld on income payments and may be applied against income tax due. The balance of taxes withheld is recovered in future period.

Prepaid Expenses
Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for advertising and marketing fees, taxes and licenses, rentals, and insurance.

Investment in Joint Venture
The Group's investment in joint venture is accounted for under the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

An investment is accounted for using the equity method from the day it becomes a joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investment in the investee company is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of comprehensive income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee company and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when its investment in investee company is reduced to zero. Unless otherwise, additional losses are not recognized when the Group has guaranteed certain obligations of the investee company. When the investee company subsequently reports net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

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

The Group reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Group disposes the investment, or the investee reacquires its own equity instruments from the Group.

Project Development Costs
Project development costs consist of advances for socialized housing credits and advances in joint operations. These are carried at cost less any accumulated impairment.

Advances for socialized housing credits
Advances for socialized housing credits pertain to advances made to a related party in relation to the Group's purchase of socialized housing credits in compliance with the requirements of Republic Act No. 7279 (Urban Development and Housing Act of 1992). Upon receipt of socialized housing credits, the advances is reclassified to subdivision lot for sale and is recognized in profit or loss consistent with the cost of real estate inventory.

Advances on joint operations
Advances on joint operations pertain to costs incurred on various on-going projects under a joint venture agreements and memorandum of agreements entered into by the Group with individuals, private companies and entities under common control for the development of real estate projects.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have right to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognizes in relation to its interest in a joint operation its assets, including its share of any assets held jointly; liabilities, including its share of any liabilities incurred jointly; revenue from the sale of its share to the output arising from the joint operation; share of the revenue from the sale of the output by the joint operation; and expenses, including its share of any expenses incurred jointly.

Investment Properties
Investment properties comprise of completed property and property under construction or re-development that are held to earn rentals or for capital appreciation. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of investment properties consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use and capitalized borrowing cost. Investment properties also include right-of-use assets primarily involving land where commercial buildings are located.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject for impairment.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. CIP is not depreciated until such time as the relevant assets are completed and put into operational use. Construction-in-progress are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred. Depreciation and amortization commence once the investment properties are available for use and computed using the straight-line method over the estimated useful lives (EUL) of the assets, regardless of utilization. The EUL and the depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties.

	Years
Buildings and building improvements	10 to 40 years or lease term, whichever is shorter
Right-of-use assets	11 to 30 years

Investment properties are derecognized when either these have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and do not change the cost of the property for measurement or for disclosure purposes.

Property and Equipment
Property and equipment, except for land, are carried at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment value at initial recognition and subsequently. The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after property and equipment have been put into operation are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against operations as incurred.

Depreciation commences once the property and equipment are available for use and is calculated on a the straight-line basis over the EUL life of property and equipment as follows:

	Years
Building and building improvements	10 to 40
Transportation equipment	2 to 5
Office furniture, fixtures and equipment	2 to 5
Construction equipment	2 to 5
Other fixed assets	1 to 5

Building and building improvements are amortized on a straight-line basis over the term of the lease or the EUL of the asset, whichever is shorter.

The EUL and depreciation method are reviewed annually to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated and amortized property and equipment are retained in the accounts until they are no longer in use. No further depreciation is charged against current operations.

Deposits

Deposits consist of deposits for real estate purchases and deposits to utility companies which will either be applied or recouped against future billings or refunded upon completion of the real estate projects less any unpaid billings. Such deposits are necessary for the continuing construction and development of real estate projects of the Group. These are carried at cost less any impairment in value.

Model House Accessories

Model house accessories are measured at cost less accumulated amortization and any impairment in value. Amortization commences once the model house accessories are available for use and is calculated on a straight-line method over the estimated useful life of two (2) to three (3) years. Impairment of model house accessories follows the impairment policy of nonfinancial assets.

Systems Development Costs

Costs associated with developing or maintaining computer software programs are recognized as expense as incurred. Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets to be measured at cost less accumulated amortization and provision for impairment losses, if any.

System development costs recognized as assets are amortized using the straight-line method over EUL, but not exceeding a period of three years. Where an indication of impairment exists, the carrying amount of computer system development costs is assessed and written down immediately to its recoverable amount.

Impairment of Nonfinancial Assets

The Group assesses as at reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase in OCI. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Security Deposits

Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. These also include deposits of homeowners for their extension, fence construction and landscaping works which will be refunded after considering any charges.

Advance Rent

Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings.

Equity

Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Retained earnings represent accumulated earnings of the Group less dividends declared. It includes the accumulated equity in undistributed earnings of consolidated subsidiaries which are not available for dividends until declared by the subsidiaries.

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

The retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in operating expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Revenue and Cost Recognition for Real Estate Sales

Revenue from Contract with Customers

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

The disclosures of significant accounting judgments and estimates relating to revenue from contracts with customers are provided in Note 5.

Real estate sales

The Group derives its real estate revenue from sale of developed house and lot and condominium units. Revenue from the sale of these real estate project spread over time across the course of the construction since the Group's performance does not create an asset with an alternative use and the Group has an enforceable right for performance completed to date.

In measuring the progress of performance obligation over time, the Group uses input method. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation. The Group uses the cost accumulated by the accounting department to determine the actual resources used. Input method excludes the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Estimated development costs of the real estate project include costs of land, land development, house construction costs, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

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

Any excess of collections over the total of recognized installment contracts receivable are included in the "Contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Other income is recognized if buyers forfeit their reservation fees and partial payments when not proceeding with the contract. The income recognized is net of any amount required to be returned to the buyers.

Costs of real estate sales

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

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

Contract Balances

Installment Contracts Receivable

An installment contracts receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). It also includes the difference between the consideration received from the customer and the transferred goods or services to a customer.

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

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

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

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

Amortization, derecognition and impairment of capitalized costs to obtain a contract
The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within operating expenses.

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

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

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

<ins>Rental Income</ins>
The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to the ownership of the investment properties. Rental income from leased properties is accounted for on a straight-line basis over the lease term and is included in the revenue in the consolidated statement of comprehensive income due to its operating nature, except for contingent rental income which is recognized when it arises.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognized as a reduction of rental income on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise the option. For more information on the judgment involved, refer to Note 5.

The tenant lease incentives are considered in the calculation of "Accrued rental receivable" in the line item "Receivables" in the consolidated statement of financial position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of comprehensive income when the right to receive them arises.

The contracts for commercial and office spaces leased out by the Group to its tenants include the rights to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance janitorial and security services.

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

For the provision of CUSA and air-conditioning of the buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

The consideration charged to tenants for these services is based on a fixed amount as agreed with the tenants.

The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis. For more information, please refer to Note 5.

<ins>Interest Income</ins>
Interest is recognized using the effective interest method, i.e., the rate, that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Unearned discount is recognized as income over the terms of the financial assets at amortized cost using the effective interest method and is shown as deduction for the financial assets.

Other Revenue
Other revenue is recognized when earned.

Pension Cost
Defined benefit plan
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit (PUC) method.

Defined benefit costs comprise the following:

(a) service cost;
(b) net interest on the net defined benefit liability or asset; and
(c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

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

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

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

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

The Group periodically evaluates the income tax positions taken in situations where the applicable tax regulations are subject to interpretation and considers these positions separately from other uncertainties. The Group assesses whether or not it is probable that those income tax positions will be accepted by the tax authorities, where if not, the Group recognizes additional income tax expense and liability relating to those positions.

Deferred tax
Deferred tax is provided on temporary differences using the liability method, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax liabilities shall be recognized for all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in foreseeable future. Otherwise, no deferred tax liability is set up.

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

Deferred tax assets shall be recognized for deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized in OCI. Deferred tax items recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Real estate inventories" and "Investment properties" accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment of those borrowings.

Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Borrowings originally made to develop a specific qualifying asset are transferred to general borrowings (a) when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete, and (b) the entity chooses to use its funds on constructing other qualifying assets rather than repaying the loan.

Operating Expenses
Operating expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Operating expenses are recognized:

- on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statement of financial position as an asset.

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

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and Leases of low-value assets
The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group applies the low-value assets recognition exemption to leases of underlying assets with a value, when new, of ₱0.25 million and below. Lease payments on short-term leases and low-value assets are recognized as expense on a straight-line basis over the lease term.

Lease modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessee recognizes the right-of-use assets and lease liability as a separate new lease after assessing that the consideration for the lease increases by an amount commensurate with the stand-alone price and any adjustments to that stand-alone price reflects the circumstances of the particular contract. The Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use assets, without affecting profit or loss. For lease termination, the difference between the right-of-use assets and lease liability is recognized in the profit or loss.

Group as a Lessor
Leases where the lessor does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Pretermination is defined as termination of lease contract by the lessee or lessor before the end of the lease term. In the case of pretermination of an operating lease, a lessor derecognizes the accrued rental receivable which is the effect of straight-line calculation of rental income and is charged against rental income in the statement of comprehensive income.

Foreign Currency Translation
Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

The functional currency of C&P International Limited and VII is the US Dollar. As of reporting date, the assets and liabilities of foreign subsidiaries, with functional currencies other than the functional currency of the Parent Company, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and their respective income and expenses at the weighted average rates for the year. The exchange differences arising on the translation are recognized in OCI under "Cumulative Translation Adjustment". On disposal of a foreign operation, the component of OCI relating to that particular foreign operation shall be recognized in profit or loss in the consolidated statement of comprehensive income.

Basic and Diluted Earnings Per Share (EPS)
Basic EPS is computed by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income attributable to the equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year after giving effect to assumed conversion of potential common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

As of December 31, 2022, 2021 and 2020, the Group has no potential dilutive common shares (see Note 30).

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 6 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risk specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized only when the reimbursement is virtually certain. The expense relating to any provision is presented in consolidated statement of comprehensive income net of any reimbursement.

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

Events After the Financial Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in compliance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements, requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

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.

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

Revenue from contracts with customers

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

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments (buyer's equity) in relation to the total contract price. Collectability is also assessed by considering factors such as payment history of customer, age and pricing of the property.

Management regularly evaluates the historical cancellations and back-outs after considering the impact of COVID-19 pandemic, if it would still support its current threshold of customers' equity before commencing revenue recognition.

Determining performance obligation
With respect to real estate sales, the Group concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output.

In relation to the services provided to tenants of investment property (such as cleaning, security, utilities, maintenance) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Group.

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

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

Principal versus agent considerations
The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility company, and not the real estate developer, is primary responsible for the provisioning of the utilities while the Group, administers the leased spaces and coordinates with the utility companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For the connection to air conditioning system and services in the CUSA, the Group acts as a principal. This is because it is the Group who retains the right to direct the service provider of CUSA as it chooses and the party responsible to provide proper ventilation and air conditioning to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air conditioning charges.

Property lease classification - the Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases

Assessment on whether lease concessions granted constitute a lease modification
In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

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

The rent concessions granted by the Group for the years ended December 31, 2022, 2021 and 2020 amounted to ₱39.18 million, ₱240.65 million and ₱1,544.82 million, respectively (see Note 7).

Determination of the lease term
The Group determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

As a lessor, the Group enters into lease agreements that contain options to terminate or to extend the lease. At commencement date, the Group determines whether the lessee is reasonably certain to extend the lease term or not to terminate the lease. To make this analysis, the Group takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases, the Group does not identify sufficient evidence to meet the required level of certainty.

As a lessee, the Group has a lease contract for the land where investment properties are situated that includes an extension and a termination option. The Group applies judgement in evaluating whether or not it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Accounting for lease modification - the Group as lessee
In 2021, the Group and one of the lessors amended the lease contract covering parcels of land where one of the Group's commercial building is situated by extending the lease period and amending the lease rates. The Group assessed that the lease modification did not result in a separate lease and the Group remeasured the lease liability based on the amended lease period and lease rates and recognized the difference between the carrying amount of the modified lease liability and the carrying amount of the lease liability immediately before the modification as an adjustment to the right-of-use asset. The lease contract further subjects the lease payments starting 2036 to be reviewed by both parties in accordance with certain stipulations in the contract. As such, the Group used the market rate at the date the lease is modified for lease period where lease payments are yet to be agreed.

Definition of default and credit-impaired installment contracts receivable
The Group defines the account as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria*
  The customer receives a notice of cancellation and does not continue the payments.

- *Qualitative criteria*
  The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

  a. The customer is experiencing financial difficulty or is insolvent
  b. The customer is in breach of financial covenant(s)
  c. An active market for that financial assets has disappeared because of financial difficulties
  d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
  e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group considers a range of relevant forward-looking macro-economic assumptions (i.e., inflation rate and GDP growth rate for commercial segment and bank lending rate, inflation rate or GDP growth rate for residential segment) for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios. The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Significant increase in credit risk
The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors. The Group's cash and cash equivalents, short-term cash investments, investments at amortized cost, and restricted cash are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, are considered to be low credit risk investments. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs. Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

Determining Taxable Profit, Tax Bases, Unused Tax Losses, Unused Tax Credits and Tax Rates
Upon adoption of the Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments,* the Group has assessed whether it has any uncertain tax position. The Group applies significant judgment in identifying uncertainties over its income tax treatments. The Group determined based on its assessment, in consultation with its tax counsel, that it is probable that its income tax treatments will be accepted by the taxation authorities. Accordingly, the interpretation did not have an impact on the consolidated financial statements of the Group.

Assessment of Joint Control
The investment in VVTI is accounted for as investment in joint venture despite the Group owning 60%, this is because the relevant activities such as matters related to project development, approval of annual budget and programme, change in joint venture business structure and distribution of dividends among others of the Group and Mitsubishi Estate Co., Ltd. require the unanimous consent of both parties. Even though the Group holds 60% ownership interest on these arrangements, their respective joint arrangement agreements require unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements.

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

Measurement of progress when revenue is recognized over time
The Group's real estate sales is recognized over time and the percentage-of-completion is determined using input method measured principally based on total actual cost of resources consumed such as materials, labor hours expended, and actual overhead incurred over the total expected project development cost. Actual costs also include incurred costs but not yet billed which are estimated by the project engineers. Total estimated project development cost involves significant estimate since it requires technical determination by management's specialists (project engineers). Estimated project development costs include costs of land, land development, building costs, professional fees, depreciation of equipment directly used in the construction, payments for permits and licenses.

Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts, form part of total project costs on a prospective basis and is allocated between costs of sales and real estate inventories.

See Notes 7, 11, and 12 for the related balances.

Provision for expected credit losses of financial assets
Cash and cash equivalents, short-term cash investments, investments at amortized cost and restricted cash:

The Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group uses external credit rating approach to calculate ECL for cash and cash equivalents, short-term cash investments, investments at amortized cost, and restricted cash. This approach leverages on available market data (i.e., S&P and Moody's and Fitch credit ratings for default rates). S&P, Moody's, Fitch and Reuters are reliable market data sources that provide default and recovery rate data. These information are widely used by investors and stakeholders in decision-making in terms of investment, credit activities, etc.

Installment contracts receivables, accounts receivable and accrued rental receivable:

The Group uses vintage analysis to calculate ECLs for installment contracts receivable. The PD rates using vintage analysis are based on default counts of contract issuances in a given period for groupings of various customer segments that have similar loss patterns (e.g., by customer's type of financing and employment).

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

For third-party receivable from tenants and accrued rental receivables, the Group recognizes a loss allowance based on lifetime ECLs effective January 1, 2021 and applied retrospectively. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss.

For related party receivables from tenants, including the accrued rental receivable, the Group considers the ability to pay of the related party and considers factors whether the related party is a listed company or not, its current results of operations and the projected cash flows from operations given the expected continuing recovery from the COVID-19 pandemic. The assessment also includes the assumption of the liability of the related parties' parent company and future plans of payments for remaining uncollected receivables such as entering into property exchange or joint venture arrangements wherein land properties will be received as form of settlement, which are to be used in the Group's planned expansion activities. The collectability assessment also includes the continuing commitment to provide financial support to these related parties and common control entities by Fine Properties, Inc. and the assessment of the latter's capacity to provide such financial support.

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

In 2022, the Group has determined that the impact of COVID-19 pandemic to its current operations has significantly declined and the continuing and future business activities are expected to be on continuous recovery.

The collectability of the significant portion of its receivables from real estate sales is impacted by the continuing employment of its customers, both the overseas contract workers and locally employed customers, particularly those working within the industry previously adversely affected by COVID-19 pandemic. Recoveries of these various industries were considered in the updating of assumptions.

Tenants which belong to micro, small and medium enterprise and those operating under entertainment, non-essentials and food industries were previously adversely affected due to temporary closure of mall operations which increased the risk of non-collection of the remaining receivables. The Group has updated its assumptions as various tenants has recovered from the impact of the pandemic.

Considering the above, the Group revisited the expected credit loss exercise as at December 31, 2022 and 2021 for its receivables.

For the installment contracts receivable, the calculation of the probability of default (PD) was updated by further segmenting the buyers tagged as overseas Filipino workers based on location of employment (e.g., Middle East, Europe, East Asia, etc.).

For installment contracts receivable and receivables from tenants, the PD scenario used in the calculation of ECL were assigned with 33% equal probability for all scenarios as of December 31, 2022, 30% best, 33% base, and 37% worse and 31% best, 33% base, and 36% worst case probability scenario as of December 31, 2021, and 31% best, 33% base, and 36% worse and 25% best, 33% base, and 42% worst case probability scenario as of December 31, 2020, respectively. The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

As a result of the loss estimation, management recognized impairment loss for receivable from tenants and investments at amortized cost in each period presented. The Group, however, did not identify an impairment for installment contracts receivable primarily because of the recoveries from resale of repossessed inventories that are higher than the exposure at default.

Further details are provided in Notes 10, 11 and 32.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

Further details about the fair value of financial instruments are provided in Note 31.

Evaluation of net realizable value of real estate inventories
Real estate inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the estimated selling price of the real estate inventories in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of these assets. In determining the recoverability of these assets, management considers whether these assets are damaged, if their selling prices have declined and management's plan in discontinuing the real estate projects. Estimated selling price is derived from publicly available market data and historical experience, while estimated selling costs are basically commission expense based on historical experience. In line with the impact of COVID-19, the Group experienced limited selling activities that resulted to lower sales in 2022, 2021 and 2020. In evaluating NRV, recent market conditions and current market prices and expected continuing actively from the COVID-19 pandemic have been considered.

Further details are provided in Note 12.

Evaluation of impairment of nonfinancial assets
The Group reviews project development costs, investment in joint venture, property and equipment, investment properties, goodwill, and other nonfinancial assets for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant industry or economic trends, considering the expected continuing recovery from the impact of COVID-19 pandemic.

The Group estimates the recoverable amount as the higher of the fair value less costs to sell and value in use. Fair value less costs to sell pertain to quoted prices and for fair values determined using discounted cash flows or other valuation technique such as multiples. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect project development costs, investment in joint venture, property and equipment, investment properties, goodwill, and other nonfinancial assets.

For goodwill, this requires an estimation of the recoverable amount which is the fair value less costs to sell or value in use of the cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the future cash flows for the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of cash flows.

Further details are provided in Notes 8, 13, 14, 15, 16, and 17.

Determining the fair value of investment properties
The Group discloses the fair values of its investment properties. The Group's investment properties consist of land and land developments and building and building improvements. For properties for leasing, the fair values were derived using income approach as determined by third party appraisers while land properties held for capital appreciation were based on market-based listing of the properties of the same features and locations as determined by management. Fair values of right of use asset were determined using the latest discount rate every end of reporting period based on remaining cash flows while that of construction in progress is aligned with cost as management believes the values of cost represents the current replacement cost as of balance sheet date.

Further details are provided in Note 14.

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Useful lives of property and equipment and investment properties
The Group estimated the useful lives of its property and equipment and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. For investment properties located in parcels of land that the Group leases, the Group also considers the noncancellable term of the lease in determining the useful lives of the leasehold improvements.

Recognition of deferred tax assets
The Group reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

Further details are provided in Note 27.

6. Segment Information

For management purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has three reportable operating segments as follows:

Horizontal Projects
This segment pertains to the development and sale of residential house and lot across the Philippines.

Vertical Projects
This segment caters on the development and sale of residential condominium projects across the Philippines.

Commercial and others
This segment pertains to rental of malls and office spaces, hotel operations, and activities of holding companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss before income tax and earnings before income tax, depreciation and amortization (EBITDA). Segment operating income or loss before income tax is based on the same accounting policies as consolidated operating income or loss. No operating segments have been aggregated to form the above reportable operating business segments. The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Group's internal reports in order to assess performance of the Group.

Transfer prices between operating segments are based on the agreed terms between the related parties.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statements of financial position which is in accordance with PFRS. The segment assets are presented separately from the receivables from related parties, investments at fair value through other comprehensive income (FVOCI), investments at amortized cost and deferred taxes. Segment liability are presented separately from the deferred tax liabilities.

The financial information about the operations of these operating segments is summarized below:

	December 31, 2022				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
	(Amounts in thousands)				
Real estate revenue (Note 7)	₱8,402,272	₱4,387,606	₱–	₱–	₱12,789,878
Rental income (Notes 14 and 34)	–	–	14,135,752	(393,494)	13,742,258
Parking, hotel, mall administrative and processing fees, and others (Note 25)	708,601	292,840	627,244	(21,340)	1,607,345
	9,110,873	4,680,446	14,762,996	(414,834)	28,139,481
Costs and operating expenses (Note 24)	5,229,702	3,111,737	4,210,076	–	12,551,515
Segment income before income tax	3,881,171	1,568,709	10,552,920	(414,834)	15,587,966
Interest income and other income from investments (Note 25)	909,341	55,511	717,686	–	1,682,538
Interest and other financing charges (Note 25)	(429,929)	(35,853)	(4,752,105)	–	(5,217,887)
Depreciation and amortization (Note 24)	(656,089)	(25,285)	(1,957,479)	–	(2,638,853)
Income before income tax	3,704,494	1,563,082	4,561,022	(414,834)	9,413,764
Provision for income tax (Note 27)	522,632	312,616	1,185,866	–	2,021,114
Net income	₱3,181,862	₱1,250,466	₱3,375,156	(₱414,834)	₱7,392,650
Other Information					
Segment assets	₱167,550,154	₱23,922,805	₱81,688,963	(₱186,312)	₱272,975,610
Advances to a related party (Note 29)	7,042,276	–	–	–	7,042,276
Investment in joint venture (Note 17)	–	468,074	–	–	468,074
Investments at FVOCI (Note 10)	12,158	–	105,000	–	117,158
Investments at amortized cost (Note 10)	–	–	41,499,484	–	41,499,484
Deferred tax assets - net (Note 27)	111,464	–	–	–	111,464
Total Assets	₱174,716,052	₱24,390,879	₱123,293,447	(₱186,312)	₱322,214,066
Segment liabilities	₱20,217,005	₱7,822,545	₱164,603,249	(₱186,312)	₱192,456,487
Deferred tax liabilities - net (Note 27)	1,664,144	152,292	4,290,951	–	6,107,387
Total Liabilities	₱21,881,149	₱7,974,837	₱168,894,200	(₱186,312)	₱198,563,874
Capital expenditures	₱12,089,005	₱6,323,525	₱4,103,770	₱–	₱22,516,300

For the year ended December 31, 2022, EBITDA amounts to ₱17,270.50 million.

