COVER SHEET

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S.E.C. Registration Number

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

(Company's Full Name)

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

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

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

c/o Atty. Katrina O. Clemente-Lua

Contact Person

7918-8188

Company Telephone Number

Definitive Information Statement

Month Day
Fiscal Year

D I S
FORM TYPE

Month Day
Annual Meeting

Secondary License Type; If Applicable

C F D
Dept. Requiring this Doc.

Amended Articles Number / Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes

FILINVEST LAND, INC.

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

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of **FILINVEST LAND, INC.** ("FLI" or the "Corporation") will be conducted virtually on **22 April 2022 (Friday)** at **11:00 a.m.,** at which meeting the following matters shall be taken up:

I. Call to Order

II. Proof of Notice of Meeting

III. Certification of Quorum

IV. Approval of the Minutes of the Annual Stockholders' Meeting held on 23 April 2021

V. Presentation of the President's Report

VI. Ratification of the Audited Financial Statements for the year ended 31 December 2021

VII. Ratification of the Acts and Resolutions of the Board of Directors, Board Committees and Management from the Date of the Last Annual Stockholders' Meeting up to 22 April 2022

VIII. Election of the Members of the Board of Directors, including three (3) Independent Directors, to serve for 2022-2023

IX. Appointment of the External Auditor

X. Other Matters

XI. Adjournment

In view of the current circumstances and in support of the efforts to contain the outbreak of COVID-19, stockholders may attend and participate in the meeting only by remote communication, voting *in absentia* and/or appointing the Chairman of the meeting as their proxy. The procedure and requirements for online registration for remote communication and voting *in absentia* will be explained in the Information Statement.

Only Stockholders of Record as of 5:00 PM of 11 March 2022 shall be entitled to vote at this meeting. Votes cast remotely or *in absentia* should be received by the Corporation on or before 12 April 2022.

Stockholders who wish to vote by proxy shall submit the same on or before 12 April 2022 to the Office of the Assistant Corporate Secretary, through Atty. Katrina O. Clemente-Lua, located at Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila, or by email to FLIASM@filinvestland.com. A proxy submitted by a corporation should be accompanied by a Corporate Secretary's certificate quoting the board resolution designating a corporate officer to execute the proxy. In addition to the above requirement for corporations, a proxy form given by a broker or custodian bank in respect of shares of stock carried by such broker or custodian bank for the account of the beneficial owner must be accompanied by a certification under oath stating that the broker or custodian bank has obtained the written consent of the account holder.

PLEASE NOTE THAT THE CORPORATION IS NOT SOLICITING PROXIES.

The Corporation's Information Statement, Management Report, and 2022 Audited Financial Statements will be made available in the company website at https://www.filinvestland.com and in the Philippine Stock Exchange EDGE disclosure system no later than 30 March 2022. Pursuant to SEC Memorandum Circular No. 6, Series of 2020, please be informed that there will be a visual and audio recording of the meeting.

Please be guided accordingly.

K. Clemente

KATRINA O. CLEMENTE-LUA
Assistant Corporate Secretary

PROXY

The undersigned stockholder of **FILINVEST LAND, INC.** (the "Company") hereby appoints ____________________, or in his/her absence, the Chairman of the meeting as attorney-in-fact and proxy, to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on April 22, 2022, and at any of the adjournments thereof for the purpose of acting on the following matters:

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

2. Ratification of the 2021 Audited Financial Statements
   ☐ For ☐ Against ☐ Abstain

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

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

Nominee	Number of Votes
Jonathan T. Gotianun	________________
Lourdes Josephine Gotianun-Yap	________________
Michael Edward T. Gotianun	________________
Francis Nathaniel C. Gotianun	________________
Efren C. Gutierrez	________________
Tristaneil D. Las Marias	________________
Independent Directors:	
Ernesto S. De Castro	________________
Gemilo J. San Pedro	________________
Val Antonio B. Suarez	________________

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

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

____
PRINTED NAME OF STOCKHOLDER

____
SIGNATURE OF STOCKHOLDER/
AUTHORIZED SIGNATORY

____
DATE

A scanned copy of this proxy should be received by the Corporate Secretary at FLIASM@filinvestland.com on or before April 12, 2022, the deadline for submission of proxies. For corporate stockholders, please attach to this proxy form the Secretary's Certificate on the authority of the signatory to appoint the proxy and sign this form.