	December 31, 2021				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
	(Amounts in thousands)				
Real estate revenue (Note 7)	₱13,602,441	₱3,795,490	₱–	₱–	₱17,397,931
Rental income (Notes 14 and 34)	–	–	9,851,733	(539,013)	9,312,720
Parking, hotel, mall administrative and processing fees, and others (Note 25)	1,282,740	178,395	901,204	(215,465)	2,146,874
	14,885,181	3,973,885	10,752,937	(754,478)	28,857,525
Costs and operating expenses (Note 24)	10,074,372	1,842,673	4,092,032	(754,478)	15,254,599
Segment income before income tax	4,810,809	2,131,212	6,660,905	–	13,602,926
Interest income and other income from investments (Note 25)	763,936	26,230	1,533,716	–	2,323,882
Interest and other financing charges (Note 25)	(355,563)	(29,651)	(3,930,116)	–	(4,315,330)
Depreciation and amortization (Note 24)	(651,485)	(31,113)	(2,003,985)	–	(2,686,583)
Income before income tax	4,567,697	2,096,678	2,260,520	–	8,924,895
Provision for income tax (Note 27)	977,371	324,020	656,258	–	1,957,649
Net income	₱3,590,326	₱1,772,658	₱1,604,262	₱–	₱6,967,246
Other Information					
Segment assets	₱157,006,893	₱17,782,356	₱83,175,042	(₱511,958)	₱257,452,333
Advances to a related party (Note 29)	6,085,189	–	–	–	6,085,189
Investment in joint venture (Note 17)	–	458,772	–	–	458,772
Investments at FVOCI (Note 10)	41,499	–	83,000	–	124,499
Investments at amortized cost (Note 10)	–	–	49,817,450	–	49,817,450
Deferred tax assets - net (Note 27)	48,279	–	105	–	48,384
Total Assets	₱163,181,860	₱18,241,128	₱133,075,597	(₱511,958)	₱313,986,627
Segment liabilities	₱27,576,766	₱5,707,468	₱163,704,772	(₱511,958)	₱196,477,048
Deferred tax liabilities - net (Note 27)	1,017,709	133,280	3,831,662	–	4,982,651
Total Liabilities	₱28,594,475	₱5,840,748	₱167,536,434	(₱511,958)	₱201,459,699
Capital expenditures	₱14,615,731	₱4,078,229	₱2,445,640	₱–	₱21,139,600

For the year ended December 31, 2021, EBITDA amounts to ₱15,652.27 million.

	December 31, 2020				
	Horizontal	Vertical	Commercial and Others	Intersegment Adjustments	Consolidated
	(Amounts in thousands)				
Real estate revenue (Note 7)	₱17,943,287	₱3,857,277	₱–	₱–	₱21,800,564
Rental income (Notes 14 and 34)	–	–	7,286,366	(89,636)	7,196,730
Parking, hotel, mall administrative and processing fees, and others (Note 25)	721,440	170,838	890,745	(152,477)	1,630,546
	18,664,727	4,028,115	8,177,111	(242,113)	30,627,840
Costs and operating expenses (Note 24)	13,477,256	3,110,423	2,512,363	(242,113)	18,857,929
Segment income (loss) before income tax	5,187,471	917,692	5,664,748	–	11,769,911
Interest income and other income from investments (Note 25)	598,411	40,646	1,426,455	–	2,065,512
Interest and other financing charges (Note 25)	(84,721)	(214,674)	(3,672,512)	–	(3,971,907)
Depreciation and amortization (Note 24)	(240,738)	(35,642)	(1,971,333)	–	(2,247,713)
Income before income tax	5,460,423	708,022	1,447,358	–	7,615,803
Provision for income tax (Note 27)	662,181	84,963	482,047	–	1,229,191
Net income	₱4,798,242	₱623,059	₱965,311	₱–	₱6,386,612
Other Information					
Segment assets	₱95,288,403	₱25,616,912	₱115,537,982	(₱72,172)	₱236,371,125
Receivables from related parties (Note 29)	879,187	–	4,808,563	–	5,687,750
Investments at FVOCI (Note 10)	–	–	116,499	–	116,499
Investments at amortized cost (Note 10)	–	–	41,693,291	–	41,693,291
Deferred tax assets - net (Note 27)	188,106	–	–	–	188,106
Total Assets	₱96,355,696	₱25,616,912	₱162,156,335	(₱72,172)	₱284,056,771
Segment liabilities	₱15,018,896	₱7,647,351	₱151,757,364	(₱72,172)	₱174,351,439
Deferred tax liabilities - net (Note 27)	211,878	14,955	3,798,855	–	4,025,688
Total Liabilities	₱15,230,774	₱7,662,306	₱155,556,219	(₱72,172)	₱178,377,127
Capital expenditures	₱17,698,619	₱3,804,681	₱3,108,100	₱–	₱24,611,400

For the year ended December 31, 2020, EBITDA amounts to ₱13,767.97 million

Capital expenditures consists of construction costs, land acquisition and land development costs.

Rental income amounting to ₱11,506.05 million or 83.73%, ₱7,113.08 million or 76.38%, and ₱5,360.84 million or 74.49% of the commercial segment of the Group was generated from anchor tenants as defined in Note 29 for the years ended December 31, 2022, 2021 and 2020, respectively.

There is no cyclicality in the Group's operations.

7. Revenue from Contracts with Customers

a. Disaggregated Revenue Information

The Group derives revenue from the transfer of services and goods over time and at a point in time, respectively, in different product types and other geographical location within the Philippines.

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

	2022	2021	2020
	(Amounts in Thousands)		
Type of Product			
Real estate sales			
Horizontal	**₱8,402,272**	₱14,885,825	₱17,943,287
Vertical	**4,387,606**	2,512,106	3,857,277
	12,789,878	17,397,931	21,800,564
Hotel operations (Note 25)	**103,138**	89,267	48,511
	₱12,893,016	₱17,487,198	₱21,849,075

All of the Group's real estate sales are revenue from contracts with customers that are recognized over time, except for hotel operation's sale of food and beverages which are at point in time. There are no inter-segment eliminations among revenue from contracts with customers on real estate, as these are all sold to external customers as disclosed in the segment information in 2022, 2021 and 2020 (see Note 6).

Due to the impact of COVID-19 pandemic to the current and prior years, buyer's appetite has softened and prefers to stay liquid amid the current recession, with layoffs, travel restrictions, repatriations, nationwide lockdowns beginning on the third week of March 2020. The latter, coupled with the imposed quarantine which temporarily suspended construction activities and delivery of materials to sites, resulted to lower progress of work which impacted the real estate sales recognized in 2022, 2021 and 2020.

Contract Balances

	2022	2021
Installment contracts receivable (Note 11)	**₱35,296,250,329**	₱41,235,173,571
Cost to obtain contract	**740,176,709**	898,663,714
Contract liabilities	**2,143,601,801**	1,801,470,690

Installment contracts receivable are from real estate sales which are collectible in equal monthly principal installments with various terms up to a maximum of 15 years. These are recognized at amortized cost using the effective interest method. Interest rates, which vary depending on the term of the receivable, ranges from 2.43% to 19.00% per annum, 2.44% to 19.00%, and 5.23% to 19.00% per annum in 2022, 2021 and 2020, respectively. The corresponding titles to the residential units sold under this arrangement are transferred to the customers only upon full payment of the contract price.

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 goods and services transferred by the Group based on percentage of completion. The movement in contract liability is mainly due to reservation sales and advance payment of buyers less real estate sales recognized upon reaching the equity threshold and from increase in percentage of completion.

The amount of revenue recognized in 2022 and 2021 from amounts included in contract liabilities at the beginning of the year amounted to ₱799.11 million and ₱953.80 million, respectively.

b. Performance obligations

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

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

The sale of real estate unit covers subdivision land, residential house units, and condominium units and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the reservation agreement and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% - 20% of the contract price to be paid over a maximum of 24 months at a fixed payment for horizontal developments and 20% - 40% of the contract price to be paid over a maximum of 60 months at a fixed payment for vertical developments with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to 15 years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an installment contracts receivable or contract liability.

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2022 and 2021 are, as follows:

	2022	2021
Within one year	**₱8,619,451,367**	₱9,188,744,994
More than one year	**6,665,369,229**	10,721,047,549
	₱15,284,820,596	₱19,909,792,543

The remaining performance obligations expected to be recognized within one year and more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

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) connection to air conditioning system, (d) CUSA services, and (e) administration fee. Revenue from lease of space is recognized on a straight-line basis over the lease term while revenue for the remaining performance obligations are recognized when services are rendered. The tenant is required to settle within 30 days upon receipt of the bill. Except for related party tenants, in case of delay in payments, a penalty of 5% is charged for the amount due and shall be charged another 5% the following month of delay and every month thereafter inclusive of penalties previously charged. Except for related party tenants, the lease arrangement would typically require a tenant to pay advance rental equivalent to two (2) to four (4) months and a security deposit equivalent to two (2) to four (4) months rental to cover any breakages after the rental period, with the excess returned to the tenant.

In various dates in 2021 and 2020, certain third party and related party tenants of the Group operating within the entertainment, food and low-priced apparel retailing have requested for the termination of their lease contracts with the Group prior to the original end dates. The requests, as granted by the Group, are primarily due to the impact of COVID 19 pandemic to their business. As a result, the Group reversed the accrued rental receivable which is the effect of straight-line calculation of rental income of those tenants who pre-terminated the contracts, amounting to ₱38.81 million and ₱1,560.95 million against rental income for the year ended December 31, 2021 and 2020, respectively (see Note 11). The related deferred tax liability of ₱9.70 million and ₱468.28 million for the reversed accrued rental receivable from tenants was reversed in 2021 and 2020, respectively. Of these terminated tenants in 2021 and 2020, ₱2.84 million and ₱1,556.12 million were related parties, respectively. The specific portion relating to the termination of related party tenants are further included in the related party transactions disclosure of the Group (see Note 29). There was no reversal of accrued rental receivables due to the impact of COVID-19 pandemic in 2022.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19 pandemic, the Group came up with its own waiver scheme that applies to different classifications of lessees based on their respective financial position and performance before and during the community quarantine, their status as an essential vis-à-vis non-essential service, and their growth projections. The Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions. Granting of concessions were extended up to December 31, 2021 and beyond depending on the tenant's profile and credit. The rent concessions granted by the Group to its tenants for the years ended December 31, 2022, 2021 and 2020 amounted to ₱39.18 million, ₱240.65 million and ₱1,544.82 million, respectively.

In 2022, due to the fire that hit Star Mall Alabang in Muntinlupa City, the tenants pre-terminated the contracts that resulted to reversal of the Group's accrued rental receivables, which is the effect of straight-line calculation of rental income, amounting to ₱427.50 million with related deferred tax liabilities of ₱106.88 million. Of these terminated tenants, ₱420.25 million were related parties (see Note 29).

c. Cost to Obtain Contract

The balances below pertain to the cost to obtain contract presented in consolidated statements of financial position:

	2022	2021
Balance at beginning of year	**₱898,663,714**	₱1,281,715,425
Net additions	**435,533,435**	489,086,609
Amortization (Note 24)	**(594,020,440)**	(872,138,320)
Balance at end of year	**₱740,176,709**	₱898,663,714

8. Treasury Shares and Goodwill

The treasury shares of ₱5,378.29 million is attributable to the 752.21 million shares issued by VLLI to Manuela Corporation (MC) during the VLLI acquisition of Vistamalls Group (formerly, Starmalls Group) in 2015. MC still holds the VLLI shares as of December 31, 2022 and 2021.

On December 29, 2015, VLCC, a wholly owned subsidiary of VRI, acquired 100% ownership of MRHI for a total cash consideration of ₱157.00 million. MRHI owns and operates the Boracay Sands Hotel. The transaction was accounted for as a business combination under acquisition method. Fair values of identifiable net assets of MRHI amounted to ₱9.73 million, which resulted to recognition of goodwill of ₱147.27 million.

The Group included the impact of COVID-19 pandemic and the expected continuing recovery and the various community quarantine restricting movements and business operations in its annual impairment testing of goodwill for the years ended December 31, 2022, 2021 and 2020.

The recoverable amount is based on value in use calculations using cash flow projections from financial budgets approved by the Group's management covering the period the CGU is expected to be operational. Based on management's assessment, there is no impairment loss to be recognized on goodwill as at December 31, 2022 and 2021, despite temporary closure. In December 2021, Boracay Sands Hotel resumed operations. The pre-tax discount rate used on December 31, 2022 and 2021 is 9.78% and 12.65% respectively, which is based on weighted average cost of capital of comparable entities. The average growth rate used is 4.00% as of December 31, 2022 and 2021. The value-in-use computation is most sensitive to the discount rate and growth rate applies to the cash flow projection.

9. **Cash and Cash Equivalents**

This account consists of:

	2022	2021
Cash on hand	**₱13,210,348**	₱10,614,562
Cash in banks	**8,640,751,874**	11,805,653,656
Cash equivalents	**6,416,242,404**	40,387,680
	₱15,070,204,626	₱11,856,655,898

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest as follows:

	2022	2021	2020
Philippine Peso	**0.01% to 1.25%**	0.03% to 0.50%	0.25% to 1.00%
US Dollar	**0.06% to 0.13%**	0.05% to 0.13%	0.04% to 0.13%

Interest earned from cash in banks and cash equivalents for the years ended December 31, 2022, 2021 and 2020 amounted to ₱45.84 million, ₱34.08 million and ₱63.64 million, respectively (see Note 25).

No cash and cash equivalents are used to secure the obligations of the Group.

10. **Investments**

Short-term cash investments
Short-term cash investments consist of money market placements with maturities of more than three (3) months up to one (1) year and earn annual interest at the respective short-term investment rates, as follows:

	2022	2021	2020
Philippine Peso	**0.10% to 3.13%**	1.00% to 4.00%	2.50% to 2.63%

As of December 31, 2022, and 2021, short-term cash investments amounted to ₱47.28 million and ₱336.02 million, respectively.

Interest earned from short-term cash investments for the years ended December 31, 2022, 2021 and 2020 amounted to ₱1.12 million, ₱2.47 million and ₱3.66 million, respectively (see Note 25).

Investments at amortized cost
This account consists of the Group's investments in various US dollar-denominated debt securities with nominal interest rates ranging from 0.25% to 8.00%, 1.00% to 7.75% and 3.75% to 4.25% for the years ended December 31, 2022, 2021 and 2020, respectively.

In 2022, 2021 and 2020, effective interest rate ranges from 1.05% to 7.19%, 0.39% to 10.82% and 2.23% to 10.18%, respectively.

Investments at amortized cost amounting to $552.94 million (₱30,829.00 million) and $753.34 million (₱38,419.75 million) are used to secure the bank loans of the Parent Company amounting to ₱27,477.92 million and ₱33,557.33 million as of December 31, 2022 and 2021, respectively.

The fair values of the investments used as collateral amounted to ₱31,409.51 million and ₱23,992.35 million as of December 31, 2022 and 2021 respectively (see Note 20).

Interest income from these investments including amortization of premium amounted to ₱931.41 million, ₱1,507.49 million and ₱1,359.72 million in 2022, 2021 and 2020, respectively (see Note 25).

Provision for expected credit loss amounting to ₱23.29 million, ₱15.53 million and ₱65.63 million was recognized in 2022, 2021 and 2020 on these investments, respectively (see Note 24).

The following presents the breakdown of investments by contractual maturity dates as of December 31, 2022 and 2021.

	2022	2021
Due in one (1) year or less	**₱9,440,433,583**	₱15,751,510,319
Due after one (1) year through five (5) years	**31,629,125,036**	33,806,339,516
Due after five (5) years	**429,925,463**	259,600,004
	₱41,499,484,082	₱49,817,449,839

The rollforward analysis of investments at amortized cost follow:

	2022	2021
Balance at beginning of year	**₱49,817,449,839**	₱41,693,291,447
Additions	**12,921,556,055**	17,452,430,148
Redemptions*	**(24,461,735,580)**	(12,549,337,950)
Amortization of premium	**(437,030,746)**	(393,165,298)
Provision for expected credit loss (Note 24)	**(23,289,723)**	(15,532,895)
Cumulative translation adjustment	**3,682,534,237**	3,629,764,387
Balance at end of year	**₱41,499,484,082**	₱49,817,449,839

**These include early redemptions initiated by the issuer/s.*

Investment at fair value through FVOCI
The investment at fair value through FVOCI consists of quoted golf and country club shares carried at fair value which the Group irrevocably elected to classify as FVOCI.

	2022	2021
Balance at beginning of year	**₱124,499,183**	₱116,499,183
Unrealized fair value gain during the year	**22,000,000**	8,000,000
Disposals	**(29,340,803)**	–
Balance at end of year	**₱117,158,380**	₱124,499,183

11. **Receivables**

This account consists of:

	2022	2021
Installment contracts receivable (Note 7)	**₱35,296,250,329**	₱41,235,173,571
Accounts receivable:		
Tenants (Note 29)	**10,141,422,954**	8,259,791,965
Home Development Mutual Fund (HDMF)	**185,386,869**	322,873,996
Buyers	**171,303,255**	162,854,404
Others	**44,839,102**	112,967,013
Advances to:		
Contractors and suppliers	**9,790,417,284**	8,354,056,357
Private companies	**1,407,176,313**	1,567,865,004
Brokers	**153,347,171**	151,209,360
Accrued rental receivable (Note 29)	**17,387,952,584**	11,146,694,070
Accrued interest receivable	**444,938,814**	543,893,498
	75,023,034,675	71,857,379,238
Less allowance for impairment losses	**622,398,264**	623,947,817
	74,400,636,411	71,233,431,421
Less noncurrent portion	**21,166,092,635**	20,316,701,320
	₱53,234,543,776	₱50,916,730,101

Installment Contracts Receivable
Installment contracts receivable consist of accounts collectible in equal monthly installments with various terms up to a maximum of 15 years. These are carried at amortized cost. The corresponding titles to the subdivision or condominium units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. The installment contracts receivables are interest-bearing except for those with installment terms within two years. Annual nominal interest rates on installment contracts receivables range from 12.00% to 19.00% in 2022 and 2021. Total interest income recognized amounted to ₱671.52 million, ₱726.01 million and ₱541.31 million in 2022, 2021 and 2020, respectively (see Note 25).

In 2022 and 2021, installment contracts receivables with a total nominal amount of ₱559.06 million and ₱725.07 million, respectively, were recorded at amortized cost amounting to ₱526.98 million and ₱699.50 million, respectively. These are installment contracts receivables that are to be collected in two years which are noninterest-bearing. The fair value upon initial recognition is derived using discounted cash flow model at discount rates ranging from 2.43% to 7.13% and 2.44% to 5.23% in 2022 and 2021, respectively.

Interest income recognized from these receivables amounted to ₱29.83 million, ₱48.43 million and ₱86.93 million in 2022, 2021 and 2020, respectively (see Note 25). The unamortized discount amounted to ₱26.53 million and ₱24.27 million as of December 31, 2022 and 2021, respectively.

Rollforward in unamortized discount arising from noninterest-bearing receivables is as follows:

	2022	2021
Balance at beginning of year	**₱24,273,327**	₱47,135,999
Additions	**32,080,586**	25,570,116
Accretion (Note 25)	**(29,826,779)**	(48,432,788)
Balance at end of year	**₱26,527,134**	₱24,273,327

In 2022 and 2021, the Group entered into various purchase agreements with financial institutions whereby the Group sold its installment contracts receivables on a with recourse basis. These installment contracts receivables on a with recourse basis are used as collateral to secure the corresponding loans payable obtained. The purchase agreements provide substitution of contracts which default. The Group still retains the sold receivables in the installment contracts receivables account and records the proceeds from these sales as loans payable.

As of December 31, 2022, the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱4,310.47 million and ₱5,334.62 million, respectively (see Note 20).

As of December 31, 2021, the carrying value of installment contracts receivables sold and the corresponding loans payable amounted to ₱2,604.47 million and ₱3,779.51 million, respectively (see Note 20).

Accounts Receivable
The accounts receivables are noninterest-bearing and collectible within one year. This consists of:

Receivable from tenants
Receivables from tenants represent the outstanding receivables arising from the lease of commercial centers relating to the Group's mall and offices and are collectible within 30 days from billing date. Except for lease contracts with related parties, these are covered by security deposit of tenants' equivalent to 2 to 4-month rental and 2 to 4-month advance rental paid by the lessees. This includes both the billed fixed and contingent portion of lease.

Receivable from HDMF
Receivable from HDMF pertains to amounts retained by HDMF from the proceeds of loans availed by real estate buyers. This amount is released by HDMF upon the release of the related title to the property by the Group to HDMF within a six-month to one year period from loan takeout date.

Receivable from buyers
Receivables from buyers mainly consist of receivables from buyers of real estate arising from restructured amortization including interest and penalties for late payments. These are noninterest-bearing and are due and demandable.

Others
Other receivables are noninterest-bearing and are due and demandable.

Advances to contractors and suppliers
Advances to contractors are advance payments in relation to the Group's construction activities and are recouped through reduction against progress billings as the construction progresses. Advances to suppliers are advance payments for the purchase of construction materials and are applied to billings for deliveries made. Recoupment occur within one to five years from the date the advances were made. Current portion of these advances are for the construction of inventories, while advance payments for the construction of investment properties are presented as noncurrent portion.

Advances to private companies
Advances to private companies pertain to advances made by the Group to third parties to facilitate the transfer of title to the buyers. These include expected charges for documentary stamp taxes, transfer fees, registration fees, city and business tax and notarial expenses. These advances are liquidated by the private companies once the purpose for which the advances were made had been accomplished.

Advances to brokers
Advances to brokers are cash advances for operating use. These are applied to subsequent commission payout to brokers.

Accrued rental receivable
Accrued rental receivable pertains to the effect of straight-line calculation of rental income. The noncurrent portion of accrued rent receivable are expected to be realized beyond one year from the reporting date.

Accrued interest receivable
Accrued interest receivable pertains to income earned from investments at amortized cost.

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

In 2021 and 2020, the Group, in addition to the reliefs provided under Bayanihan 1 Act and Bayanihan 2 Act, has offered temporary financial reliefs (e.g., short-term extension of payment terms) to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not significant.

The rollforward analysis of allowance for impairment losses are as follow:

	2022		
	Receivable from tenants	**Advances to private companies**	**Total**
Balance at beginning of year	**₱497,186,046**	**₱126,761,771**	**₱623,947,817**
Provision during the year (Note 24)	**–**	**–**	**–**
Recoveries (Note 24)	**(1,549,553)**	**–**	**(1,549,553)**
Balance at end of year	**₱495,636,493**	**₱126,761,771**	**₱622,398,264**

	2021		
	Receivable from tenants	Advances to private companies	Total
Balance at beginning of year	₱70,256,455	₱126,761,771	₱197,018,226
Provision during the year (Note 24)	427,750,934	–	427,750,934
Recoveries (Note 24)	(821,343)	–	(821,343)
Balance at end of year	₱497,186,046	₱126,761,771	₱623,947,817

Set out below is the information about the credit risk exposure on the Group's accounts receivable from third party tenants using a provision matrix:

	2022					
		Days past due				
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Total**
Average expected credit loss rates	**3.34%**	**5.75%**	**10.04%**	**13.75%**	**11.20%**	
Amount of exposure at default net of advance rent and security deposits	**₱42,987,382**	**₱8,357,504**	**₱449,441**	**₱7,811,847**	**₱77,662,922**	**₱137,269,096**
Expected credit loss	**₱1,436,931**	**₱480,358**	**₱45,119**	**₱1,074,323**	**₱8,698,848**	**₱11,735,579**

	2021					
	Current	Days past due				
		1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Average expected credit loss rates	2.39%	18.60%	3.51%	18.60%	17.03%	
Amount of exposure at default net of advance rent and security deposits	₱48,695,879	₱4,621,437	₱–	₱3,576,397	₱129,806,056	₱186,699,769
Expected credit loss	₱1,163,655	₱860,164	₱–	₱665,382	₱22,103,040	₱24,792,241

In 2022, the Group has no specifically impaired receivables. In 2021, out of the total impairment loss of ₱427.75 million, ₱402.96 million pertains to specifically impaired receivables, while ₱24.79 million is from generally impaired receivables from expected credit loss testing.

For 2021, the specifically identified impaired accounts pertain to tenants which were affected by the pandemic, thus terminated the lease contracts prior to the original end date.

For the accounts receivable from related party tenants, the expected credit loss from the impairment exercise using a provision matrix is zero (see Note 5).

12. Real Estate Inventories

The rollforward analysis of this account follows:

	2022	2021
Balance at beginning of year	**₱49,596,883,277**	₱44,371,142,367
Construction/development costs incurred	**5,869,649,043**	7,974,884,814
Borrowing costs capitalized (Note 25)	**2,943,918,362**	2,752,396,474
Purchases of construction materials and others	**463,973,383**	2,808,258,415
Additions to land	**202,442,008**	223,604,528
Costs of real estate sales (Note 24)	**(5,542,966,656)**	(8,533,403,321)
Balance at end of year	**₱53,533,899,417**	₱49,596,883,277

The real estate inventories are carried at cost. No inventory is recorded at amount lower than its cost in 2022 and 2021.

This account consists of:

	2022	2021
Subdivision land for sale	**₱23,054,061,619**	₱22,396,410,973
Subdivision land for development	**17,825,746,331**	15,571,966,320
Condominium units for sale and development	**9,732,496,239**	8,032,052,902
Construction materials and others	**1,742,298,708**	2,334,501,879
Residential house for sale and development	**1,179,296,520**	1,261,951,203
	₱53,533,899,417	₱49,596,883,277

Subdivision land (e.g., lot only for sale) for sale and development includes real estate subdivision projects in which the Group has been granted License to Sell (LTS) by the Housing and Land Use Regulatory Board of the Philippines. It also includes raw land inventories that are under development and those that are about to undergo development.

Construction materials pertain to supplies, such as but not limited to steel bars, cement, plywood and hollow blocks, used in the construction and development. These are expected to be utilized within one year and included in the cost of real estate inventories upon utilization.

Real estate inventories recognized as costs of real estate sales amounted to ₱5,542.97 million in 2022, ₱8,533.40 million in 2021, ₱12,020.71 million in 2020, and are included as costs of real estate sales in the consolidated statements of comprehensive income (see Note 24).

Borrowing cost capitalized to inventories amounted to ₱2,943.92 million, ₱2,752.40 million and ₱2,299.96 million in 2022, 2021 and 2020, respectively (see Note 25). The capitalization rate used to determine the borrowing costs eligible for capitalization is 6.47%, 6.66% and 6.51% in 2022, 2021 and 2020, respectively.

13. Other Current Assets

This account consists of:

	2022	2021
Input VAT	**₱3,423,807,481**	₱3,363,988,757
Creditable withholding taxes	**1,575,617,117**	1,593,959,198
Prepaid expenses	**546,331,346**	472,954,047
Restricted cash	**168,872,823**	147,980,409
Others	**10,129,811**	8,327,049
	₱5,724,758,578	₱5,587,209,460

Input VAT
Input VAT is a tax imposed on purchases of goods, professional and consulting services, and construction costs. These are available for offset against output VAT in future periods.

Creditable withholding taxes
Creditable withholding taxes pertain to taxes withheld by the customer and are recoverable and can be applied against income tax in future periods. For the years ended December 31, 2022, 2021 and 2020, creditable withholding taxes applied to income tax payable amounting to ₱819.85 million, ₱857.63 million and ₱738.95 million, respectively.

Prepaid expenses
Prepaid expenses mainly include advertising and marketing fees, taxes and licenses, rentals and insurance paid in advance. These are to be fully amortized within one year.

Restricted cash
Cash restricted for use are deposits restricted solely for payment of the principal amortization and interest of certain bank loans. These deposits bear prevailing interest rates and will be retained as deposits until the bank loans are fully paid. Deposit balance should be equivalent to two quarters of debt amortization. Interest income from cash restricted for use amounted to ₱2.83 million, ₱5.40 million and ₱10.25 million in 2022, 2021 and 2020, respectively (see Note 25). The current and noncurrent portion of the restricted cash pertain to the two quarters of debt amortization for the bank loans maturing on or before December 31, 2023 and bank loans maturing beyond December 31, 2023, respectively. The noncurrent portion of this account is presented as noncurrent restricted cash under "Other noncurrent assets" in the Group's consolidated statements of financial position (see Note 17).

14. Investment Properties

The rollforward of analysis of this account follows:

	2022				
	Land and Land Developments	**Building and Building Improvements**	**Construction in Progress**	**Right-of-use Assets**	**Total**
Cost					
Balances at beginning of year	**₱54,885,059,901**	**₱55,230,455,639**	**₱10,291,000,968**	**₱5,066,106,297**	**₱125,472,622,805**
Additions	**4,176,424,076**	**1,640,235,738**	**2,933,530,813**	**–**	**8,750,190,627**
Write off (Note 24)	**–**	**(1,962,779,198)**	**(193,756,164)**	**–**	**(2,156,535,362)**
Reclassifications	**–**	**2,187,263,852**	**(2,187,263,852)**	**–**	**–**
Balances at end of year	**59,061,483,977**	**57,095,176,031**	**10,843,511,765**	**5,066,106,297**	**132,066,278,070**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**–**	**11,964,167,066**	**–**	**516,628,719**	**12,480,795,785**
Depreciation and amortization (Note 24)	**–**	**2,239,064,970**	**–**	**175,989,721**	**2,415,054,691**
Write off (Note 24)	**–**	**(1,173,170,305)**	**–**	**–**	**(1,173,170,305)**
Balances at end of year	**–**	**13,030,061,731**	**–**	**692,618,440**	**13,722,680,171**
Net Book Value	**₱59,061,483,977**	**₱44,065,114,300**	**₱10,843,511,765**	**₱4,373,487,857**	**₱118,343,597,899**

	2021				
	Land and Land Developments	Building and Building Improvements	Construction in Progress	Right-of-use Assets	Total
Cost					
Balances at beginning of year	₱52,827,294,001	₱36,646,397,951	₱24,220,924,186	₱2,218,032,322	₱115,912,648,460
Additions	2,057,765,900	332,121,577	4,322,012,893	2,848,073,975	9,559,974,345
Reclassifications	–	18,251,936,111	(18,251,936,111)	–	–
Balances at end of year	54,885,059,901	55,230,455,639	10,291,000,968	5,066,106,297	125,472,622,805
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	9,699,091,194	–	340,638,998	10,039,730,192
Depreciation and amortization (Note 24)	–	2,265,075,872	–	175,989,721	2,441,065,593
Balances at end of year	–	11,964,167,066	–	516,628,719	12,480,795,785
Net Book Value	₱54,885,059,901	₱43,266,288,573	₱10,291,000,968	₱4,549,477,578	₱112,991,827,020

Investment properties consist mainly of land and land developments while the building and building improvements, construction in progress and right of use asset pertain to leasehold improvements related to leasing activities as commercial centers. These include properties, currently being leased out, for future leasing or currently held for capital appreciation. The commercial centers include retail malls, commercial centers within residential projects, Vistamalls and Starmalls that are located in key cities and municipalities in the Philippines and office spaces.

Rental income earned from investment properties amounted to ₱13,742.26 million, ₱9,312.72 million and ₱7,196.73 million in 2022, 2021 and 2020, respectively. Repairs and maintenance costs recognized under "Operating expenses" arising from investment properties amounted to ₱156.65 million, ₱160.53 million and ₱188.80 million for the years ended December 31, 2022, 2021 and 2020, respectively (see Note 24). Cost of property operations amounted to ₱5,625.67 million, ₱4,069.32 million and ₱3,983.47 million for the years ended December 31, 2022, 2021 and 2020, respectively (see Note 24). For the terms and conditions on the lease, refer to Note 34.

As of December 31, 2022 and 2021, the aggregate fair values of investment properties amounted to ₱523,562.33 million and ₱371,951.70 million, respectively, using Level 3 (significant unobservable inputs).

The fair values of the investment properties held for leasing were determined by independent professionally qualified appraisers while that for land and land developments were determined by management.

In both years, in the determination of fair values, market value approach method was used for land and land development, income approach method was used for completed and substantially completed malls and office buildings for rent and cost approach method was used for construction in progress under early stage of construction and discounted cash flow method was used for right-of-use asset.

The key assumptions used to determine the fair value of the investment properties held for leasing are the estimated rental value per sqm per year, rental growth rate per annum, vacancy rate and discount rate. The discount rate used in the valuation are discount rates range from 8.77% to 9.70% and 8.10% to 8.69% in 2022 and 2021, respectively. Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate, and an opposite change in the long-term vacancy rate.

The parcels of land are mainly located in Bulacan, Tagaytay, Tanza, Bacoor, Dasmariñas, General Trias, Caloocan, Imus, Laguna, Muntinlupa, Nueva Ecija, Pangasinan, Isabela, Tarlac, Ilocos Sur, Iloilo, Sta. Barbara, Tagaytay, Cagayan de Oro. The market price per square meter of the land ranges between ₱6,510 to ₱184,757 in Mega Manila, ₱5,500 to ₱21,400 in Northern Luzon, ₱4,504 to ₱19,752 in Southern Luzon, ₱5,500 to ₱17,300 in Central Luzon, ₱5,000 to ₱109,639 in Visayas, and ₱4,400 to ₱48,252 in Mindanao.

The fair value measurement using unobservable data in active market is Level 3 of the fair value hierarchy.

The estimated useful life of the investment properties other than land is 10 to 40 years.

Investment properties with carrying value of ₱370.56 million and ₱4,547.55 million are used to secure the bank loans of the Group as of December 31, 2022 and 2021, respectively (see Note 20). The fair value of the investment properties used as collateral amounted to ₱22,055.08 million and ₱36,091.97 million under income approach as of December 31, 2022 and 2021, respectively.

Borrowing cost capitalized to investment properties amounted to ₱2,702.61 million, ₱3,671.16 million and ₱3,716.70 million for years ended December 31, 2022, 2021 and 2020, respectively (see Note 25). The capitalization rates used to determine the borrowing costs eligible for capitalization is 6.47%, 6.66% and 6.51% in 2022, 2021 and 2020, respectively, for general borrowings and ranges from 5.70% to 8.25% for specific borrowings in 2022, 2021 and 2020.

Amortization expense related to right-of-use assets amounted to ₱175.99 million, ₱175.99 million and ₱210.76 million for the years ended December 31, 2022, 2021 and 2020, respectively. Right-of-use asset is amortized over a period of 11 to 30 years.

On January 8, 2022, a fire hit Star Mall Alabang in Muntinlupa City which resulted to loss of assets with carrying value of ₱983.37 million (see Note 24).

The total contractual obligations to either purchase or construct or develop investment properties or for repairs, maintenance and enhancement amounted to ₱2,139.91 million and ₱2,688.67 million as of December 31, 2022 and 2021, respectively.

15. Property and Equipment

The rollforward analysis of this account follow:

	2022						
	Land	Building and Building Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction Equipment	Other Fixed Assets	Total
Cost							
Balances at beginning of year	**₱83,333,600**	**₱1,190,727,643**	**₱941,358,954**	**₱1,049,843,577**	**₱1,333,412,183**	**₱305,568,320**	**₱4,904,244,277**
Additions	–	**65,491,040**	–	**50,957,987**	–	**38,983,631**	**155,432,658**
Write off (Note 24)	–	–	–	**(8,923,103)**	–	–	**(8,923,103)**
Balances at end of year	**83,333,600**	**1,256,218,683**	**941,358,954**	**1,091,878,461**	**1,333,412,183**	**344,551,951**	**5,050,753,832**
Accumulated Depreciation and Amortization							
Balances at beginning of year	–	**460,787,829**	**743,667,096**	**929,290,053**	**260,053,295**	**193,555,593**	**2,587,353,866**
Depreciation and amortization (Note 24)	–	**10,053,500**	**56,923,978**	**65,510,868**	**12,211,466**	**22,936,235**	**167,636,047**
Write off (Note 24)	–	–	–	**(5,322,569)**	–	–	**(5,322,569)**
Balances at end of year	–	**470,841,329**	**800,591,074**	**989,478,352**	**272,264,761**	**216,491,828**	**2,749,667,344**
Net Book Value	**₱83,333,600**	**₱785,377,354**	**₱140,767,880**	**₱102,400,109**	**₱1,061,147,422**	**₱128,060,123**	**₱2,301,086,488**

	2021						
	Land	Building and Building Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction Equipment	Other Fixed Assets	Total
Cost							
Balances at beginning of year	₱83,333,600	₱1,179,408,402	₱934,606,012	₱1,001,574,083	₱1,201,371,112	₱286,813,261	₱4,687,106,470
Additions	–	11,319,241	6,752,942	48,269,494	132,041,071	18,755,059	217,137,807
Balances at end of year	83,333,600	1,190,727,643	941,358,954	1,049,843,577	1,333,412,183	305,568,320	4,904,244,277
Accumulated Depreciation and Amortization							
Balances at beginning of year	–	420,281,412	694,259,371	860,094,753	233,807,661	173,163,617	2,381,606,814
Depreciation and amortization (Note 24)	–	40,506,417	49,407,725	69,195,300	26,245,634	20,391,976	205,747,052
Balances at end of year	–	460,787,829	743,667,096	929,290,053	260,053,295	193,555,593	2,587,353,866
Net Book Value	₱83,333,600	₱729,939,814	₱197,691,858	₱120,553,524	₱1,073,358,888	₱112,012,727	₱2,316,890,411

Depreciation and amortization expense charged to operations amounted to ₱167.64 million and ₱205.75 million for the years ended December 31, 2022 and 2021, respectively (see Note 24).

The Group performed impairment testing on its hotel property and equipment with carrying value of ₱663.97 million and ₱626.12 million as of December 31, 2022 and 2021, respectively, by assessing its recoverable amount through estimation of its value-in-use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rate of 9.78% with an average growth rate of 4%. The Group also considered in its assumptions the impact of COVID-19 on the occupancy rate and room rates which are not expected to normalize until 2024. As COVID-19 continued, starting September 2020, the hotel property was used as quarantine facility by government which improved its operations. However, starting December 2021, the hotel resumed its commercial operations. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment.

The Group's transportation equipment with a carrying value of ₱9.75 million and ₱7.69 million as of December 31, 2022 and 2021, respectively, were pledged as collateral under chattel mortgage to secure the car loans of the Group with various financial institutions (see Note 20).

The fire resulted to a loss of assets with carrying value of ₱3.57 million (see Note 24).

16. Project Development Costs

Project development costs pertain to (a) advances to a related party, covered by memorandum of agreement for the purchase of socialized housing units, (b) advances to third and related parties for project developments.

The requirement for socialized housing units is required by the Housing and Land Use Regulatory Board (HLURB) (see Note 29). These advances are recouped upon receipt of the socialized housing units from Bria Homes. On December 23, 2019, the Group entered into a Memorandum of Agreement with Bria Homes, Inc. that stipulated the allocated socialized housing units to the Group from the latter's ongoing and new projects. On December 21, 2020, the Group executed an amended Memorandum of Agreement with Bria Homes, Inc. that stipulated the number of socialized housing credits to be delivered as final settlement of the advances from its on-going projects under different documentation stages after deducting the partial delivery of social housing credits and cash payments.

This account also includes deposits, cash advances and other charges in connection with joint venture agreements and memorandum of agreements entered into by the Group with individuals, corporate entities and related parties for the development of real estate projects. These agreements provide, among others, the following: a) the Group will undertake the improvement and development of the real estate project within a certain period, subject to certain conditions to be fulfilled by the real estate property owner; and b) the parties shall divide among themselves all saleable inventory and commercial development of the real estate project in accordance with the ratio mutually agreed. The real estate projects are in various stages of development from planning to ongoing construction.

17. Investment in Joint Venture and Other Noncurrent Assets

Investment in Joint Venture

Vista Ventures Taft, Inc. (VVTI) was incorporated in the Republic of the Philippines primarily to engage in real estate activities particularly from construction and sale of condominium project at Taft Avenue, Manila. VRI originally subscribed for 4,587,718 shares of stock of VVTI with par value of ₱100 per share amounting to ₱458.77 million. VVTI was previously a wholly owned subsidiary of VRI until VRI executed a joint venture agreement (JVA) with Mitsubishi Estate Corp. (MEC). VVTI is 60% owned by VRI and 40% owned by MEC, however, it was agreed in the JVA that at least affirmative vote of four board representatives are required in board reserved matters which include the budget and design of the condominium project.

VVTI's principal place of business is LGF Bldg B Evia Lifestyle Center, Daang Hari, Almanza Dos, Las Piñas City.

Below is the financial information on VVTI as of December 31, 2022 and 2021:

	2022	2021
Current assets	**₱1,174,604,349**	₱827,965,230
Noncurrent assets	**109,799,098**	48,246,923
Current liabilities	**90,636,796**	51,620,390
Noncurrent liabilities	**393,660,755**	39,989,183
Revenue	**89,215,418**	40,294,783
Net income	**15,503,316**	11,738,425
Total comprehensive income	**15,503,316**	11,738,425

Below is the reconciliation with the carrying amount of the investment in the consolidated financial statements:

	2022	2021
At beginning of year	**₱458,771,799**	₱463,718,493
Share in equity earnings during the year	**9,301,990**	7,043,055
Other adjustments	**–**	(11,989,749)
At end of year	**₱468,073,789**	₱458,771,799

Other Noncurrent Assets

This account consists of:

	2022	2021
Deposits	**₱657,772,888**	₱648,218,371
Model house accessories at cost	**166,240,657**	158,064,972
Cash restricted for use - net (Note 13)	**156,205,793**	71,428,571
Deferred input VAT	**51,706,852**	30,172,860
Systems development costs	**44,901,634**	22,577,696
	₱1,076,827,824	₱930,462,470

Amortization of system development costs amounted to ₱56.16 million, ₱39.77 million and ₱56.71 million for the years ended December 31, 2022, 2021 and 2020, respectively. These are included in the "Depreciation and amortization" account under "Operating expenses" in the consolidated statements of comprehensive income (see Note 24).

18. Accounts and Other Payables

This account consists of:

	2022	2021
Accounts payable		
Suppliers	**₱2,620,364,458**	₱2,380,857,413
Incidental costs	**2,118,285,618**	2,143,941,415
Contractors	**1,931,756,942**	1,493,497,345
Buyers	**1,373,924,136**	1,234,398,158
Commissions payable	**1,857,564,642**	2,053,698,257
Accrued expenses	**1,806,443,825**	1,854,419,766
Current portion of liabilities for purchased land	**1,679,558,285**	1,828,135,487
Current portion of deferred output tax	**1,217,685,114**	968,504,270
Current portion of retention payable	**919,332,613**	999,205,387
Other payables	**365,627,633**	264,788,222
	₱15,890,543,266	₱15,221,445,720

Accounts payable - suppliers
Accounts payable - suppliers represent payables for construction materials, marketing collaterals, office supplies and property and equipment ordered and delivered but not yet due. These are expected to be settled within a year from recognition date.

Accounts payable - incidental costs
Accounts payable - incidental costs pertain to liabilities incurred in relation to land acquired. These include payable for titling costs, clearing, security and such other additional costs incurred.

Accounts payable - contractors
Accounts payable - contractors pertain to contractors' billings for construction services related to the development of various projects of the Group. These are expected to be settled within a year after the financial reporting date.

Accounts payable - buyers
Accounts payable - buyers pertain to refunds arising from the cancellation of contract to sell agreement which is determined based on the required refund under the Maceda Law.

Commissions payable
Commissions payable pertains to fees due to brokers for services rendered which are expected to be settled within one year.

Accrued expenses
Details of accrued expenses as follow:

	2022	2021
Interest	**₱1,442,359,902**	₱1,464,726,858
Subdivision maintenance	**94,018,993**	59,965,057
Contracted services	**43,660,128**	5,451,619
Marketing	**37,610,937**	72,738,402
Rental	**36,044,987**	22,538,894
Light and power	**34,099,817**	39,299,860
Repairs and maintenance	**32,156,650**	52,279,396
Security	**29,459,913**	41,807,446
Management fees	**8,862,300**	6,243,900
Others	**48,170,198**	89,368,334
	₱1,806,443,825	₱1,854,419,766

Liabilities for purchased land
Liabilities for purchased land are payables to various real estate property sellers. Under the terms of the agreements executed by the Group covering the purchase of certain real estate properties, the titles of the subject properties shall be transferred to the Group only upon full payment of the real estate payables. Liabilities for purchased land that are payable beyond one year from reporting date are presented as noncurrent liabilities (see Note 22).