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

Stockholders participating by remote communication will not be able to vote unless they register at https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM or authorize the Chairman to vote as proxy, on or before April 12, 2022.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [x] Definitive Information Statement

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

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

4. SEC Identification Number: **170957**

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

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

   Postal Code: **1550**

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

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

   Date: **22 April 2022**
   Time: **11:00 a.m.**
   Place: **No physical meeting**
   Online web address for registration for remote participation and voting:
   https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM

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

   On or before 30 March 2022

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

Title of Each Class	Number of Common Shares of Stock Outstanding	Amount of Debt Outstanding
Common	**24,249,759,506**	
Preferred	**8,000,000,000**	
Bonds Payable		**36,288,922,243.31**

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

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

    Philippine Stock Exchange / Common shares

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

PART I
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

(a) The annual stockholders' meeting of **FILINVEST LAND, INC**. (the "Company" or "FLI") for the year 2022 is scheduled on **22 April 2022, 11:00 a.m.** through virtual meeting. The presiding officer shall call and prescribe the stockholders' meeting at the principal office of the corporation or, if not practicable, in the city or municipality where the principal office of the corporation is located.

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

(b) The information statement shall be made available to the stockholders and/or security holders no later than **30 March 2022**.

Item 2. Dissenter's Right of Appraisal

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

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

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

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

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

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

There is no matter to be taken up at the annual meeting on **22 April 2022** which would entitle a dissenting stockholder to exercise the right of appraisal.

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

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

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) As of **28 February 2022**, the total number of shares outstanding and entitled to vote in the annual meeting is **24,249,759,506** common shares and **8,000,000,000** preferred shares. Each share is entitled to one vote.

(b) The record date for purposes of determining the stockholders entitled to notice of and to vote at the annual stockholders' meeting is **11 March 2022**. Stockholders of record as of 11 March 2022 may only attend the meeting by remote communication, by voting in absentia or appointing the Chairman of the meeting as their proxy.

(c) A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: *Provided*, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of FLI multiplied by the whole number of directors to be elected. The stockholder must be a stockholder of record as of **11 March 2022** to be able to exercise cumulative voting rights. There are no conditions precedent to the exercise of the stockholder's cumulative voting right.

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

The names, addresses, citizenship, number of shares held, and percentage to total of persons owning more than five percent (5%) of the outstanding voting shares of FLI as of **28 February 2022** are as follows:

Title of Class of Securities	Name/ Address of Record Owner and Relationship with FLI	Name of Beneficial Owner/ Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Preferred	**Filinvest Development Corporation**[1] The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila	Same as the Record Owner	Filipino	8,000,000,000	100%
Common	**Filinvest Development Corporation** The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila	Same as the Record Owner	Filipino	15,681,457,022	64.67%
Common	**PCD Nominee Corporation (Filipino)** G/F, Philippine Stock Exchange Tower **Ayala Avenue, Makati City**	Please see footnote 3 below.[2]	Filipino	4,593,989,925	18.94%
Common	**PCD Nominee Corporation (Non-Filipino)** G/F, Philippine Stock Exchange Tower, Ayala Avenue, Makati City	Please see footnote 2 below[3].	Non-Filipino	3,373,331,093	13.91%

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

[1] Ms. Lourdes Josephine Gotianun-Yap is typically appointed by Filinvest Development Corporation ("FDC") as its representative, with authority to vote FDC's shares in stockholders' meetings of FLI

[2] Based on the report provided to us by the Company's stock transfer agent, no individual holds more than five (5%) of the Company's outstanding shares.

[3] Based on the report provided by the Company's stock transfer agent, one participant holds 5% or more of the Company's outstanding shares, namely Hongkong and Shanghai Banking Corporation (8.098%).

As of **28 February 2022**, 3,378,161,130 or 13.93% of the total outstanding voting shares of FLI are owned by foreigners.