Deferred output tax
Deferred output tax pertains to the VAT charged to the buyers on installment upon contracting of real estate sale but were not yet collected as of reporting date. Further, upon collection of the VAT portion of installment receivables, the equivalent output tax is included in the current VAT payable of the month. Deferred output VAT pertaining to installment receivables that are beyond one year after reporting date are presented as noncurrent liabilities (see Note 22).

Retention payable
Retention payable pertains to 10.00% retention from the contractors' progress billings which will be released after the completion of contractors' project and upon acceptance of the work by the Group. The retention serves as a holdout amount withheld from the contractor to cover for back charges that may arise from quality issues in affected projects. Retention payables that will be settled beyond one year from reporting date are presented as noncurrent liabilities (see Note 22).

Other payables
Other payables include statutory payables which are remitted on a monthly basis.

19. Security Deposits and Advance Rent

This account consists of:

	2022	2021
Current portion of security deposits (Note 22)	**₱996,146,370**	₱929,877,182
Current portion of advance rent (Note 22)	**860,377,419**	799,388,643
	₱1,856,523,789	₱1,729,265,825

Current portion of security deposits
Security deposits represent deposits required by lease agreements. These can be recovered upon termination of the lease agreement through refund or application to unpaid rent and/or other charges. Security deposit also include bond deposits of homeowners for their house extension, fence construction and landscaping works which will be refunded after considering any charges. Current portion are those to be settled within one year from financial reporting date.

Current portion of advance rent
Advance rent includes three-month advance rental paid by lessee as required under lease contract. These will be applied to the first or last three months rental depending on the contract terms of the related lease contract. These also include overpayments made by lessee against its monthly billings which will applied to future billings. Current portion are those to be settled within one year from financial reporting date.

20. Bank Loans and Loans Payable

Bank Loans
Bank loans pertain to the borrowings of the Group from various local financial institutions. These bank loans are obtained to finance capital expenditures and for general corporate purposes.

The rollforward analysis of this account follows:

	2022	2021
Balance at beginning of year	**₱57,096,825,507**	₱42,506,424,550
Availment*	**44,832,843,792**	42,057,325,534
Payment*	**(45,885,053,968)**	(27,466,924,577)
Balance at end of year	**56,044,615,331**	57,096,825,507
Debt issue cost		
Balance at beginning of year	**104,483,644**	132,635,349
Additions	**50,533,616**	37,500,000
Amortizations	**(57,225,046)**	(65,651,705)
Balance at end of year	**97,792,214**	104,483,644
Carrying value	**55,946,823,117**	56,992,341,863
Less current portion	**11,561,568,479**	8,067,321,815
Noncurrent portion	**₱44,385,254,638**	₱48,925,020,048

**Gross of bank loans that were rolled over during the period.*

Details of the bank loans as of December 31, 2022 and 2021 follow:

Loan Type	Date of Availment	2022	2021	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
VLLI							
Bank loan	June 2022	**₱8,958,978,014**	₱–	June 2027	7.13%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	October 2022	**2,500,000,000**	–	November 2023	4.00%	Interest payable monthly and principal payable upon maturity	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured;
Bank loan	June 2021	**3,487,215,026**	4,480,362,099	June 2026	4.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	June 2021	**2,353,055,000**	2,353,055,000	May 2023	3.80%	Interest payable annually, principal payable upon maturity	Secured by hold-out investments at amortized cost
Bank loan	May 2021	**2,178,958,333**	2,488,958,333	May 2026	4.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	March 2020	**2,363,197,742**	3,410,303,073	March 2025	5.15%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	April 2018	**2,000,000,000**	2,800,000,000	April 2025	7.36%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	November 2022 and December 2021	**1,000,000,000**	1,000,000,000	Various maturities, renewed upon maturity subject to change in interest rate	5.00% in 2021, 7.00% in 2022	Interest payable monthly, principal payable annually upon maturity	–
Bank loan	October 2019	**947,368,421**	1,578,947,368	May 2024	5.54%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	October 2016	**600,000,000**	1,400,000,000	October 2023	5.00%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	May 2019	**598,103,702**	994,050,173	May 2024	7.15%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	November 2018	**500,000,000**	1,000,000,000	November 2023	8.17%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries

(Forward)

Loan Type	Date of Availment	2022	2021	Maturity	Interest Rate	Payment Terms	Covenants/Collaterals
Bank loan	October 2018	**₱499,208,548**	₱996,047,132	October 2023	7.99%	Interest and principal payable quarterly	Change of control provision wherein a material change of ownership of the major shareholder is not permitted; Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured; Guaranteed by subsidiaries
Bank loan	September 2016	**369,944,431**	846,273,985	September 2023	5.00%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00; unsecured
Bank loan	Availed and/or renewed in various dates in 2022 and 2021	**24,121,270,533**	31,204,270,534	Various maturities, renewed upon maturity subject to change in interest rate	3.25% to 4.75%	Interest payable monthly and quarterly, principal payable upon maturity	Secured by hold-out of investments at amortized cost
		52,477,299,750	54,552,267,697				
VII							
Bank Loan	June 2022	**1,003,590,000**	–	June 2023	3.77%	Interest and principal payable upon maturity	Unsecured
		1,003,590,000	–				
MAPI							
Bank loan	July 2017	**296,875,000**	384,622,370	June 2027	6.23%	Interest and principal payable monthly	Current ratio of at least 1:1.00; Debt to Equity maximum of 2.50:1.00 and DSCR 1:1.00
Bank loan	Availed in various dates in 2015	–	88,433,700	March 2022	5.46%	Interest and principal payable monthly	With collateral
		296,875,000	473,056,070				
MC							
Bank loan	October 2022	**1,877,523,044**	–	October 2027	7.55%	Interest and principal payable quarterly	With collateral
Bank loan	July 2016	–	1,533,885,970	July 2022	5.75%	Interest and principal payable quarterly	Current ratio of at least 1:1.00; Debt to Equity maximum of 3.00:1.00; with collateral
		1,877,523,044	1,533,885,970				
Brittany							
Bank loan	October 2022	**4,237,586**	–	October 2026	7.47%	Interest and principal payable monthly	Chattel Mortgage
		4,237,586	–				
VRI							
Bank loan	December 2017	**₱285,110,678**	₱433,132,126	December 2024	6.70%	Interest payable quarterly, principal payable upon maturity	Unsecured
Bank loan	Various	**2,187,059**	–	May 2023	10.50%	Interest and principal payable monthly	Chattel mortgage
		287,297,737	433,132,126				
		55,946,823,117	56,992,341,863				
Less current portion		**11,561,568,479**	8,067,321,815				
Bank loans, net of current portion		**₱44,385,254,638**	₱48,925,020,048				

In June 2022, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱10,000.00 million which bears annual fixed interest of 7.13%, payable quarterly. The principal balance of the loan will be paid in 20 equal quarterly installments commencing on the first interest payment date subject to prepayment option.

In June 2021, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱5,000.00 million which bears annual fixed interest of 4.75%, payable quarterly. The principal balance of the loan will be paid in 20 equal quarterly installments commencing on the second interest payment date subject to prepayment option.

In June 2021, the Parent Company obtained a 2-year unsecured peso denominated loan amounting to ₱2,353.06 million which bears annual fixed interest of 3.80%, payable on maturity date.

In May 2021, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱2,500.00 million which bears annual fixed interest of 4.75%, payable quarterly. The principal balance of the loan will be paid in 16 equal quarterly installments commencing on the fifth interest payment date subject to prepayment option.

In March 2020, the Parent Company obtained a 5-year unsecured peso denominated loan amounting to ₱5,000.00 million which bears annual fixed interest of 4.89%, payable quarterly. The principal balance of the loan will be paid in 19 equal quarterly installments commencing September 2020.

The Parent Company has various peso-denominated bank loans with fixed interest-rates ranging from 3.25% to 7.99% per annum and 3.25% to 5.00% per annum as of December 31, 2022 and 2021, respectively. In 2022 and 2021, these bank loans are renewable upon maturity subject to change in interest rates and/or hold-out amount of the investments in debt securities investments of VII. These loans are secured by hold-out of the investments at amortized cost of VII amounting to US$552.937 million (₱30,829.00 million) and US$753.34 million (₱38,419.75 million) as of December 31, 2022 and 2021, respectively. No fees are charged by VII for its investments held as security.

As disclosed in Notes 10, 14, and 15, certain investments at amortized cost, property and equipment, and investment properties are used as collateral to the bank loans.

Subsidiaries of the Parent Company namely, Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences, Inc. acted as guarantors for selected bank loans of the Parent Company. No fees are charged for these guarantee agreements.

Loans Payable
These loans bear annual fixed interest rates ranging from 6.00% to 6.75% and 6.00% to 8.00% as at December 31, 2022 and 2021, respectively, payable on equal monthly installment over a maximum period of 10 years. Installment contracts receivable serve as collateral to the loans payable (see Note 11).

Movement of loans payable follows:

	2022	2021
Balance at beginning of year	**₱3,779,511,014**	₱4,321,894,645
Availments	**4,715,767,761**	2,859,085,791
Payments	**(3,160,659,623)**	(3,401,469,422)
Balance at end of year	**5,334,619,152**	3,779,511,014
Less current portion	**3,767,253,212**	3,460,145,095
Noncurrent portion	**₱1,567,365,940**	₱319,365,919

Interest expense on bank loans and loans payable amounted to ₱3,197.46 million, ₱2,883.09 million and ₱2,685.36 million in 2022, 2021 and 2020, respectively (see Note 25).

The Group was able to comply with the loan covenants as of December 31, 2022 and 2021.

21. Notes Payable

This account consists of:

	2022	2021
Dollar denominated bonds	**₱42,931,186,590**	₱58,035,394,989
Corporate note facility	**34,628,130,134**	25,050,886,919
Retail bonds	**24,888,886,717**	24,843,951,615
	102,448,203,441	107,930,233,523
Less current portion	**12,745,831,195**	24,170,708,067
Noncurrent portion	**₱89,702,372,246**	₱83,759,525,456

A. Dollar Denominated Bonds

a. US$220.00 million Notes (Due July 2027)
On May 17, 2021, VII (the Issuer) issued US$170.00 million notes (“Notes”) with a term of six years from initial drawdown date. The interest rate is 7.25% per annum, payable semi-annually in arrears on January 20 and July 20 of each year beginning on January 20, 2022. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022 and 2021, outstanding balance of the note amounted to US$173.68 million (₱9,683.72 million) and US$168.42 million (₱8,887.39 million), respectively.

On June 1, 2021, VII issued an additional US$50.00 million unsecured note, with similar terms and conditions as the above notes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022 and 2021, outstanding balance of the note amounted to US$51.08 million (₱2,848.15 million) and US$49.54 million (₱2,620.38 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after July 20, 2024 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on July 20 of the years set forth below:

Period	Price
2024	103.6250%
2025	101.8125%
2026 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.
As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2022 and 2021.

b. US$200.00 million Notes (Due July 2027)
On July 20, 2020, VII (the Issuer) issued US$ 200.00 million notes (“Notes”) with a term of seven years from initial drawdown date. The interest rate is 7.25% per annum, payable semi-annually in arrears on January 20 and July 20 of each year beginning on January 20, 2021. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022 and 2021, outstanding balance of the note amounted to US$198.30 million (₱11,056.18 million) and US$197.99 million (₱10,097.07 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after July 20, 2024 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on July 20 of the years set forth below:

Period	Price
2024	103.6250%
2025	101.8125%
2026 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2022 and 2021.

c. <u>US$350.00 million Notes (Due November 2024)</u>
On November 28, 2017, VII (the Issuer) issued US$350.00 million notes ("Notes") with a term of seven years from initial drawdown date. The interest rate is 5.75% per annum, payable semi-annually in arrears on May 28 and November 28 of each year beginning on November 28, 2017. The Notes were used to refinance existing debt as a result of liability management exercise and excess proceeds were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022, and 2021, outstanding balance of the note amounted to US$346.93 million (₱19,343.13 million) and US$345.42 million (₱17,616.19 million), respectively.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes on any business day or after November 28, 2021 and up to but excluding the Maturity date, the Issuer may on one or more occasions redeem all or part of the Notes, at the redemption price, plus accrued and unpaid interest, if any, to (but not including) the date of redemption, if redeemed during the 12-month period commencing on November 28 of the years set forth below:

Period	Price
2021	102.8750%
2022	101.4375%
2023 and thereafter	100.0000%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2022 and 2021.

d. <u>US$425.00 million Notes (Due June 2022)</u>
On June 18, 2015, VII (the Issuer) issued US$300.00 million notes ("Notes") with a term of seven years from initial draw down date. The interest rate is 7.375% per annum, payable semi-annually in arrears on June 18 and December 17 of each year beginning on December 17, 2015. The Notes were used to refinance existing debt and for general corporate purposes. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022, the amount due was fully paid. The outstanding balance of the note amounted to US$243.94 million (₱12,440.81 million) as of December 31, 2021.

On February 2, 2016, an additional unsecured note, with the same terms and conditions with the above notes, were issued by the Group amounting to US$125.00 million. The notes were issued at 102% representing yield to maturity of 6.979%. There are no properties owned by the Group that were pledged as collateral to this note. As of December 31, 2022, the amount due was fully paid. The outstanding balance of the note amounted to US$124.97 million (₱6,373.55 million) as of December 31, 2021.

Redemption at the option of the Issuer
At any time, the Issuer may on any one or more occasions redeem all or a part of the Notes, by giving notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of the person in whose name the Notes is registered on the relevant record date to receive interest due on the relevant interest payment date.

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Notes, the subsidiaries of the Issuer that acted as guarantors, irrevocably and unconditionally, are: Vista Land & Lifescapes, Inc., Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Notes provide for the Group to comply with certain covenants including, among others, incurrence of additional debt; grant of security interest; payment of dividends; mergers and acquisitions and disposals; and certain other covenants.

The incurrence test for additional debt requires the Group to have a (Fixed Charge Coverage Ratio) FCCR of not less than 2.25x.

The Group was able to comply with loan covenants as of December 31, 2021.

B. Corporate Note Facility

a. ₱6,000.00 million Corporate Notes (Due March 2027)
On March 28, 2022, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Five-Year Corporate Notes due 2027 amounting to ₱4,000.00 million at a fixed rate of 6.64% per annum, payable in equal 18 quarters commencing on the second interest payment date.

On June 1, 2022, an additional issuance of Corporate Notes was made in the amount of ₱2,000.00 million due 2027, at a fixed interest of 7.24% per annum, payable in equal 18 quarters commencing on the second interest payment date.

The proceeds of the corporate notes were used for refinancing of existing or maturing obligations of the Parent Company, and for other general corporate purposes. The issue cost amounted to ₱51.36 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, the outstanding balance of the Corporate Notes is ₱5,961.35 million.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
3rd anniversary from issue date and interest payment thereafter	102.00%
4th anniversary from issue date and interest payment thereafter	101.00%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio of at least 1.00, maximum debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022.

b. ₱12,000.00 million Corporate Notes (Due December 2025)
On December 28, 2022, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Three-Year Corporate Notes due 2025 amounting to ₱8,600.00 million at a fixed rate of 7.93% per annum, payable on maturity date.

The proceeds of the corporate notes were used for refinancing of existing or maturing obligations of the Parent Company, and for other general corporate purposes. The issue cost amounted to ₱51.77 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, the outstanding balance of the Corporate Notes is ₱8,548.23 million.

The Corporate Notes do not provide early redemption at the option of the Issuer.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio of at least 1.00, maximum debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022.

c. ₱15,000.00 million Corporate Notes (Due July 2024)
On July 15, 2019, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes consisting of Five-Year Corporate Notes due 2024 amounting to ₱14,500.00 million at a fixed rate of 6.77% per annum, payable quarterly.

On October 17, 2019, an additional issuance of Corporate Notes was made in the amount of ₱500.00 million due 2024, at a fixed interest of 6.77% per annum, payable quarterly.

The proceeds of the corporate notes were utilized for the 2019 capital expenditures for commercial property projects, and to fund other general corporate expenses of the Group. The issue cost amounted to ₱159.91 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, and 2021, the outstanding balance of the Corporate Notes is ₱6,543.95 million and ₱10,264.44 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
3rd anniversary from issue date and interest payment thereafter	101.00%
4th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022 and 2021.

d. <u>₱8,200.00 million Corporate Notes (Due July 2025 and 2028)</u>
On July 11, 2018, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long term corporate notes consisting of Seven-Year Corporate Notes due 2025 amounting to ₱1,700.00 million at a fixed rate of 7.4913% per annum, payable quarterly and Ten-Year Corporate Notes due 2028 amounting to ₱6,000.00 million at a fixed rate of 7.7083% per annum, payable quarterly.

On July 25, 2018, an additional issuance of Corporate Notes was made in the amount of ₱500.00 million due 2025, at a fixed interest of 7.4985% per annum.

The proceeds of the corporate notes were utilized for the 2018 capital expenditures for commercial property projects, and to fund other general corporate expenses of the Group. The issue cost amounted to ₱105.30 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, and 2021, the outstanding balance of the Corporate Notes is ₱4,810.31 million and ₱5,830.13 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

<u>Seven Year Notes:</u>

Early Redemption Date	Early Redemption Amount
5th anniversary from issue date and interest payment thereafter	101.00%
6th anniversary from issue date and interest payment thereafter	100.50%

<u>Ten Year Notes:</u>

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022 and 2021.

e. <u>₱10,000.00 million Corporate Notes (Due December 2026)</u>
On December 28, 2016, the Parent Company (the Issuer) entered into a Corporate Notes Facility Agreement for the issuance of a long-term corporate notes with a principal amount of up to ₱8,000.00 million. On April 21, 2017, a consent solicitation was made for amendments to include among others, increasing the Corporate Notes principal amount to up to ₱10,000.00 million in respect to the second drawdown. Such amendments were consented by Note Holders representing at least fifty one percent (51%) of the outstanding Corporate Notes.

On April 27, 2017, the Issuer made such amendments to the Corporate Note Facility dated December 28, 2016. The first drawdown was at ₱5,150.00 million in 2016, at fixed interest of 6.19% per annum, payable quarterly. On May 3, 2017, the Issuer made its second drawdown at ₱4,850.00 million, at fixed interest of 6.23% per annum, payable quarterly.

The proceeds of the Corporate Notes were utilized for the 2017 capital expenditures, refinancing of existing indebtedness and to fund other general corporate expenses. The issue cost amounted to ₱38.72 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

As of December 31, 2022, and 2021, the outstanding balance of the Corporate Notes is ₱8,764.30 million and ₱8,956.32 million, respectively.

The Corporate Notes provide early Redemption at the option of the Issuer as follows:

Early Redemption Date	Early Redemption Amount
7th anniversary from issue date and interest payment thereafter	102.00%
8th anniversary from issue date and interest payment thereafter	101.00%
9th anniversary from issue date and interest payment thereafter	100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

As part of the issuance of the Corporate Notes, the subsidiaries of the Parent Company that acted as guarantors, irrevocably and unconditionally, are: Brittany Corporation, Camella Homes, Inc., Crown Asia Properties, Inc., Communities Philippines, Inc., Vistamalls, Inc. (formerly Starmalls, Inc.) and Vista Residences Inc. No fees are charged for these guarantee agreements.

Covenants
The Corporate Notes requires the Issuer to maintain the pari passu ranking with all and future unsecured and unsubordinated indebtedness except for obligations mandatorily preferred or in respect of which a statutory preference is established by law.

The Issuer is also required to maintain at all times the following financial ratios: current ratio at 1.00, debt to equity at 2.50 and debt service coverage ratio of at least 1.00. These were complied with by the Group as at December 31, 2022 and 2021.

C. Retail Bonds

a. 2019 Fixed-rate Peso Retail Bonds
On December 18, 2019, the Parent Company (the Issuer) issued an unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance were used to fund the construction and completion of the various malls and condominium projects, redevelopment of existing malls, as well as for general corporate purposes. The issue costs amounted ₱91.07 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on June 18, 2025 with interest rate of 5.70% per annum. This is the third and last tranche offered out of the shelf registration of Peso Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million and initial tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱30,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 18, 2020, for the first interest payment date and on June 18, September 18, December 18 each year for each subsequent payment date.

As of December 31, 2022, and 2021, the outstanding balance of the Retail Bonds is ₱9,955.86 million and ₱9,941.34 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

i. Three (3) years from issue date at early redemption price of 101.00%
ii. Four (4) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2022 and 2021.

b. 2018 Fixed-rate Peso Retail Bonds
On December 21, 2018, the Parent Company (the Issuer) issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱10,000.00 million. The proceeds of the issuance were used to fund the construction and completion of the various malls and for general corporate purposes. The issue costs amounted to ₱130.20 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Retail Bonds due on December 21, 2023 with interest rate of 8.00% per annum and 7-year Retail Bonds due on December 21, 2025 with interest rates 8.25% per annum. This is the second tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on March 21, 2019 for the first interest payment date and on March 21, June 21, September 21 and December 21 each year for each subsequent payment date.

As of December 31, 2022, and 2021, the outstanding balance of the Retail Bonds is ₱9,957.33 million and ₱9,935.40 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

a) 5-year Bonds:
   i. Three (3) years from issue date at early redemption price of 101.00%
   ii. Four (4) years from issue date at early redemption price of 100.50%
b) 7-year Bonds:
   i. Five (5) years from issue date at early redemption price of 101.00%
   ii. Six (6) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer

to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2022, and 2021.

c. <u>2017 Fixed-rate Peso Retail Bonds</u>
On August 8, 2017, the Parent Company (the Issuer) issued unsecured fixed-rate Peso Retail Bonds with an aggregate principal amount of ₱5,000.00 million. The proceeds of the issuance were used to partially finance certain commercial development projects and for general corporate purposes. The issue costs amounted to ₱64.87 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 7-year Retail Bonds due on August 8, 2024 with interest rate of 5.75% per annum and 10-year Retail Bonds due on August 9, 2027 with interest rate of 6.23% per annum. This is the initial tranche offered out of the shelf registration of Retail Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Retail Bonds is payable quarterly in arrears starting on November 8, 2017 for the first interest payment date and on February 8, May 8, August 8 and November 8 each year for each subsequent payment date.

As of December 31, 2022, and 2021, the outstanding balance of the Retail Bonds is ₱4,975.70 million and ₱4,967.26 million, respectively.

Redemption at the option of the Issuer
The Issuer may redeem in whole, the outstanding Retail Bonds on the following relevant dates. The amount payable to the bondholders upon the exercise of the early redemption option by the Issuer shall be calculated, based on the principal amount of Retail Bonds being redeemed, as the sum of: (i) accrued interest computed from the last interest payment date up to the relevant early redemption option date; and (ii) the product of the principal amount of the Retail Bonds being redeemed and the early redemption price in accordance with the following schedule:

a) 7-year Bonds:
  i. Five (5) years and six (6) months from issue date at early redemption price of 101.00%
  ii. Six (6) years from issue date at early redemption price of 100.50%

b) 10-year Bonds:
  i. Seven (7) years from issue date at early redemption price of 102.00%
  ii. Eight (8) years from issue date at early redemption price of 101.00%
  iii. Nine (9) years from issue date at early redemption price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants
The Retail Bonds provide for the Issuer to comply with covenants including, among others, incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; consolidation or merger with other entities; and certain other covenants. The Retail Bonds requires the Issuer

to maintain a current ratio of at least 1.00:1.00, a maximum debt-to-equity ratio of 2.50:1.00 and a DSCR of at least 1.00:100. These were complied with by the Group as at December 31, 2022 and 2021.

Movement of notes payable follows:

	2022	2021
Principal		
Balance at beginning of year	**₱109,020,005,567**	₱100,326,059,510
Drawdown	**14,600,000,000**	10,909,807,626
Principal payments	**(23,876,278,143)**	(5,657,071,600)
Translation adjustment	**2,991,762,376**	3,441,210,031
Balance at end of year	**102,735,489,800**	109,020,005,567
Debt issue cost		
Balance at January 1	**1,089,772,044**	1,322,490,996
Addition	**103,531,880**	104,094,100
Debt issue cost amortization	**(894,209,203)**	(267,559,605)
Translation adjustment	**(11,808,362)**	(69,253,447)
Balance at end of year	**287,286,359**	1,089,772,044
Carrying value	**102,448,203,441**	107,930,233,523
Less current portion	**12,745,831,195**	24,170,708,067
Noncurrent portion	**₱89,702,372,246**	₱83,759,525,456

Interest expense on Notes payable amounted to ₱7,279.84 million, ₱7,560.99 million and ₱6,754.93 million in 2022, 2021 and 2020, respectively (see Note 25).

The Group was able to comply with the loan covenants as of December 31, 2022 and 2021.

22. Other Noncurrent Liabilities

This account consists of:

	2022	2021
Liabilities for purchased land - net of current portion (Note 18)	**₱1,239,086,896**	₱1,454,202,032
Retention payable - net of current portion (Note 18)	**728,337,670**	620,456,341
Deferred output tax - net of current portion (Note 18)	**711,514,445**	865,199,085
Security deposits - net of current portion (Note 19)	**432,970,627**	462,052,831
Advance rent - net of current portion (Note 19)	**67,088,536**	119,495,067
	₱3,178,998,174	₱3,521,405,356

23. **Equity**

Capital Stock
The details of the Parent Company's capital stock as at December 31 follow:

	2022	2021	2020
Common			
Authorized shares	**17,900,000,000**	17,900,000,000	17,900,000,000
Par value per share	**₱1.00**	₱1.00	₱1.00
Issued shares	**13,114,136,376**	13,114,136,376	13,114,136,376
Outstanding shares	**11,945,799,461**	11,945,799,461	11,945,799,461
Value of shares issued	**₱13,114,136,376**	₱13,114,136,376	₱13,114,136,376
Preferred Series 1			
Authorized shares	**8,000,000,000**	8,000,000,000	8,000,000,000
Par value per share	**₱0.01**	₱0.01	₱0.01
Issued and outstanding shares	**3,300,000,000**	3,300,000,000	3,300,000,000
Value of shares issued	**₱33,000,000**	₱33,000,000	₱33,000,000
Preferred Series 2			
Authorized shares	**200,000,000**	200,000,000	200,000,000
Par value per share	**₱0.10**	₱0.10	₱0.10
Issued and outstanding shares	**–**	–	–
Value of shares issued	**₱–**	₱–	₱–

Preferred Series 1
Voting, non-cumulative, non-participating, non-convertible and non-redeemable. The BOD may determine the dividend rate which shall in no case be more than 10.00% per annum.

Preferred Series 2
On June 17, 2019, the Stockholders approved the reclassification of the unissued preferred capital stock of the Parent Company to create Two Hundred Million (200,000,000) non-voting, cumulative, non-participating, non-convertible and redeemable Series 2 preferred shares with par value of ₱0.10 each and the corresponding amendment of the Articles of Incorporation of the Parent Company. The Board likewise approved the shelf registration and listing of such redeemable Series 2 preferred shares.

The terms and conditions of any offering of the Series 2 preferred shares, including the dividend rate, redemption prices, and similar matters will be determined by the Board of Directors at a later date. None of these reclassified preferred shares are issued as of December 31, 2022 and 2021.

Registration Track Record
On July 26, 2007, the Parent Company launched its follow-on offer where a total of 8,538,740,614 common shares were offered at an offering price of ₱6.85 per share. The registration statement was approved on June 25, 2007.

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2022:

	Number of Shares Registered	Number of holders of securities as of year end
December 31, 2020	13,114,136,376	946
Add/(Deduct) Movement	–	(2)
December 31, 2021	13,114,136,376	944
Add/(Deduct) Movement	–	(10)
December 31, 2022	**13,114,136,376**	**934**

Treasury Shares
Treasury shares totaling 416,128,700 of the Parent Company amounting to ₱2,361.98 million as of December 31, 2022 and 2021 represents the shares of stock held by the Parent Company, while treasury shares (752,208,215) amounting to ₱5,378.29 million for both 2022 and 2021 represents Parent Company stocks held by Manuela. These treasury shares are recorded at cost.

On November 5, 2018, the BOD of the Parent Company approved the extension of the Share Buyback Program up to November 5, 2020 subject to the prevailing market price at the time of the buyback over a 24-month period but subject to periodic review by the management.

The movement in the Parent Company's treasury shares follows:

	2022		2021		2020	
	Shares	Amount	Shares	Amount	Shares	Amount
At January 1	**1,168,336,915**	**₱7,740,264,387**	**1,168,336,915**	**₱7,740,264,387**	1,168,336,915	₱7,740,264,387
Additions	–	–	–	–	–	–
At December 31	**1,168,336,915**	**₱7,740,264,387**	**1,168,336,915**	**₱7,740,264,387**	1,168,336,915	₱7,740,264,387

Retained Earnings
Retained earnings include the accumulated equity in undistributed earnings of consolidated subsidiaries amounting to ₱81,670.79 million and ₱68,470.10 million as at and December 31, 2022 and 2021, respectively.

Also, the retained earnings is restricted to payments of dividends to the extent of cost of treasury shares in the amount of ₱2,361.98 million as at December 31, 2022 and 2021.

The BOD of the Parent Company approved the declaration of regular cash dividend amounting to ₱348.36 million or ₱0.0292 per share, ₱298.64 million or ₱0.03 per share, and ₱597.29 million or ₱0.05 per share on September 30, 2022, September 30, 2021 and September 30, 2020, respectively. The dividend declarations are in favor of all stockholders of record as of October 14, 2022, October 15, 2021 and October 16, 2020 and paid on October 28, 2022, October 29, 2021 and October 30, 2020, respectively.

Noncontrolling Interest
Sale of VistaREIT, Inc.'s share through a public listing
On June 15, 2022, the Group sold through a public listing its 39.91% effective noncontrolling interest in VistaREIT, Inc. at ₱1.75 per share. As a result of the sale and buy-back transactions, the Group's ownership interest in VistaREIT, Inc. was diluted from 98.94% to 60.09%. In relation to the dilution without loss of control, the impact to the Group's additional paid-in-capital amounted to

₱29.28 million. The Group's noncontrolling interest increased by ₱4,197.40 million, as a result of the public offering of VistaREIT, Inc. The difference between the consideration and carrying value of the noncontrolling interest was credited to additional paid-in-capital as shown below:

	Consideration received, net of expenses	Carrying value of Non-controlling interests deemed disposed	Difference recognized within Equity as Additional paid-in-capital
39.91% in VistaREIT, Inc.	₱4,226,683,974	₱4,197,400,031	₱29,283,943

Dividends declaration
The BOD of Vistamalls, Inc. (formerly Starmalls, Inc.) approved the declaration of regular cash dividend amounting to ₱220.43 million or ₱0.0262 per share and ₱135.99 million or ₱0.02 per share on September 30, 2022 and September 30, 2021, respectively. The dividend declarations are in favor of all stockholders of record as of October 14, 2022 and October 15, 2021 and paid on October 27, 2022 and October 28, 2021, respectively.

The BOD of VistaREIT, Inc. approved the declaration of regular cash dividend amounting to ₱1.00 million or ₱0.0020 per share, ₱270.75 million or ₱0.0361 per share, and ₱157.50 million or ₱0.0210 per share in March, August, and November 2022, respectively. The dividend declarations are in favor of all stockholders of record as of March 31, August 30 and November 28, 2022 which were paid on September 20 and December 19, 2022, respectively.

As at December 31, 2022 and 2021, the Group's dividends payable amounted to ₱96.02 million and ₱15.86 million, respectively.

Capital Management
The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of December 31, 2022, 2021 and 2020, the Group had the following ratios:

	2022	2021	2020
Current ratio	**289%**	248%	316%
Debt-to-equity ratio	**128%**	147%	134%
Net debt-to-equity ratio	**82%**	91%	87%
Asset-to-equity ratio	**261%**	279%	269%

No changes were made in the objectives, policies or processes for managing capital for the years ended December 31, 2022, 2021 and 2020.

The Group considers as capital the equity attributable to equity holders of the Parent Company. The following table shows the component of the Group's equity which it manages as capital as of December 31, 2022, 2021 and 2020:

	2022	2021	2020
Total paid-up capital	**₱43,831,849,668**	₱43,802,565,725	₱43,802,565,725
Retained earnings	**78,311,116,523**	72,539,569,939	66,411,673,066
Treasury shares	**(7,740,264,387)**	(7,740,264,387)	(7,740,264,387)
Other comprehensive income	**798,914,337**	778,073,767	585,601,339
	₱115,201,616,141	₱109,379,945,044	₱103,059,575,743

Financial Risk Assessment
The Group's financial condition and operating results would not be materially affected by the current changes in liquidity, credit, interest, currency and market conditions.

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's counterparties remain diverse and outstanding balance of selected related parties are guaranteed by Fine Properties, Inc., ultimate parent company. Out of the total rental income in 2022, ₱11,708.40 million or 85.20% are transactions with related parties. Out of the total rental income in 2021, ₱7,326.14 million or 78.67% are transactions with related parties (see Notes 7 and 29).

Exposure to changes in interest rates is reduced by regular availment of short-term loans which is collateralized by the installment contracts receivables in order to cushion the impact of potential increase in loan interest rates.

The Parent Company has a formal foreign exchange and interest risk management policy. The Parent Company actively monitors foreign exchange exposure and interest rate changes. And in addition, the Parent Company ensures that all loan covenants and regulatory requirements are complied with.

Exposure to foreign currency holdings are as follows:

	2022	2021
Cash and cash equivalents	**US$26,030,098**	US$160,115,587
Investments in amortized cost	**744,318,610**	978,423,422
Notes payable	**769,997,069**	1,137,971,235
Bank loans	**18,000,000**	–

Liquidity risk is addressed with long-term funding already locked in, while funds are placed on a short-term placement.

24. Costs and Expenses

Costs of real estate sales
Cost includes acquisition cost of land, materials, labor, and overhead in construction and development and capitalized borrowing costs. Costs of real estate sales recognized for the years ended December 31, 2022, 2021 and 2020 amounted to ₱5,542.97 million, ₱8,533.40 million and ₱12,020.71 million, respectively (see Note 12).

Operating expenses
This account consists of:

	2022	2021	2020
Depreciation and amortization (Notes 14, 15 and 17)	**₱2,638,853,067**	₱2,686,583,410	₱2,247,713,931
Salaries, wages and employee benefits (Note 26)	**1,352,706,605**	1,240,164,577	1,276,763,379
Repairs and maintenance	**1,275,583,294**	891,734,526	1,071,070,828
Taxes and licenses	**1,086,964,974**	956,976,222	923,735,133
Contracted services	**891,373,658**	836,836,233	833,238,872
Occupancy costs (Note 28)	**765,608,912**	629,177,751	499,686,169
Commissions	**606,144,722**	829,743,095	1,031,485,162
Advertising and promotions	**396,596,297**	314,467,795	713,971,409
Transportation and travel	**116,760,139**	68,997,839	65,996,106
Office expenses	**50,936,419**	50,873,791	42,048,881
Representation and entertainment	**34,489,441**	29,379,618	24,851,714
Provision for impairment losses on receivables and investments (Notes 10 and 11)	**21,740,170**	443,283,830	83,259,949
Miscellaneous	**409,643,180**	429,561,405	271,106,708
	₱9,647,400,878	₱9,407,780,092	₱9,084,928,241

Operating expenses represent the cost of administering the business of the Group. These are recognized when the related services and costs have been incurred.

Occupancy cost
Occupancy cost consists of rental expenses relating to short-term lease and utilities expense such as light, power, and telephone charges.

Miscellaneous expenses
Miscellaneous expenses include dues and subscriptions, donations and other expenditures. This includes a net loss of ₱366.93 million from fire incident which hit Star Mall Alabang in Muntinlupa City on January 8, 2022. The net loss of ₱366.93 million is composed of the carrying values of the investment property and other related assets net of proceeds received from the insurance company in 2022.

25. Interest and Other Income from Investments, Parking, Hotel, Mall Administrative and Processing Fees, and Other Revenue, and Interest and Other Financing Charges

Interest and other income from investments consist of:

	2022	2021	2020
Installment contracts receivable (Note 11)	**₱671,515,534**	₱726,012,272	₱541,310,589
Accretion of unamortized discount (Note 11)	**29,826,779**	48,432,788	86,930,787
	₱701,342,313	₱774,445,060	₱628,241,376
Interest income from:			
Cash and cash equivalents, short-term investments and cash restricted for use (Notes 9, 10 and 13)	**₱49,785,418**	₱41,946,510	₱77,554,532
Investments at amortized cost (Note 10)	**931,410,352**	1,507,491,031	1,359,716,861
	₱981,195,770	₱1,549,437,541	₱1,437,271,393

Parking, hotel, mall administrative and processing fee, and other revenue consist of:

	2022	2021	2020
Forfeitures	**₱716,018,867**	₱686,415,538	₱620,094,918
Mall administrative and processing fee	**478,225,541**	890,906,111	546,104,024
Parking	**137,168,131**	121,887,432	117,585,865
Hotel (Note 7)	**103,138,406**	89,266,555	48,511,184
Loan processing fees from banks	**37,722,319**	276,951,662	262,277,117
Penalty and others	**135,071,791**	81,446,903	35,973,013
	₱1,607,345,055	₱2,146,874,201	₱1,630,546,121

Forfeitures pertain to forfeited reservation fees and payments for cancelled sales less of any amount refundable to buyers.

Parking pertains to payments from mall goers and tenants for use of the parking slots both for commercial and residential buildings.

Loan processing fees from banks pertain to payments from banks for processing of loan requirements in their behalf.

Penalty and others are payments from interest and surcharge for past due accounts. This also includes reversal of liabilities pertain to long-outstanding accounts payable - contractors which will not be settled anymore by the Group as assessed by management.

Interest and other financing charges consist of:

	2022	2021	2020
Interest incurred on:			
Notes payable (Note 21)	**₱7,279,838,507**	₱7,560,993,895	₱6,754,934,909
Bank loans and loans payable (Note 20)	**3,197,461,584**	2,883,093,299	2,685,358,656
Lease liabilities (Note 28)	**373,231,355**	287,930,761	386,720,482
Other bank charges	**13,884,241**	6,872,652	161,555,350
	10,864,415,687	10,738,890,607	9,988,569,397
Amounts capitalized (Notes 12 and 14)	**(5,646,528,612)**	(6,423,560,753)	(6,016,661,794)
	₱5,217,887,075	₱4,315,329,854	₱3,971,907,603

26. **Retirement Plan**

The Group has noncontributory defined benefit pension plan covering substantially all of its regular employees. The benefits are based on current salaries and years of service and related compensation on the last year of employment. The retirement benefit is the only long-term employee benefit.

The principal actuarial assumptions used to determine the pension benefits with respect to the discount rate, salary increases and return on plan assets were based on historical and projected normal rates.

The components of pension expense follow:

	2022	2021	2020
Current service cost	**₱50,647,447**	₱52,137,336	₱44,743,319
Interest income - net	**(13,030,904)**	(7,563,001)	(10,352,624)
Total pension expense	**₱37,616,543**	₱44,574,335	₱34,390,695

Pension expense is included in "Salaries, wages and employee benefits" under Operating expenses in the consolidated statements of comprehensive income.

Funded status and amounts recognized in the consolidated statements of financial position for the pension plan follow:

	2022	2021	2020
Plan assets	**₱784,930,802**	₱772,695,349	₱681,936,788
Defined benefit obligation	**(464,219,113)**	(489,729,931)	(517,927,481)
Pension assets recognized in the consolidated statements of financial position	**₱320,711,689**	₱282,965,418	₱164,009,307

Changes in the combined present value of the combined defined benefit obligation are as follows:

	2022	2021	2020
Balance at beginning of year	**₱489,729,931**	₱517,927,481	₱348,142,599
Current service cost	**50,647,447**	52,137,336	44,743,319
Interest cost	**25,331,175**	20,369,791	20,729,711
Net acquired obligation due to employee transfers	**17,092,500**	–	–
Actuarial losses (gains) due to:			
Experience adjustments	**61,294,656**	(8,820,557)	7,505,584
Changes in demographic assumptions	**–**	–	(3,146,246)
Changes in financial assumptions	**(157,805,840)**	(91,884,120)	99,952,514
Benefits paid from retirement fund	**(17,092,500)**	–	–
Benefits paid from Company operating funds	**(4,978,256)**	–	–
Balance at end of year	**₱464,219,113**	₱489,729,931	₱517,927,481

Changes in the fair value of the combined plan assets are as follows:

	2022	2021	2020
Balance at beginning of year	**₱772,695,349**	₱681,936,788	₱616,020,191
Contributions	**61,374,100**	58,425,850	3,000,000
Interest income included in net interest cost	**38,362,079**	27,932,792	31,082,335
Actual gains (losses) on return of plan assets excluding amount included in net interest cost	**(70,408,226)**	4,399,919	31,834,262
Benefits paid from retirement fund	**(17,092,500)**	–	–
Balance at end of year	**₱784,930,802**	₱772,695,349	₱681,936,788

The movements in the combined net pension assets follow:

	2022	2021	2020
Balance at beginning of year	**(₱282,965,418)**	(₱164,009,307)	(₱267,877,592)
Pension expense	**37,616,543**	44,574,335	34,390,695
Net acquired obligation due to employee transfers	**17,092,500**	–	–
Contributions	**(61,374,100)**	(58,425,850)	(3,000,000)
Total amount recognized in OCI	**(26,102,958)**	(105,104,596)	72,477,590
Benefits paid from Company operating funds	**(4,978,256)**	–	–
Balance at end of year	**(₱320,711,689)**	(₱282,965,418)	(₱164,009,307)

The assumptions used to determine the pension benefits for the Group are as follows:

	2022	2021	2020
Discount rates	**7.36%**	5.20%	4.21%
Salary increase rate	**7.71%**	7.75%	7.75%

The turn-over rate used to compute the retirement liability is ranging from 10% at age 18 to 0% at age 60 in 2022 and 2021.

The distribution of the plan assets at year-end follows:

	2022	2021	2020
Assets			
Cash and cash equivalents	**₱237,191,029**	₱164,471,897	₱109,508,011
Investments in private companies	**290,603,290**	325,688,164	451,232,452
Investments in government securities	**253,216,893**	280,012,287	118,611,794
Receivables	**5,053,057**	3,533,694	4,276,416
	786,064,269	773,706,042	683,628,673
Liabilities			
Trust fee payables	**991,625**	938,628	1,674,175
Other payable	**141,842**	72,065	17,710
	1,133,467	1,010,693	1,691,885
Net plan assets	**₱784,930,802**	₱772,695,349	₱681,936,788

The carrying amounts disclosed above reasonably approximate fair value at reporting date. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The net unrealized (losses) gains on investments in government securities amounted to (₱4.43 million), (₱2.65 million) and ₱5.20 million in 2022, 2021 and 2020, respectively.

The Group does not expect to contribute to its retirement fund in 2023.

The composition of the fair value of the Fund includes:

- *Cash* - include savings and time deposit with various banks and special deposit account.
- *Investments in private companies* - include investments in long-term debt notes and corporate bonds.
- *Investments in government securities* - include investment in Philippine RTBs.
- *Receivables* - includes interest and dividends receivable generated from investments included in the plan.
- *Trust fee payable* - pertain mainly to charges of trust or in the management of the plan.

The Group retirement benefit fund is in the form of a trust being maintained by a trustee bank. The fund includes investment in the form of fixed-rate peso retail bonds issued by the Parent Company due 2021 and 2027 with interest rates of 5.94% and 6.23%, respectively. As of December 31, 2022 and 2021, the fair value of investment amounted to ₱544.11 million and ₱596.30 million, respectively. Interest income earned from the investments in bonds amounted to ₱11.01 million, ₱4.57 million and ₱1.27 million in 2022, 2021 and 2020, respectively.

The allocation of the fair value of plan assets follows:

	2022	2021
Deposits	**30.22%**	21.29%
Corporate bonds	**37.02%**	42.15%
Government bonds	**32.26%**	36.24%

The funds are administered by a trustee bank under the supervision of the Board of Directors of the plan. The Board of Directors is responsible for investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity.

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

Plan Year	**2022**	2021
Less than 1 year	**₱16,809,074**	₱6,048,830
More than 1 year to 5 years	**63,465,859**	40,392,964
More than 5 years to 10 years	**264,165,459**	224,384,747
More than 10 years to 15 years	**443,392,339**	375,853,689
More than 15 years to 20 years	**541,935,627**	454,204,395
20 years and beyond	**3,855,400,749**	3,602,877,067
	₱5,185,169,107	₱4,703,761,692

The average duration of the expected benefit payments at the end of the reporting period is 22.36 years and 27.82 years as of December 31, 2022 and 2021, respectively.

Sensitivity analysis on the actuarial assumptions

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

		Increase (decrease) on Defined Benefit Obligation	
	Rates	**2022**	2021
Discount rate	+1%	**(₱54,528,247)**	(₱67,084,119)
	-1%	**65,349,720**	82,180,394
Salary increase	+1%	**66,656,100**	81,431,005
	-1%	**(56,529,016)**	(67,984,296)

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles with mandate of management. Union Bank's (UB) current strategic investment strategy consists of 30.22% of cash, 32.26% of investments in government securities, 37.02% of investment in private companies and 0.64% receivables.

27. Income Tax

Provision for income tax consists of:

	2022	2021	2020
Current:			
RCIT/MCIT	**₱964,402,594**	₱866,932,587	₱922,515,389
Final	**1,581,268**	2,088,378	14,339,565
Deferred	**1,055,130,245**	1,088,627,884	292,335,550
	₱2,021,114,107	₱1,957,648,849	₱1,229,190,504

The components of the Group's deferred taxes are as follows:

Net deferred tax assets:

	2022	2021
Deferred tax assets on:		
Excess of tax basis over book basis of deferred gross profit on real estate sales	**₱121,534,973**	₱125,085,013
Accrual of retirement costs	**25,197,807**	54,174,310
NOLCO	**5,319,841**	50,636,525
Unamortized discount on receivables	**1,776,215**	1,850,959
MCIT	**727,405**	1,478,024
Allowance for probable losses	**–**	1,750,543
Unrealized foreign exchange losses	**–**	–
	154,556,241	234,975,374
Deferred tax liabilities on:		
Capitalized borrowing costs	**23,394,019**	45,061,370
Remeasurement gain on defined benefit obligation	**19,697,953**	50,996,567
Excess of book basis over tax basis of deferred gross profit on real estate sales	**–**	77,588,311
Straight line lease adjustment on rent income	**–**	10,518,073
Unrealized foreign exchange losses	**–**	2,427,126
	43,091,972	186,591,447
	₱111,464,269	₱48,383,927

Net deferred tax liabilities:

	2022	2021
Deferred tax assets on:		
Lease liabilities	**₱1,358,513,251**	₱1,358,960,110
NOLCO	**271,488,294**	1,633,171
Accrual of retirement costs	**246,394,562**	73,024,521
Allowance for probable losses	**155,599,566**	138,692,181
MCIT	**14,311,962**	10,621,570
Unamortized discount on receivables	**10,510,072**	8,615,812
Excess of tax basis over book basis of deferred gross profit on real estate sales	**1,407,778**	5,699,672
	2,058,225,485	1,597,247,037
Deferred tax liabilities on:		
Straight line lease adjustment on rent income	**3,681,168,833**	2,776,155,445
Excess of book basis over tax basis of deferred gross profit on real estate sales	**2,039,133,748**	1,099,342,052
Capitalized borrowing costs	**1,164,392,579**	1,402,821,564
Right-of-use assets	**1,093,371,964**	1,137,369,394
Remeasurement gain on defined benefit obligation	**171,716,493**	146,943,619
Fair value adjustments from business combination	**13,777,875**	15,746,143
Discount on rawland payable	**2,050,958**	1,519,459
	8,165,612,450	6,579,897,676
	(₱6,107,386,965)	(₱4,982,650,639)

Out of the ₱1,061.66 million movement in net deferred tax liabilities, ₱6.53 million was booked as movement in OCI in 2022.

Out of the ₱1,096.68 million movement in net deferred tax liabilities, ₱8.06 million was booked as movement in OCI in 2021.

The Group has deductible temporary differences, NOLCO and MCIT that are available for offset against future taxable income for which no deferred tax assets have been recognized, as follows:

	2022	2021	2020
NOLCO	**₱11,250,881,066**	₱12,840,423,648	₱11,069,296,116
MCIT	**3,686,409**	22,353,211	11,715,152

The related unrecognized deferred tax assets on these deductible temporary differences, NOLCO and MCIT amounted to ₱2,816.41 million, ₱3,232.46 million and ₱3,332.51 million as of December 31, 2022, 2021 and 2020, respectively. These are mostly coming from holding companies namely, VLL, Vistamalls, Inc., CHI and CPI.

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. The subsidiaries recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2022, the entities within the Group has incurred NOLCO before and after taxable years 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

NOLCO

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2022	₱3,749,376,576	₱–	₱3,749,376,576	2025
2019	2,855,660,846	(2,855,660,846)	–	2022
	₱6,605,037,422	(₱2,855,660,846)	₱3,749,376,576	

As of December 31, 2022, the entities within the Group has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2021	₱4,754,517,183	(₱1,462,571,920)	₱3,291,945,263	2026
2020	5,316,791,764	–	5,316,791,764	2025
	₱10,071,308,947	(₱1,462,571,920)	₱8,608,737,027	

MCIT

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2022	₱5,761,382	₱–	₱5,761,382	2025
2021	8,028,967	(2,174,184)	5,854,783	2024
2020	19,699,060	(12,589,449)	7,109,611	2023
2019	11,477,493	(11,477,493)	–	2022
	₱44,966,902	(₱26,241,126)	₱18,725,776	

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in profit or loss follows:

	2022	2021	2020
Provision for income tax computed at the statutory income tax rate	**25.00%**	25.00%	30.00%
Additions to (reductions in) income tax resulting from:			
Nondeductible interest and other expenses	**9.97**	11.60	12.02
Expired MCIT and NOLCO	**7.71**	10.71	9.87
Change in unrecognized deferred tax assets	**(12.13)**	0.52	7.79
Tax-exempt interest income	**(2.58)**	(4.28)	(5.36)
Tax-exempt income on BOI-Projects	**(1.92)**	(9.80)	(40.62)
Interest income already subjected to final tax	**(0.01)**	(0.02)	(0.10)
Changes in tax rate arising from CREATE Act	**–**	(7.75)	–
Others	**(4.57)**	(4.05)	2.54
Provision for income tax	**21.47%**	21.93%	16.14%

Corporate Recovery and Tax Incentives for Enterprises Act or "CREATE"
On March 26, 2021, President Rodrigo Duterte signed into law the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

On April 8, 2021, the Secretary of Finance, with recommendation from the Commissioner of the Bureau of Internal Revenue, promulgated the Implementing Rules and Regulations for the effectivity of the approved provisions of CREATE Act and clarified how the taxable income for the period beginning July 1, 2020 will be computed.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact to the Group:

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

- Foreign-sourced dividends received by domestic corporations are exempt from income tax subject to the following conditions:
  - The funds from such dividends actually received or remitted into the Philippines are reinvested in the business operations of the domestic corporation in the Philippines within the next taxable year from the time the foreign-sourced dividends were received;
  - Shall be limited to funding the working capital requirements, capital expenditures, dividend payments, investment in domestic subsidiaries, and infrastructure project; and
  - The domestic corporation holds directly at least 20% of the outstanding shares of the foreign corporation and has held the shareholdings for a minimum of 2 years at the time of the dividend distribution.

As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes.

Applying the provisions of the CREATE Act, the Group is subjected to lower regular corporate income tax rate of either 25% or 20% effective July 1, 2020. The rate applicable to the Group is 25%.

As a result of reduction in RCIT/MCIT rate, the provision for current income tax for the year ended December 31, 2020 and income tax payable as of December 31, 2020 decreased by ₱81.60 million. In addition, the provision for deferred tax for the year then ended December 31, 2020 and net deferred tax liabilities as of December 31, 2020 decreased by ₱609.66 million. For financial reporting purposes, these changes are recognized in the 2021 financial statements in accordance with PIC Q&A 2020-07.

The total reduction in income tax expense in 2021 amounting to ₱691.26 million is composed of ₱81.60 million coming from reduction in tax rate from 30% to 25% for 2021 taxable income and ₱609.66 million coming from the 5% tax expense for 2020 taxable income recorded as reduction for financial reporting in 2021.

Board of Investments (BOI) Incentives
The BOI issued in favor of certain subsidiaries in the Group a Certificate of Registration as Developer of Mass Housing Projects for its 59 projects in 2022, 78 projects in 2021 and 84 projects in 2020, in accordance with the Omnibus Investment Code of 1987. Pursuant thereto, the projects have been granted an Income Tax Holiday for a period of either three years for new projects, or four years for expansion projects, commencing from the date of issuance of the Certificate of Registration.

The Group availed of tax incentive in the form of ITH on its income under registered activities amounting to ₱109.72 million, ₱254.31 million and ₱293.84 million in 2022, 2021 and 2020, respectively.

28. **Lease Liabilities**

The Group, as lessee, has lease contracts for parcels of land where its commercial centers are situated with lease terms of 11 - 30 years. Rental due is based on prevailing market conditions. Generally, the Group is not restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The following are the amounts recognized in consolidated statements of comprehensive income:

	2022	2021
Depreciation expense of right-of-use assets included in investment properties (Note 14)	**₱175,989,721**	₱175,989,721
Interest expense on lease liabilities	**373,231,355**	287,930,761
Expenses relating to short-term leases (included in operating expenses)	**15,141,802**	119,987,200
Total amount recognized in statement of comprehensive income	**₱564,362,878**	₱583,907,682

The rollforward analysis of lease liabilities follows:

	2022	2021
Balances at beginning of year	**₱5,435,840,440**	₱2,674,852,382
Interest expense (Note 25)	**373,231,355**	287,930,761
Additions due to lease modification	**–**	2,756,247,692
Payments	**(375,018,792)**	(283,190,395)
Balances at end of year	**5,434,053,003**	5,435,840,440
Less current portion	**368,459,297**	348,214,986
Noncurrent portion	**₱5,065,593,706**	₱5,087,625,454

On July 2, 2021, the Group and one of the lessors amended the lease contract covering parcels of land where one of the Group's commercial building is situated by extending the lease period and amending the lease rates. The lease modification did not result in a separate lease and the Group remeasured the lease liability based on the amended lease period and lease rates and recognized the difference between the carrying amount of the modified lease liability and the carrying amount of the lease liability immediately before the modification as an adjustment to the right-of-use asset.

The Group has no lease contract that contains variable payments. The Group's fixed payments amounted to ₱390.54 million and ₱403.18 million in 2022 and 2021, respectively.

The Group's lease contracts include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 5).

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

	2022	2021
Within 1 year	**₱368,459,297**	₱348,214,986
More than 1 year to 2 years	**377,749,481**	368,459,297
More than 2 years to 3 years	**421,788,247**	377,749,481
More than 3 years to 4 years	**442,927,197**	421,788,247
More than 4 years to 5 years	**469,599,629**	442,927,197
More than 5 years	**8,857,658,091**	9,327,257,720
	₱10,938,181,942	₱11,286,396,928

29. 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 or common significant influence. Entities under common control are those entities outside the Group but are related parties of Fine Properties, Inc. Related parties may be individuals or corporate entities.

All publicly listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirement under Revised SRC Rule 68 and SEC Memorandum Circular 10, series 2019.

The Parent Company has an approval requirement such that material related party transaction (RPT) shall be reviewed by the Risk Management Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the threshold value as approved by the Committee amounting to 10% or higher of the Group's total consolidated assets based on its latest audited financial statements.

The Group in their regular conduct of business has entered into transactions with related parties principally consisting of trade transactions from mall leasing, advances, reimbursement of expenses and purchase and sale of real estate properties. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The consolidated statements of financial position include the following amounts resulting from the foregoing transactions which represent amounts receivable from (payable to) related parties as of December 31, 2022 and 2021:

December 31, 2022

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
***Receivable from tenants and accrued rental receivable** (Note 11)*					
Entities under Common Control	**a) Rental of mall spaces**	**₱11,708,398,391**	**₱25,554,113,420**	**Noninterest-bearing**	**Certain receivables with letter of financial support from Fine Properties Inc., No impairment**
Ultimate Parent	**a) Rental of office spaces**	**69,960**	**3,577,888**	**Noninterest-bearing**	**Unsecured, No impairment**
		₱11,708,468,351	**₱25,557,691,308**		

(Forward)

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
Receivable from/advances to related parties					
Ultimate Parent (Note 14)	**b) Joint venture advances**	**₱957,087,103**	**₱7,042,276,334**	**Noninterest-bearing**	**Unsecured, No impairment**
***Advances in project development cost** (Note 16)*					
Ultimate Parent	**b) Joint venture advances**	**₱–**	**₱91,646,033**	**Noninterest-bearing**	**Unsecured, No impairment**
Entities under Common Control	**b) Purchase and return of advances for housing credits**	**7,605,814**	**406,039,727**	**Noninterest-bearing**	**Unsecured, No impairment**
		₱7,605,814	**₱497,685,760**		
***Lease liabilities** (Note 28)*					
Ultimate Parent	**d) Rental of parcels of land**	**(₱23,795,634)**	**(₱379,890,989)**	**Interest-bearing**	**Unsecured**
***Interest expense** (Note 28)*					
Ultimate Parent	**d) Rental of parcels of land**	**₱39,379,722**	**₱–**	**Interest-bearing**	**Unsecured**
Dividends Declared/Payable					
Stockholders	**e) Dividends**	**₱519,159,212**	**₱96,024,581**		

December 31, 2021

Relationship	Nature of Transaction	Net Amount/ Volume	Outstanding Balance	Terms	Conditions
Receivable from tenants and accrued rental receivable (Note 11)					
Entities under Common Control	a) Rental of mall spaces	₱7,326,143,498	₱17,778,258,321	Noninterest-bearing	Certain receivables with letter of financial support from Fine Properties Inc., No impairment
Ultimate Parent	a) Rental of office spaces	4,583,723	3,577,888	Noninterest-bearing	Unsecured, No impairment
		₱7,330,727,221	₱17,781,836,209		
Receivable from/advances to related parties					
Ultimate Parent	f) Sale of VLLI shares	(₱1,960,071,572)	₱–	Noninterest-bearing; Due and demandable	Unsecured, No impairment
Ultimate Parent (Note 14)	b) Joint venture advances	3,236,698,012	6,085,189,231	Non-interest bearing	Unsecured, No impairment
Entities under Common Control	b) Advances	(879,187,160)	–	Non-interest bearing	Unsecured, No impairment
		₱397,439,280	₱6,085,189,231		
Advances in project development cost (Note 16)					
Ultimate Parent	b) Joint venture advances	₱–	₱91,646,033	Non-interest bearing	Unsecured, No impairment
Entities under Common Control	b) Purchase and return of advances for housing credits	(481,115,121)	398,433,913	Non-interest bearing	Unsecured, No impairment
		(₱481,115,121)	₱490,079,946		
Accounts payable to contractors					
Ultimate Parent	c) Payables for construction contracts	₱426,045,294	₱–	Due and demandable; noninterest-bearing	Unsecured
Lease liabilities (Note 28)					
Ultimate Parent	d) Rental of parcels of land	(₱47,022,775)	(₱356,095,355)	Interest-bearing	Unsecured
Interest expense (Note 28)					
Ultimate Parent	d) Rental of parcels of land	(₱37,050,794)	₱–	Interest-bearing	Unsecured
Dividends Declared/Payable					
Stockholders	e) Dividends	₱314,501,440	₱15,856,454		

a) The Group has operating lease agreements with entities under common control for the leases of commercial centers. The lease agreements are renewable and contain escalation clauses. Rental income and receivables including the effect of straight-line calculation from related parties amounted to ₱11,708.40 million and ₱25,554.11 million, respectively, as of December 31, 2022, ₱7,326.14 million and ₱17,778.26 million, respectively, as of December 31, 2021. These receivables from related parties which are recognized as 'Accrued rental receivable' under 'Receivables' are not impaired (see Note 11).

   Included in the related party tenants are AllHome Corp., AllDay Marts, Inc., All Day Retail Concepts, Inc., Family Shoppers Unlimited, Inc., CM Star Management, Inc., and The Village Server, Inc. which are subsidiaries of AllValue Holdings Corp. (collectively referred to as AllValue Group or Anchor Tenant). AllValue Group is engaged in retail businesses covering supermarkets, retail of apparel, construction materials and home/building appliances and furnishings. The lease agreements contain escalation clauses.

Rental income and receivables from All Value Group including the effect of future lease rate escalation amounted to ₱10,257.59 million and ₱23,101.10 million, respectively, as of December 31, 2022 and ₱7,113.08 million and ₱16,549.24 million, respectively, as of December 31, 2021. These receivables from All Value Group which are recognized as 'Accrued rental receivable' under 'Receivables' are not impaired (see Note 11).

Rental income and receivables from All Value Group without the effect of future escalation amounted to ₱5,026.22 million and ₱6,908.74 million, respectively, as of December 31, 2022 and ₱3,594.82 million and ₱5,595.94 million, respectively, as of December 31, 2021. These receivables from All Value Group which are recognized as 'Accounts receivable from tenants' under 'Receivables' are noninterest-bearing and are not impaired (see Note 11).

Related parties with outstanding rent receivables without the effect of future escalation amounting to ₱4,097.42 million and ₱973.41 million were provided with financial support letter by Fine Properties, Inc. as of December 31, 2022 and 2021, respectively.

As discussed in Note 5, certain related party tenants which are entities under common control requested to terminate certain lease contracts in various malls in 2022, 2021 and 2020. Accrued rental receivable from straight-lining of rental income of ₱420.25 million, ₱2.84 million and ₱1,556.12 million was reversed against rental income for the years ended December 31, 2022, 2021 and 2020, respectively.

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19 pandemic, the Group based on its scheme waived its right to collect rent and other charges as part of various lease concessions it granted to its related party lessees such as lease payment holidays or lease payment reductions. The rent concession granted by the Group to its related party tenants for the years ended December 31, 2022, 2021 and 2020 amounted to ₱2.93 million, ₱32.11 million and ₱975.17 million, respectively.

In January 2022, the Group amended certain lease contracts with Family Shoppers Unlimited, Inc. and Parallax, Inc. resulting to increase in rental income and rental receivables by ₱5,435.40 million. The amendments of the lease contracts are as follows:

a. Extension of lease term commencing from the lease modification date; and
b. From variable rent to annual fixed rent based on rate with annual escalation.

In May and November 2019, the Group amended certain lease contracts with All Value Group. The amendments of the lease contracts are as follow:

a. Extension of the lease term by 10-15 years commencing from the lease modification date; and
b. From annual fixed rent to variable rent based on agreed percentage on gross sales or agreed minimum guaranteed rent (MGR) with annual escalation, whichever is higher

The Ultimate Parent Company also has lease agreements with the Group for the lease of its office spaces. The rental due is based on prevailing market conditions.

b) On December 23, 2017, the Group entered into a Memorandum of Agreement (MOA) with Bria Homes, Inc.(Bria), a developer of socialized housing projects located in various areas in the Philippines, to assign portions of the socialized housing projects to various entities in the Group in compliance with the requirements of Republic Act No. 7279 (Urban Development and Housing Act of 1992). On November 23, 2018, the Group entered into another MOA with Bria to include vertical residential projects in the assignment of socialized housing projects. As such, the Group makes cash advances to Bria Homes, Inc. for the construction of socialized housing units which are recorded under project development costs (see Note 16).

   On December 23, 2019, another MOA was executed with Bria to specify the details of the housing credits to be delivered by Bria equivalent to the advances provided by VLL. On December 21, 2020, the Group executed an amendment updating the number of housing credit that Bria will deliver to the Group to settle its outstanding balance.

   In 2021, CAPI, VMI and various other VLLI subsidiaries executed a Deed of Assignment of Advances (DOA) to Fine Properties, Inc. totaling ₱5.75 billion after deducting the partial delivery of social housing credits and cash payments in 2020 which was consolidated to Brittany Corporation (BC). The DOA effectively consolidates all receivables from Fine Properties, Inc. to BC while BC recognizes payable to the respective entities within VLLI group. These intercompany transactions between VLLI subsidiaries were eliminated at consolidated level.

   Furthermore, BC and Fine Properties, Inc. entered into a Land Development Agreement (LDA) to develop 159, 208 square meters in Molino, Bacoor, Cavite to be developed into mixed-use residential and commercial subdivisions over a 15-year period. Fine Properties, Inc. will contribute land while the contribution of BC will be the planning, conceptualization, design, construction and financing of the Project. Both parties agreed to share the saleable lots into sharing of 60% for Fine Properties, Inc. and 40% for BC. The intention of the parties is for Fine Properties, Inc. to settle the resulting advances by BC of ₱5.75 billion in addition to the existing advances to Fine Properties, Inc. of ₱340.00 million totaling to ₱6.09 billion, from its share of the saleable lots in the LDA. The expected settlement will start upon completion of land development but shall in no case be earlier than 36 months from execution of the agreement dated December 17, 2021.

c) These are advances for working capital and investment requirements of the related parties and are due and demandable.

   On December 28, 2018, MGS Construction, Inc. assigned its receivables from Vista Residences, Inc. in the total amount of ₱1,340.13 million in favor of Fine Properties, Inc. This resulted to recognition of payable to Fine Properties, Inc. of the same amount. The liability was offset with the receivables from Fine Properties, Inc. in 2018. In 2021, these receivables were included in the executed DOA of VLL subsidiaries to Fine Properties, Inc.

d) The Group entered into lease agreements with Fine Properties, Inc. pertaining to parcels of land wherein the Group's commercial centers are situated. These leases have terms of 25 years, with rental escalation clauses and renewal options.

e) Details of dividends declared to stockholders are discussed in Note 23.

f) In May 2013, VMI sold the remaining 399,397,000 shares of its investments in VLLI, with a carrying amount of ₱1,906.22 million, for a total consideration of ₱2,772.30 million to Fine Properties Inc. In 2021, the outstanding receivables was included in the consolidation of all receivables from Fine Properties, Inc. to BC.

As of December 31, 2022 and 2021, the retirement plan asset includes investment in fixed-rate peso retail bonds of the Parent Company with fair value amounting to ₱13.39 million and ₱14.99 million, respectively (see Note 26).

The compensation of key management personnel by benefit type follows:

	2022	2021	2020
Short-term employee benefits	**₱114,661,755**	₱110,070,514	₱133,520,360
Post-employment benefits	**24,928,030**	24,036,406	30,088,552
	₱139,589,785	₱134,106,920	₱163,608,912

30. Earnings Per Share and Noncontrolling Interest

The following table presents information necessary to compute the EPS:

	2022	2021	2020
Net income attributable to equity holders of Parent	**₱6,119,908,898**	₱6,426,541,859	₱6,056,015,749
Weighted average common shares*	**11,945,799,461**	11,945,799,461	11,945,799,461
Basic/Diluted Earnings per share	**₱0.512**	₱0.538	₱0.507

**Weighted average common shares consider the effect of treasury shares*

The basic and dilutive earnings per share are the same due to the absence of potentially dilutive common shares for the years ended December 31, 2022, 2021 and 2020.

The summarized financial information for which there are noncontrolling interests, are provided below. The information is based on amounts before inter-company eliminations.

Vistamalls, Inc. and Subsidiaries (VMI&S)

	2022	2021	2020
Assets	**₱90,114,478,895**	₱80,672,044,189	₱73,691,776,165
Liabilities	**53,700,256,821**	50,821,470,182	47,261,060,270
Equity	**36,414,222,074**	29,850,574,007	26,430,715,895
Total comprehensive income	**6,784,076,826**	4,407,698,539	2,720,679,864
Attributable to:			
Equity holders of VMI&S	**6,781,443,750**	3,866,994,102	2,390,083,744
Noncontrolling-interest	**2,633,076**	540,704,437	330,596,120

VistaREIT, Inc. (VistaREIT)

	2022	2021	2020
Assets	**₱27,518,799,447**	₱505,492,737	₱10,004,921
Liabilities	**39,830,724**	5,181,000	262,060
Equity	**26,173,664,073**	500,311,737	9,742,861
Total comprehensive income*	**(9,608,291,500)**	(120,914)	257,139
Attributable to:			
Equity holders of VistaREIT	**1,033,397,821**	(120,914)	257,139
Noncontrolling-interest	**545,505,509**	–	–

**This includes the decrease in fair value of investment properties carried at fair value in the financial statements of VistaREIT amounting to ₱11,187.19 million in 2022. The net income from VistaREIT amounted to ₱1,578.90 million, excluding the change in fair value of its investment properties, for the year ended December 31, 2022.*

As of December 31, 2022, 2021 and 2020, the accumulated balances of and net income attributable to noncontrolling interests follows:

	2022	2021	2020
Accumulated balances:			
Noncontrolling interest share in equity	**₱8,448,577,034**	₱3,146,983,827	₱2,620,068,365
Share in dividend	**170,796,898**	15,856,454	15,326,523
Net income attributable to noncontrolling interests	**1,272,741,442**	540,704,437	330,596,120
Other comprehensive income	**2,248,632**	2,067,479	859,042

31. Fair Value Determination

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Other valuation techniques involving inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents, short-term cash investments, accrued interest receivable, receivable from tenants, buyers and HDMF, advances to a related party, accounts and other payables (except for deferred output VAT and other statutory payables) and dividends payable: Due to the short-term nature of the accounts, the fair value approximate the carrying amounts in the consolidated statements of financial position.

Installment contracts receivable: The fair value of installment contracts receivable due within one year approximates its carrying amount. Noncurrent portion of installment contracts receivable are discounted using the applicable discount rates for similar types of instruments. The discount rates used range from 2.43% to 19.00% and 2.44% to 19.00% as of December 31, 2022 and 2021, respectively.

Investments at FVOCI: Fair values of equity securities are based on quoted market prices.

Investments at amortized cost: The fair value of these listed bonds is determined by reference to quoted market bid prices, at the close of business on the reporting date.

Bank loans, loans payable, notes payable, liabilities for purchased land and retention payable: Estimated fair values are based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest rates used in discounting cash flows ranged from 5.35% to 8.63% in 2022 and 2.22% to 10.66% in 2021 using the remaining terms to maturity.

The following table provides the fair value measurement and the hierarchy of the Group's financial assets and liabilities recognized as of December 31, 2022 and 2021:

		December 31, 2022			
			Fair Value		
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	**₱117,158,380**	**₱117,158,380**	**₱105,000,000**	**₱12,158,380**	**₱–**
Financial assets for which fair values are disclosed:					
Installment contracts receivable	**35,296,250,329**	**34,692,905,483**	–	–	**34,692,905,483**
Investments at amortized cost	**41,499,484,082**	**41,611,556,371**	**41,611,556,371**	–	–
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	**55,946,823,117**	**55,115,377,456**	–	–	**55,115,377,456**
Notes payable	**102,448,203,441**	**99,903,741,873**	–	–	**99,903,741,873**
Loans payable	**5,334,619,152**	**5,071,583,187**	–	–	**5,071,583,187**
Liabilities for purchased land	**2,918,645,181**	**2,718,691,406**	–	–	**2,718,691,406**
Retention payable	**1,647,670,283**	**1,494,394,633**	–	–	**1,494,394,633**

		December 31, 2021			
			Fair Value		
	Carrying values	Total	Quoted prices in active markets for identical assets (Level 1)	Significant offer observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
Financial assets measured at fair value:					
Investments at FVOCI	₱124,499,183	₱124,499,183	₱83,000,000	₱41,499,183	₱–
Financial assets for which fair values are disclosed:					
Installment contracts receivable	41,235,173,571	43,092,512,215	–	–	43,092,512,215
Investments at amortized cost	49,817,449,839	50,311,215,649	50,311,215,649	–	–
Liabilities					
Financial liabilities for which fair values are disclosed					
Bank loans	56,992,341,863	57,355,033,204	–	–	57,355,033,204
Notes payable	107,930,233,523	112,508,499,731	–	–	112,508,499,731
Loans payable	3,779,511,014	3,670,237,853	–	–	3,670,237,853
Liabilities for purchased land	3,282,337,519	3,170,096,006	–	–	3,170,096,006
Retention payable	1,619,661,728	1,547,698,569	–	–	1,547,698,569

In 2022 and 2021, there were no transfers between Levels of fair value measurements.

Significant increases (decreases) in discount rate would result in significantly higher (lower) fair value of the installment contracts receivable, notes payable, loans payable, bank loans, retention payable and liabilities for purchased land.

Description of significant unobservable inputs to valuation follows:

Account	Valuation Technique	Significant Unobservable Inputs
Installment contracts receivable	Discounted cash flow analysis	Discount rate
Bank loans	Discounted cash flow analysis	Discount rate
Notes payable	Discounted cash flow analysis	Discount rate
Loans payable	Discounted cash flow analysis	Discount rate
Retention payable	Discounted cash flow analysis	Discount rate
Liabilities for purchased land	Discounted cash flow analysis	Discount rate

32. Financial Assets and Liabilities

Financial Risk Management Objectives and Policies

Financial risk

The Group's principal financial liabilities comprise of bank loans, loans payable, notes payable, accounts and other payables (except for deferred output VAT and other statutory payables), liabilities for purchased land and retention payable. The main purpose of the Group's financial liabilities is to raise financing for the Group's operations. The Group has various financial assets such as installment contracts receivable, cash and cash equivalents, short-term and long-term cash investments, investments at fair value through other comprehensive income and investments at amortized cost which arise directly from its operations. The main risks arising from the use of financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The BOD reviews and approves with policies for managing each of these risks. The Group monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD.

The Group's risk management policies are summarized below. The exposure to risk and how they arises, as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior years.

Cash flow interest rate risk

The Group's exposure to market risk for changes in interest rates, relates primarily to its financial assets and liabilities that are interest-bearing.

The Group's policy is to manage its interest cost by entering into fixed rate debts. The Group also regularly enters into short-term loans with its installment contracts receivables as collateral to cushion the impact of potential increase in loan interest rates.

The table below shows the financial assets and liabilities that are interest-bearing:

	December 31, 2022	
	Effective Interest Rate	**Amount**
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	**0.01% to 1.25%**	**₱13,605,686,137**
Cash and cash equivalents in US Dollar	**0.06% to 0.13%**	**1,451,308,141**
Short-term cash investments	**0.10% to 3.13%**	**47,278,102**
Investments at amortized cost	**1.05% to 7.19%**	**41,499,484,082**
Installment contracts receivable	**1.66% to 19.00%**	**35,296,250,329**
		₱91,900,006,791
Financial liabilities		
Fixed rate		
Notes payable	**5.70% to 8.25%**	**₱102,448,203,441**
Bank loans	**3.25% to 8.17%**	**55,946,823,117**
Loans payable	**6.03% to 8.63%**	**5,334,619,152**
Lease liabilities	**6.79% to 8.80%**	**5,434,053,003**
		₱169,163,698,713

	December 31, 2021	
	Effective Interest Rate	Amount
Financial assets		
Fixed rate		
Cash and cash equivalents in Philippine Peso (excluding cash on hand)	0.03% to 0.50%	₱3,889,848,401
Cash and cash equivalents in US Dollar	0.05% to 0.13%	7,956,192,935
Short-term cash investments	1.00% to 4.00%	336,019,645
Investments at amortized cost	0.39% to 10.82%	49,817,449,839
Installment contracts receivable	2.44% to 19.00%	41,235,173,571
		₱103,234,684,391
Financial liabilities		
Fixed rate		
Notes payable	5.70% to 8.25%	₱107,930,233,523
Bank loans	3.25% to 8.17%	56,992,341,863
Loans payable	2.22% to 6.50%	3,779,511,014
Lease liabilities	5.55% to 10.66%	5,435,840,440
		₱174,137,926,840

As of December 31, 2022, and 2021, the Group's leasing income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk
The Group's foreign exchange risk is limited to certain USD denominated cash and cash equivalents, resulting primarily from movements of the Philippine Peso against the United States Dollar (USD). Below is the carrying amount of USD-denominated cash and cash and sensitivity analysis on exchange rate for effect on income before income tax.

	December 31, 2022		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on income before tax**
Cash and cash equivalents	**US$473,598**	**+4.22%**	**₱1,114,179**
	US$473,598	**-4.22%**	**(1,114,179)**

	December 31, 2021		
	Amount	Increase/Decrease in US Dollar rate	Effect on income before tax
Cash and cash equivalents	US$4,108,745	+2.60%	₱5,435,760
	US$4,108,745	-2.60%	(5,435,760)

The functional currency of VII, a wholly owned subsidiary, is USD. VII has Cash and cash equivalents, Investments at amortized costs, Notes payable and Bank loans in USD. VII's financial assets and liabilities are translated into Philippine peso, the presentation currency of the Group, using closing exchange rate prevailing at the reporting date, and the respective income and expenses at the weighted average rates for the period. The exchange differences arising on the translation are recognized in OCI under "Cumulative Translation Adjustments" (CTA).

See below for the carrying amounts and sensitivity analysis on other comprehensive income:

	December 31, 2022		
	Amount	**Increase/Decrease in US Dollar rate**	**Effect on Other Comprehensive Income**
Assets			
Cash and cash equivalents	**US$25,556,500**	**+4.22%**	**₱60,123,749**
	US$25,556,500	**-4.22%**	**(60,123,749)**
Investments at amortized costs	**US$744,318,610**	**+4.22%**	**1,751,070,179**
	US$744,318,610	**-4.22%**	**(1,751,070,179)**
Liabilities			
Notes payable	**US$769,997,069**	**+4.22%**	**(1,853,827,314)**
	US$769,997,069	**-4.22%**	**1,853,827,314**
Bank loans	**US$18,000,000**	**4.22%**	**(42,346,467)**
	US$18,000,000	**-4.22%**	**42,346,467**

	December 31, 2021		
	Amount	Increase/Decrease in US Dollar rate	Effect on Other Comprehensive Income
Assets			
Cash and cash equivalents	US$156,006,842	+2.60%	₱206,520,705
	US$156,006,842	-2.60%	(206,520,705)
Investments at amortized costs	US$978,423,422	+2.60%	1,295,229,695
	US$978,423,422	-2.60%	(1,295,229,695)
Liabilities			
Notes payable	US$1,137,971,235	+2.60%	(1,506,437,910)
	US$1,137,971,235	-2.60%	1,506,437,910

In translating the foreign currency- denominated monetary assets and liabilities in peso amounts, the Philippine Peso - US dollar exchange rates as at December 31, 2022 and 2021 used were ₱55.76 to US$1.00 and ₱51.00 to US$1.00, respectively.

The assumed movement in basis points for foreign exchange sensitivity analysis is based on the management's forecast of the currently observable market environment, showing no material movements as in prior years.

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 installment contracts receivables and receivables from tenants) and from its investing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Receivables are regularly monitored.

In respect of installment contracts receivable from the sale of real estate inventories, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed.

The Group evaluates the concentration of risk with respect to non-related party trade receivables as low, as its customers are located in several jurisdictions and various income brackets, and operate in largely independent markets.

The Group evaluates the concentration of risk with respect to receivable from related parties (see Note 29). This is discussed in Note 6. The related parties have a strong capacity to meet their contractual cash flows and collectability is guaranteed by Fine Properties, Inc., ultimate parent company.

Credit risk arising from receivable from tenants - third parties is primarily managed through a screening of tenants based on credit history and financial information submitted. Tenants are required to pay security deposits equivalent to 2 to 4-month lease payment to cover any defaulting amounts and advance rentals also equivalent to 2 to 4-month rent.

Credit risk arising from receivables from related parties is minimal as they have a low risk of default and have a strong capacity to meet their contractual cash flows in the near term.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk as of December 31, 2022 and 2021 is equal to the carrying values of its financial assets.

As of December 31, 2022 and 2021, the credit quality per class of financial assets is as follows:

	2022					
	Neither Past Due nor Impaired					
	High Grade	**Standard**	**Substandard Grade**	**Past due but not Impaired**	**Impaired**	**Total**
Cash and cash equivalents	**₱15,056,994,278**	**₱–**	**₱–**	**₱–**	**₱–**	**₱15,056,994,278**
Short-term cash investments	**47,278,102**	–	–	–	–	**47,278,102**
Investments at amortized cost	**41,499,484,082**	–	–	–	**104,455,985**	**41,603,940,067**
Investments at FVOCI	**117,158,380**	–	–	–	–	**117,158,380**
Installment contract receivable	**21,230,928,394**	**779,312,682**	**35,924,974**	**13,250,084,279**	–	**35,296,250,329**
Receivable from tenants and accrued rent receivable	**18,117,338,108**	–	–	**8,916,400,937**	**495,636,493**	**27,529,375,538**
Receivable from HDMF	**185,386,869**	–	–	–	–	**185,386,869**
Receivable from buyers	–	–	–	**171,303,255**	–	**171,303,255**
Accrued interest receivable	**444,938,814**	–	–	–	–	**444,938,814**
Restricted cash	**325,078,616**	–	–	–	–	**325,078,616**
	₱97,024,585,643	**₱779,312,682**	**₱35,924,974**	**₱22,337,788,471**	**₱600,092,478**	**₱120,777,704,248**

	2021					
	Neither Past Due nor Impaired					
	High Grade	Standard	Substandard Grade	Past due but not Impaired	Impaired	Total
Cash and cash equivalents	₱11,846,041,336	₱–	₱–	₱–	₱–	₱11,846,041,336
Short-term cash investments	336,019,645	–	–	–	–	336,019,645
Investments at amortized cost	49,817,449,839	–	–	–	81,166,262	49,898,616,101
Investments at FVOCI	124,499,183	–	–	–	–	124,499,183
Installment contract receivable	10,442,133,473	573,616,115	20,912,446	30,198,511,537	–	41,235,173,571
Receivable from tenants and accrued rent receivable	12,972,076,459	–	–	5,937,223,530	497,186,046	19,406,486,035
Receivable from HDMF	188,381,927	–	–	134,492,069	–	322,873,996
Receivables from buyers	–	–	–	162,854,404	–	162,854,404
Accrued interest receivable	543,893,498	–	–	–	–	543,893,498
Restricted cash	219,408,980	–	–	–	–	219,408,980
	₱86,489,904,340	₱573,616,115	₱20,912,446	₱36,433,081,540	₱578,352,308	₱124,095,866,749

The Company's basis in grading its receivables are as follow:

High-grade - pertain to receivables from related parties which based on experience are highly collectible or collectible on demand, and of which exposure to bad debt is not significant. Installment contract receivables under bank-financing, receivable from buyers and receivable from HDMF awaiting for bank and HDMF remittance but has been processed are assessed to be high grade since the accounts have undergone credit evaluation performed by two parties, the Group and the respective bank, thus credit evaluation underwent a more stringent criteria resulting to higher probability of having good quality receivables. High-grade receivable from tenants and accrued rental receivable and accrued interest receivable are receivables which have a high probability of collection (i.e., the counterparty has the apparent ability to satisfy its obligation and the security on receivables are readily enforceable).

Standard - pertain to active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard - pertain to receivables that can be collected provided the Group makes persistent effort to collect them.

The Group's investments in unquoted equity securities presented as investments at fair value through other comprehensive income are incidental to its housing projects and are considered by the Group to be of high quality.

Cash in banks and cash equivalents and short-term cash investments are deposited/placed in banks that are stable as they qualify either as universal or commercial banks. Universal and commercial banks represent the largest single group, resource-wide, of financial institutions in the country the Group is operating. They offer the widest variety of banking services among financial institutions. These financial assets are classified as high grade due to the counterparties' low probability of insolvency.

As of December 31, 2022 and 2021, the aging analyses of the Company’s receivables are as follow:

	2022						
		Past due but not impaired					
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Over 90 days**	**Impaired**	**Total**
Installment contracts receivable	**₱22,046,166,050**	**₱59,451,694**	**₱60,896,611**	**₱36,987,400**	**₱13,092,748,574**	**₱–**	**₱35,296,250,329**
Accrued rental receivable	**17,387,952,584**	–	–	–	–	–	**17,387,952,584**
Receivable from tenants	**729,385,524**	**110,645,354**	**2,799,210**	**145,019,808**	**8,657,936,565**	**495,636,493**	**10,141,422,954**
Accrued interest receivable	**444,938,814**	–	–	–	–	–	**444,938,814**
Receivable from HDMF	**185,386,869**	–	–	–	–	–	**185,386,869**
Receivable from buyers	–	**1,678,499**	**2,536,797**	**6,204,112**	**160,883,847**	–	**171,303,255**

	2021						
		Past due but not impaired					
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Impaired	Total
Installment contracts receivable	₱11,036,662,034	₱2,464,092,785	₱1,110,923,765	₱1,042,184,635	₱25,581,310,352	₱–	₱41,235,173,571
Accrued rental receivable	11,146,694,070	–	–	–	–	–	11,146,694,070
Receivable from tenants	1,825,382,389	149,812,390	172,138	180,029,144	5,607,209,858	497,186,046	8,259,791,965
Accrued interest receivable	543,893,498	–	–	–	–	–	543,893,498
Receivable from HDMF	188,381,927	8,824,496	14,631,835	14,305,121	96,730,617	–	322,873,996
Receivable from buyers	–	2,151,314	1,047,189	412,759	159,243,142	–	162,854,404

Current receivables include billed lease receivables and accrued rent receivables which are not yet contractually collectible. Past due but not impaired include lease receivables which are aged 31 to over 90 days but collection is still probable. Impaired receivables are lease receivables from terminated tenants which are less likely to be collected.

The Group has collaterals in the form of security deposits and advance rent with respect to billed lease receivables that have been identified as past due but not impaired.

Applying the expected credit risk model resulted to recognition of impairment loss of nil and ₱24.79 million from receivables in 2022 and 2021, respectively.

Liquidity Risk
The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Group’s loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.

The extent and nature of exposures to liquidity risk and how they arise as well as the Group’s objectives, policies and processes for managing the risk and the methods used to measure the risk are the same in 2022 and 2021.

Maturity Profile Financial Liabilities
The tables below summarize the maturity profile of the Group’s financial liabilities as of December 31, 2022 and 2021 based on undiscounted contractual payments, including interest payable.

December 31, 2022

	On Demand	**1 to 3 Months**	**3 to 12 Months**	**More than 1 year**	**Total**
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	**₱–**	**₱6,344,209,970**	**₱8,591,384,423**	**₱44,947,752,818**	**₱59,883,347,211**
Loans payable	**29,009,389**	**1,506,524,553**	**2,464,768,469**	**1,671,273,971**	**5,671,576,382**
Liabilities for purchased land	**107,765,896**	**295,667,806**	**1,276,124,583**	**1,239,086,896**	**2,918,645,181**
Accounts payable and other payables*	**11,780,683,458**	**3,421,921,455**	**7,444,583,291**	**728,337,670**	**23,375,525,874**
Dividends payable	**96,024,581**	–	–	–	**96,024,581**
Notes payable	**–**	**3,466,275,635**	**17,634,115,466**	**103,862,477,117**	**124,962,868,218**
Lease liabilities	**–**	**88,685,893**	**279,773,404**	**10,569,722,645**	**10,938,181,942**
Total undiscounted financial liabilities	**₱12,013,483,324**	**₱15,123,285,312**	**₱37,690,749,636**	**₱163,018,651,117**	**₱227,846,169,389**

**excluding statutory payables and including noncurrent portion of retention payable*

December 31, 2021

	On Demand	1 to 3 Months	3 to 12 Months	More than 1 year	Total
Financial Liabilities					
Financial liabilities at amortized cost					
Bank loans	₱–	₱1,783,833,959	₱7,476,007,618	₱50,824,576,623	₱60,084,418,200
Loans payable	21,238,682	2,173,991,977	1,466,067,045	433,703,007	4,095,000,711
Liabilities for purchased land	120,902,603	797,143,304	910,089,580	1,454,202,032	3,282,337,519
Accounts payable and other payables*	11,291,448,389	282,145,238	717,060,149	620,456,341	12,911,110,117
Dividends payable	15,856,454	–	–	–	15,856,454
Notes payable	–	2,071,165,535	28,355,305,463	101,684,199,419	132,110,670,417
Lease liabilities	–	83,881,609	264,333,377	10,938,181,942	11,286,396,928
Total undiscounted financial liabilities	₱11,449,446,128	₱7,192,161,622	₱39,188,863,232	₱165,955,319,364	₱223,785,790,346

**excluding statutory payables and including noncurrent portion of retention payable*

33. Notes to Consolidated Statements of Cash Flows

Details of the movement in cash flows from financing activities follow:

			Non-cash Change					
	January 1, 2022	**Cash flows**	**Lease liabilities**	**Debt issue cost**	**Interest and other financing charges (including capitalized borrowing cost)**	**Foreign exchange movement**	**Dividends declared**	**December 31, 2022**
Notes payable	**₱107,930,233,523**	**(₱9,276,278,143)**	**₱–**	**(₱103,531,880)**	**₱894,209,203**	**₱3,003,570,738**	**₱–**	**₱102,448,203,441**
Bank loans	**56,992,341,863**	**(1,052,210,176)**	**–**	**(50,533,616)**	**57,225,046**	**–**	**–**	**55,946,823,117**
Loans payable	**3,779,511,014**	**1,555,108,138**	**–**	**–**	**–**	**–**	**–**	**5,334,619,152**
Lease liabilities	**5,435,840,440**	**(375,018,792)**	**–**	**–**	**373,231,355**	**–**	**–**	**5,434,053,003**
Dividends payable	**15,856,454**	**(438,991,085)**	**–**	**–**	**–**	**–**	**519,159,212**	**96,024,581**
Accrued interest expense	**1,464,726,858**	**(9,716,182,535)**	**–**	**154,065,496**	**9,539,750,083**	**–**	**–**	**1,442,359,902**
Total liabilities from financing activities	**₱175,618,510,152**	**(₱19,303,572,593)**	**₱–**	**₱–**	**₱10,864,415,687**	**₱3,003,570,738**	**₱519,159,212**	**₱170,702,083,196**

			Non-cash Change					
	January 1, 2021	Cash flows	Lease liabilities	Debt issue cost	Interest and other financing charges (including capitalized borrowing cost)	Foreign exchange movement	Dividends declared	December 31, 2021
Notes payable	₱99,003,568,514	₱5,252,736,026	₱–	(₱104,094,100)	₱267,559,605	₱3,510,463,478	₱–	₱107,930,233,523
Bank loans	42,373,789,201	14,590,400,957	–	(37,500,000)	65,651,705	–	–	56,992,341,863
Loans payable	4,321,894,645	(542,383,631)	–	–	–	–	–	3,779,511,014
Lease liabilities	2,674,852,382	(283,190,395)	2,756,247,692	–	287,930,761	–	–	5,435,840,440
Dividends payable	28,103,938	(326,748,924)	–	–	–	–	314,501,440	15,856,454
Accrued interest expense	943,809,186	(9,738,424,964)	–	141,594,100	10,117,748,536	–	–	1,464,726,858
Total liabilities from financing activities	₱149,346,017,866	₱8,952,389,069	₱2,756,247,692	₱–	₱10,738,890,607	₱3,510,463,478	₱314,501,440	₱175,618,510,152

The Group's noncash investing and financing activities pertain to the following:

a) The Parent Company presented in the consolidated statements of cash flow the availments and payments, net of bank loans that were rolled over during the period (loans against deposit hold-outs) amounting to ₱22,560.33 million and ₱18,679.95 million in 2022 and 2021;
b) Unpaid additions to investment properties amounted to ₱786.73 million and ₱501.73 million as of December 31, 2022 and 2021, respectively;
c) Unpaid additions to property and equipment amounted to ₱5.46 million and ₱4.69 million as of December 31, 2022 and 2021, respectively;
d) The Group reclassified receivables from Fine Properties, Inc. to amounting to ₱5,750.90 million as a result of the LDA entered into between BC and Fine Properties, Inc. in 2021;
e) The Group deconsolidated VVTI as subsidiary in 2020 to investment in a joint venture amounting to ₱458.77 million as of December 31, 2021; and
f) Liabilities for purchased land is comprised of unpaid additions to land improvements classified as:

	2022	2021
Real estate inventories	**₱2,158,142,798**	₱3,282,337,518
Investment properties	**760,502,383**	–
	₱2,918,645,181	₱3,282,337,518

34. Lease Commitments

The Group as Lessor

The Group has entered into non-cancellable property leases on its investment property portfolio, consisting of retail mall spaces and BPO commercial centers which generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as of December 31, 2022 and 2021 follow:

	2022	2021
Within 1 year	**₱6,528,384,732**	₱4,193,324,153
More than 1 year to 2 years	**7,106,464,125**	4,274,234,541
More than 2 years to 3 years	**7,710,792,035**	4,692,293,057
More than 3 years to 4 years	**7,968,449,686**	5,172,681,847
More than 4 years to 5 years	**7,970,813,704**	5,560,155,236
More than 5 years	**235,924,971,281**	63,408,330,802
	₱273,209,875,563	₱87,301,019,636

Rental income included in the consolidated statements of comprehensive income for the years ended December 31, 2022, 2021 and 2020 amounted to ₱13,742.26 million, ₱9,312.72 million and ₱7,196.73 million, respectively.

Contingent rent included in rental income for the years ended December 31, 2022, 2021 and 2020 amounted to ₱1,824.31 million, ₱1,663.43 million and ₱1,492.0, respectively.

35. Commitments and Contingencies

The Group has entered into several contracts with contractors for the development of its real estate properties. As at December 31, 2022 and 2021, these contracts have an estimated aggregate cost of ₱13,204.53 million and ₱11,972.84 million, respectively. These contracts are due to be completed on various dates up to December 2026.

The progress billings are settled within one year from date of billing. These are unsecured obligations and carried at cost.

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by the courts or are currently being contested by the Group, the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect in the Group's financial position and results of operations.

The Group is currently negotiating for additional claims from various insurance companies for the loss from fire in Starmall Alabang. As of December 31, 2022, the amount certain to be received is not yet estimable.

36. Other Matters

Impact of the recent Coronavirus situation
The declaration of COVID-19 outbreak by the World Health Organization as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the Philippines starting March 16, 2020 have caused disruptions to businesses and economic activities, and its impact on businesses continues to evolve.

During the lockdown
During the lockdowns, the Group has adjusted its operations in accordance with the required measures and safety protocols. In compliance with the Government's ECQ guidelines, malls, hotels, and other businesses, except those providing essential goods and services were temporarily closed. The mall buildings continued operations because these are occupied mostly by tenants providing essential services such as supermarkets, home improvement/appliance stores, drug stores, food establishments, financial services, and are located within or near Vista Land communities. The office buildings remained open during the lockdowns since BPO tenants are allowed to conduct their businesses onsite. Other office tenants, though they adopted work from home arrangements, continued to fulfill their rental payment obligations. The Group provided rent concessions to certain tenants based on their profile and credit standing, in addition to the concessions that the Group is required to provide pursuant to the Bayanihan Act (see Note 34).

To date, commercial spaces have opened, and construction and real estate development activities have resumed at various level of activities following safety protocols mandated by the national government.

37. Subsequent Events

Loan Availments
In relation to the Corporate Notes Facility Agreement entered on December 28, 2022, in January 2023, the Parent Company made additional issuance of Corporate Notes in the amount of ₱2,900.00 million due on December 26, 2027, at a fixed interest of 7.26% per annum. The proceeds of the additional notes will be used to refinance existing or maturing obligations of the Group and for the other general corporate purposes. Certain subsidiaries of the Parent Company acted as guarantors of the Parent Company. No fees are charged for these guarantee agreements.

Assignment of Receivables of Related Party Tenants
In March 2023, a Deed of Assignment was entered among (1) the Group as lessor ; (2) various related party tenants under AllValue Holdings Corp. (AVHC) (Assignors) and (3) AVHC (Assignee), for the Assignors to assign, transfer and convey to AVHC as the Assignee, all of the Assignors' rights, title and interest in and to the existing Assignors' payables to the Group, as well as all its obligations, duties, and liabilities arising therefrom, aggregating to ₱3,960.00 million representing the Assignor's liabilities as tenants to the Group as of December 31, 2022.

As a consequence and subsequent action to the above Assignment, AVHC and the Group plans to enter into a joint venture within 2023, wherein AVHC will contribute parcels of land located in Bataan with a total area of 198,182 square meters and valued at ₱3,960.00 million as a form of settlement of the assumed liabilities by AVHC to the Group.

38. Approval of the Financial Statements

The consolidated financial statements of the Group as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 were authorized for issue by the BOD on April 13, 2023.

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Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 13, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with the Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 90787-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9566009, January 3, 2023, Makati City

April 13, 2023

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Vista Land & Lifescapes, Inc.
Lower Ground Floor, Building B
EVIA Lifestyle Center, Vista City
Daanghari, Almanza II, Las Piñas City

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Vista Land & Lifescapes, Inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 13, 2023. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS), as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
Tax Identification No. 162-410-623
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 90787-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-074-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9566009, January 3, 2023, Makati City

April 13, 2023

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

CONSOLIDATED FINANCIAL STATEMENTS

SUPPLEMENTARY SCHEDULES

VISTA LAND & LIFESCAPES, INC.
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS OF DECEMBER 31, 2022

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	₱4,068,120,434
Add: Net income actually earned/realized during the period	
Net income during the period closed to retained earnings	4,025,285,589
Less: Non-actual/unrealized income net of tax	
Equity in net income of associate/joint venture	–
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	–
Unrealized actuarial gain	–
Fair value adjustment (M2M gains)	–
Fair value adjustment of Investment Property resulting to gain	–
Adjustment due to deviation from PFRS/GAAP-gain	–
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	–
Adjustment due to deviation from PFRS/GAAP-loss	–
Loss on fair value adjustment of investment property (after tax)	–
Net income actually earned during the period	8,093,406,023
Add (Less):	
Dividend declarations during the period	(348,362,314)
Appropriations of retained earnings during the period	–
Reversals of appropriations	–
Effects of prior period adjustments	–
Treasury shares	(2,361,975,653)
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION	**₱5,383,068,056**

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
SCHEDULE A: FINANCIAL ASSETS
DECEMBER 31, 2022

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Cash and cash equivalents	N/A	₱15,070,204,626	₱15,070,204,626	₱45,836,332
Short-term cash investments	N/A	47,278,102	47,278,102	1,115,279
Restricted cash	N/A	325,078,616	325,078,616	2,833,807
Installment contracts receivables	N/A	35,401,433,721	35,401,433,721	701,342,313
Quoted equity securities	100	105,000,000	105,000,000	–
Unquoted equity securities	₱1,215,838	12,158,380	12,158,380	–
UBS Portfolio I	8,028,720,000	8,343,234,843	8,343,234,843	
UBS Portfolio II	1,755,724,950	1,820,795,574	1,820,795,574	
UBS Portfolio III	2,483,885,250	2,556,466,331	2,556,466,331	
UBS Portfolio IV	3,874,972,500	3,921,134,328	3,921,134,328	
UBS Portfolio V	1,003,590,000	1,000,321,258	1,000,321,258	
UBS Portfolio VI	2,090,812,500	2,154,355,121	2,154,355,121	931,410,352
UBS Portfolio VII	5,363,631,000	5,414,878,836	5,414,878,836	
UBS Portfolio VII	128,236,500	128,524,916	128,524,916	
UBS Portfolio IX	2,464,371,000	2,499,702,935	2,499,702,935	
HSBC Portfolio I	2,082,895,290	2,067,468,964	2,067,468,964	
HSBC Portfolio II	1,589,017,500	1,636,823,627	1,636,823,627	
HSBC Portfolio III	808,447,500	837,303,611	837,303,611	
CREDIT SUISSE	7,510,086,990	7,527,119,358	7,527,119,358	
J.SAFFRRA SARASSIN	1,658,711,250	1,591,354,378	1,591,354,378	
Receivable from tenants and accrued rent receivable	N/A	30,373,321,672	30,373,321,672	–
Other receivables	N/A	616,242,069	616,242,069	–
Total Financial Assets		₱123,450,201,266	₱123,450,201,266	₱1,682,538,083

See Notes 9, 10, 11 and 25 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDER (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2022

Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of period
Officers	₱3,845,366	₱14,376,532	(₱13,537,488)	₱–	₱1,907,876	₱2,776,535	₱4,684,410
Employees	23,462,951	181,474,103	(164,759,379)	–	40,177,675	–	40,177,675
Advances to officers and employees	₱27,308,317	₱195,850,635	(₱178,296,867)	₱–	₱42,085,551	₱2,776,535	₱44,862,085

See Note 11 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLES/PAYABLES FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2022

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Converted to APIC/Capital Stock	Current	Noncurrent	Balance at end of period
Vista Land and Lifescapes, Inc.	₱105,247,599,611	(₱28,632,930,385)	(₱33,702,154,754)	₱–	₱110,316,823,980	₱–	₱110,316,823,980
Prima Casa Land & Houses, Inc.	(1,689,426,608)	3,644,413,456	(1,255,176,470)	–	699,810,378	–	699,810,378
VLL International, Inc.	(12,231,085,108)	1,227,354,062	(3,068,432,489)	–	(14,072,163,534)	–	(14,072,163,534)
Crown Asia Properties, Inc.	(8,997,174,035)	702,039,510	(812,395,680)	–	(9,107,530,205)	–	(9,107,530,205)
Vista Residences, Inc.	(8,833,574,701)	6,103,306,941	(3,219,572,724)	–	(5,949,840,484)	–	(5,949,840,484)
Camella Homes, Inc.	(18,036,861,550)	3,171,196,798	(5,316,194,087)	–	(20,181,858,839)	–	(5,949,840,484)
Brittany Corporation	(15,810,983,349)	2,390,275,302	(1,605,383,514)	–	(15,026,091,562)	–	(15,026,091,562)
Communities Philippines, Inc.	(7,228,710,737)	6,754,385,074	(10,735,416,112)	–	(11,209,741,775)	–	(11,209,741,775)
Vistamalls, Inc.	(32,419,783,522)	4,639,959,243	(7,689,583,678)	–	(35,469,407,957)	–	(35,469,407,957)

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES

SCHEDULE D: LONG TERM DEBT

DECEMBER 31, 2022

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest rates	Amount	Number of periodic installments	Maturity date
Notes Payable	₱5,150,000,000	₱98,756,009	₱4,415,441,417	6.19%	₱4,514,197,426	Quarterly interest payments; 0.5% principal payment for 36 quarter and 82% principal on maturity date	December 2026
Notes Payable	4,850,000,000	93,009,361	4,157,090,800	6.23%	4,250,100,161	Quarterly interest payments; 1% principal payment for the 1st quarter following the issuance, .5% and 82% principal on maturity date	December 2026
Notes Payable	6,000,000,000	658,316,422	3,148,073,515	7.71%	3,806,389,937	Quarterly interest payments; 4.1667%	July 2028
Notes Payable	1,700,000,000	281,221,480	494,539,722	7.49%	775,761,202	principal payment 1 year after issuance for 24	July 2025
Notes Payable	500,000,000	82,706,975	145,449,683	7.50%	228,156,658	quarters	July 2025
Notes Payable	15,000,000,000	3,733,539,097	2,810,412,300	7.13%	6,543,951,397	Quarterly interest payments; 5% principal payment 1 year after issuance for 20 quarters	July 2024
Notes Payable	4,000,000,000	878,789,927	3,095,445,300	6.64%	3,974,235,227	Quarterly interest payments; 5.56% principal payment 3 quarter after issuance for 18 quarters	March 2027
Notes Payable	2,000,000,000	439,394,963	1,547,722,650	7.24%	1,987,117,613	Quarterly interest payments; 5.56% principal payment 2 quarter after issuance for 18 quarters	March 2027
Notes Payable	3,600,000,000	–	3,578,324,865	7.93%	3,578,324,865	Quarterly interest payments; principal payable upon maturity	December 2025
Notes Payable	5,000,000,000	–	4,969,895,646	7.93%	4,969,895,646	Quarterly interest payments; principal payable upon maturity	December 2025
Notes Payable	5,000,000,000	–	2,989,664,160	5.75%	2,989,664,160	Quarterly interest payments	August 2024
		–	1,986,031,954		1,986,031,954		August 2027
Notes Payable				6.23%		Quarterly interest payments	December 2023
	10,000,000,000	6,480,096,960	–	6.23%	6,480,096,960	Quarterly interest payments	
			3,477,234,005	8.25%	3,477,234,005	Quarterly interest payments	December 2025
Notes Payable	10,000,000,000	–	9,955,859,639	5.70%	9,955,859,639	Quarterly interest payments	June 2025

(Forward)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet	Interest rates	Amount	Number of periodic installments	Maturity date
Notes Payable	$220,000,000	$–	$220,000,000	7.25%	$220,000,000	Semi-annual interest payments; bullet on principal	July 2027
Notes Payable	$200,000,000	$–	$200,000,000	7.25%	$200,000,000	Semi-annual interest payments; bullet on principal	July 2027
Notes Payable	$350,000,000	$–	$350,000,000	5.75%	$350,000,000	Semi-annual interest payments; bullet on principal	November 2024
Bank Loans	Not applicable	11,561,568,479	44,385,254,638	3.80% to 7.77%	55,946,823,117	Various payment terms (i.e., monthly and quarterly) of interest and principal	Various dates
Loans Payable	Not applicable	3,767,253,212	1,567,365,940	6.00% to 8.00%	5,263,154,680	Interest and principal payable monthly	Various dates

See Notes 20 and 21 of the Consolidated Financial Statements

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2022

Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2022

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee

Not Applicable

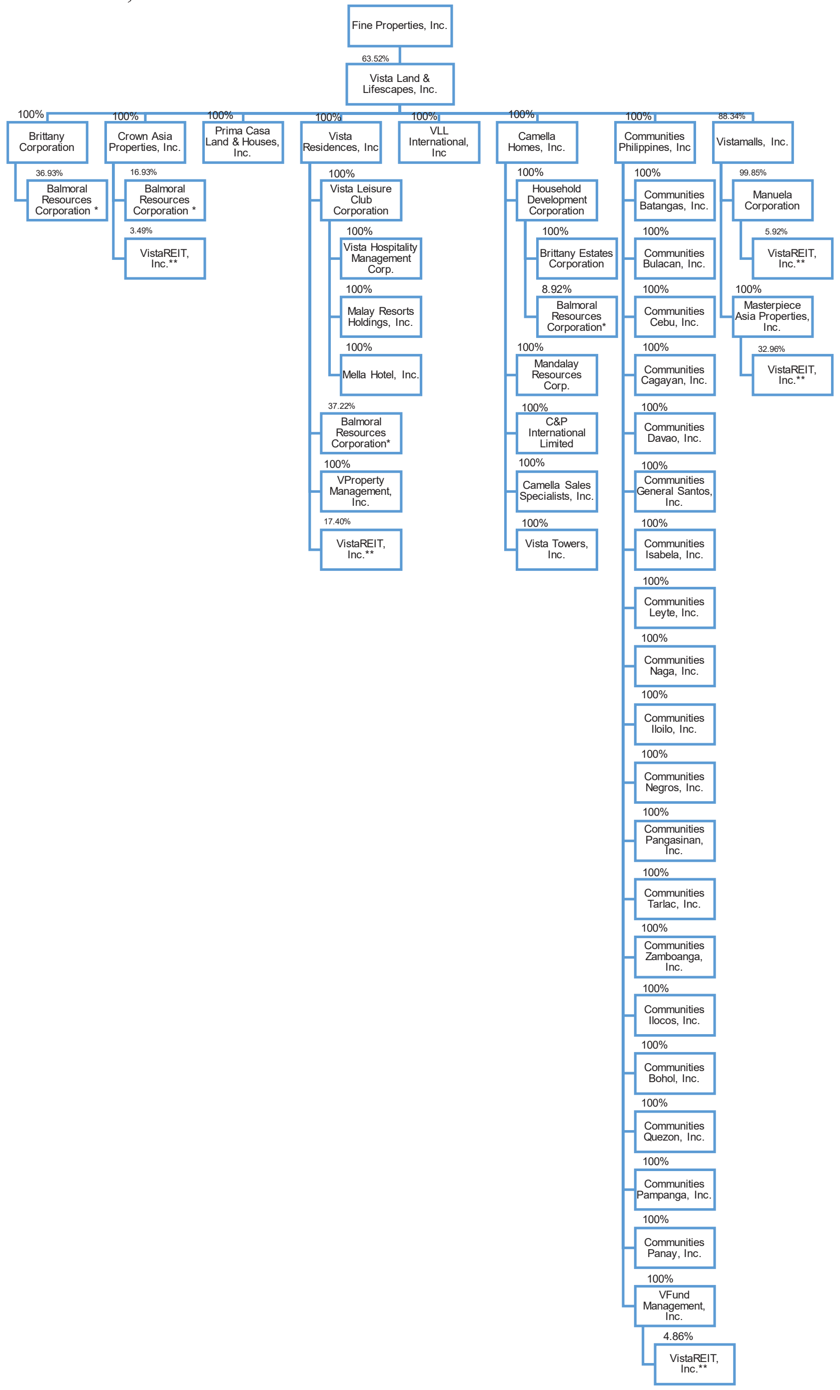
VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
SCHEDULE G: CAPITAL STOCK
DECEMBER 31, 2022

Title of issue	Number of shares authorized	Number of shares issued and outstanding at 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
Common Stock, ₱1 par value	17,900,000,000	13,114,136,376 shares issued; 11,945,799,461 shares outstanding	–	9,113,046,146	516,770,320	3,068,191,214
Preferred Stock Series 1, ₱0.01 par value	8,000,000,000	3,300,000,000 shares issued and outstanding	–	3,300,000,000	–	–
Preferred Stock Series 2, ₱0.10 par value	200,000,000	–	–	–	–	–

See Note 23 of the Consolidated Financial Statements.

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
GROUP STRUCTURE

Below is the map showing the relationship between and among group and its Ultimate parent company, and its subsidiaries as of December 31, 2022.



**The Group effectively owns 100% of Balmoral Resources Corporation through Brittany, CAPI, VRI and HDC.*
***The Group effectively owns 60.09% and 98.94% of VistaREIT, Inc. (formerly Vista One, Inc.) through MC, MAPI, Communities Pampanga, Inc., CAPI and VRI and the rest are owned by individual shareholders, as of December 31, 2022 and 2021, respectively.*

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

VISTA LAND & LIFESCAPES, INC. AND SUBSIDIARIES
AS OF DECEMBER 31, 2022, 2021 and 2020

Below are the financial ratios that are relevant to the Group for the years ended December 31, 2022, 2021 and 2020:

Ratios	Formula	2022	2021	2020
Current ratio	Current assets / Current liabilities	**2.89**	2.48	3.16
Acid test ratio	Quick asset[1] / Current liabilities	**1.64**	1.45	1.55
Solvency ratio	Net income + Depreciation / Total liabilities	**0.05**	0.05	0.05
Debt ratio	Interest bearing debt[2] / Total assets	**0.51**	0.54	0.50
Asset to equity ratio	Total assets / Total equity	**2.61**	2.79	2.69
Interest service coverage ratio	EBITDA[3] / Total interest paid[4]	**1.91**	1.91	1.69
Return on equity	Net income / Total equity	**0.06**	0.06	0.06
Return on assets	Net income / Average total assets	**0.02**	0.02	0.02
Net profit margin	Net income / Net revenue	**0.26**	0.24	0.20

[1]Includes Cash and Cash Equivalents, Short-term Investments, Investment at FVTPL and Current Receivables
[2]Includes Bank loans, Notes Payable and Loans Payable
[3]EBITDA less Interest Income from Investments
[4]Total interest paid less Interest Income from Investments

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SHAREHOLDER SERVICES AND ASSISTANCE

For inquiries regarding dividend payments,
change of address and account status, lost or
damaged stock certificates, please write or call:

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Life made beautiful

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