The names, citizenship, number of shares held and percentage to total of persons forming part of the Board of Directors and Management of the Company as of **28 February 2022** as shown in the Public Ownership Report are as follows:

Title of Class of Securities	Name	Amount and Nature of Ownership	Citizenship	Percentage of Ownership
Common	Mercedes T. Gotianun	1 (Direct)	Filipino	0.00% (D)
Common	Lourdes Josephine Gotianun-Yap	7,694,934 (D)* 24,577,345 (I)	Filipino	0.03% (D) 0.10% (I)
Common	Jonathan T. Gotianun	61 (D) 2,225,437 (I)	Filipino	0.00% (D) 0.00% (I)
Common	Michael Edward T. Gotianun	11,235,928 (D)	Filipino	0.04% (D)
Common	Efren C. Gutierrez	13,083 (D)	Filipino	0.00% (D)
Common	Francis Nathaniel C. Gotianun	32,518(D)	Filipino	0.00% (D)
Common	Nelson M. Bona	1 (D)	Filipino	0.00% (D)
Common	Val Antonio B. Suarez	1 (D)	Filipino	0.00% (D)
Common	Ernesto S. De Castro	1 (D)	Filipino	0.00% (D)
Common	Gemilo J. San Pedro	1 (D)	Filipino	0.00% (D)
Common	Luis L. Fernandez	4,064,940 (D)	Filipino	0.01% (D)
Common	Ana Venus A. Mejia	200,000 (I)	Filipino	0.00% (I)
N.A.	Tristaneil D. Las Marias	0	Filipino	N.A.
N.A.	Sharon P. Pagaling-Refuerzo	0	Filipino	N.A.
N.A.	Harriet C. Ducepec	0	Filipino	N.A.
N.A.	Edgardo C. Raymundo	0	Filipino	N.A.
N.A.	Vince Lawrence Abejo	0	Filipino	N.A.
N.A.	Francis V. Ceballos	0	Filipino	N.A.
Common	Winnifred H. Lim	1,026,563 (I)	Filipino	0.00% (I)
N.A.	Maria Victoria M. Reyes-Beltran	0	Filipino	N.A.
N.A.	Reynaldo Juanito S. Nieva II	0	Filipino	N.A.
N.A.	Alexis Avalone Ojeda	0	Filipino	N.A.
N.A.	Janeth B.. de los Reyes	0	Filipino	N.A.

* Includes shares of stock in Filinvest Land, Inc. under the name Joseph &/or Josephine Yap

Total ownership of all directors and officers as a group as of 28 February 2022 is 0.20% of the total issued and outstanding common shares of stock.

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

There are no arrangements which may result in a change in control of FLI. There has been no change in control of FLI since the beginning of the last fiscal year. There were no matters submitted to a vote of the security holders during the fourth quarter of the calendar year covered by this report.

Item 5. <u>Directors and Executive Officers</u>

The members of the Board serve for a term of one (1) year and until their successors shall have been duly elected and qualified. The business experience of the directors and officers of FLI named below cover at least the past five (5) years.

The following are the current directors and senior executive officers of FLI:

Jonathan T. Gotianun *Chairman of the Board*	Mr. Gotianun, 68, Filipino, was first elected as a Director of FLI on 17 June 1994. He also serves as the Chairman of the Board of Directors of FDC and East West Banking Corporation ("EWBC"), both publicly-listed companies. He is also the Chairman of the Board of Davao Sugar Central Co., Inc. ("DSCC"), Cotabato Sugar Central Co. Inc. ("CSCC") and FDC Utilities, Inc. ("FDCUI") and its subsidiary power companies. He served as Director and Senior Vice President of Family Bank & Trust Co. until 1984. He obtained his Master's Degree in Business Administration from Northwestern University in 1976.
Lourdes Josephine Gotianun-Yap *Director, President and Chief Executive Officer*	Mrs. Yap, 66, Filipino, was first elected as a Director of FLI on 24 November 1989. Mrs. Yap, who was elected as the President and CEO of FLI on 31 October 2012, is also a Director, President and CEO of FDC, Chairperson of the Board of Filinvest REIT Corp ("FILRT"), and a Director of EWBC, all publicly-listed companies. She is the Chairperson and CEO of Filinvest Alabang, Inc. ("FAI"), a Director of FDCUI and in other companies within the Filinvest Group. She obtained her Master's Degree in Business Administration from the University of Chicago in 1977.
Mercedes T. Gotianun *Chairperson Emerita*	Mrs. Gotianun, 93, Filipino, served as a Director of FLI from 1989 to 2019 and its Chief Executive Officer from 1997 to 2007. She also served as a Director of FDC from 1980 to 2019. She is also a Director of EWBC, a publicly-listed company, and a Director in Pacific Sugar Holdings Corporation ("PSHC"), FDCUI and its subsidiary power companies. She obtained her college degree from the University of the Philippines.
Michael Edward T. Gotianun *Director*	Mr. Gotianun, 64, Filipino, was first elected as a Director of FLI on 08 May 2015. He is also a Director of FDC, a publicly-listed company, FAI and Festival Supermall, Inc. He served as the general manager of Filinvest Technical Industries from 1987 to 1990 and as loans officer at Family Bank from 1979 to 1984. He obtained his Bachelor's Degree in Business Management from the University of San Francisco in 1979.
Efren C. Gutierrez *Director*	Mr. Gutierrez, 86, Filipino, was a Director of FLI from 1994 to 2001, and was re-elected to FLI's Board in 2006. He was first elected as a Director of FLI on 17 June 1994. He served as the President of FAI from 1999 to 2005. He is currently the Chairman of the Board of The Palms Country Club, Inc. ("TPCCI") He is not a Director of any other publicly-listed company. He obtained his Bachelor of Laws degree from the University of the Philippines.
Nelson M. Bona *Director*	Mr. Bona, 71, Filipino, was first elected as director of FLI on 11 June 2020. He is the former Chief Finance Officer and Compliance Officer of FLI. He previously served as Executive Vice-President,

	Treasurer and Chief Finance Officer of FDC. He is currently a director of FDC. He was formerly an Executive Vice-President of EWBC and Managing Director of Millenia Broadband Communications, Inc. and Filinvest Capital, Inc. He obtained his Bachelor of Arts in Commerce degree from the University of Sto. Tomas. He also earned units towards an MBA from the De La Salle University and attended the Advance Finance Program of Harvard Business School.
Francis Nathaniel C. Gotianun *Director*	Mr. Gotianun, 38, Filipino, was first elected as a director of FLI on 22 April 2016. He is the Senior Vice-President of Filinvest Hospitality Corporation, a subsidiary of FDC, the primary role of which is to evaluate, plan, develop and optimize potential and current hospitality investments of the Filinvest Group. He serves as a Director of Filinvest Mimosa, Inc. and as the President and CEO of TPCCI. He also serves as a Director of FILRT, a publicly-listed company. He obtained his Bachelor's Degree in Commerce from the University of Virginia in 2005 and his Master's in Business Administration degree in IESE Business School – University of Navarra in 2010.
Val Antonio B. Suarez *Lead Independent Director*	Mr. Suarez, 63, Filipino, was first elected as an independent director of FLI on 08 May 2015. He is also an independent director of FDC, FILRT and Lepanto Consolidated Mining Company, all publicly-listed companies. He is the Managing Partner of the Suarez & Reyes Law Offices and was the former President and Chief Executive Officer of The Philippine Stock Exchange. He is a member of the Integrated Bar of the Philippines (Makati Chapter) and New York Bar. He obtained his Bachelor of Laws degree from the Ateneo de Manila University School of Law and a Master of Laws degree from Georgetown University Law Center.
Ernesto S. De Castro *Independent Director*	Mr. De Castro, 75, Filipino, was first elected as an independent director of FLI on 22 April 2019. He is the President of ESCA Incorporated since July 1993. He is not a Director of any other publicly-listed company. He graduated from the University of the Philippines Diliman in 1967 with a bachelor's degree in Civil Engineering and obtained his Masters of Engineering in the same university in 1968. He obtained Doctor of Philosophy in Civil Engineering (Major in Structures) in Lehigh University, Bethlehem, Pennsylvania, USA in 1975.
Gemilo J. San Pedro *Independent Director*	Mr. San Pedro, 67, Filipino, was first elected as an independent director of FLI on 17 July 2019. He also serves as an independent director of FILRT. He has 38 years of experience in public accounting and business advisory services. Prior to his retirement on 30 June 2015, he served various leadership roles at SyCip Gorres Velayo & Co. (SGV & Co.). He was a partner in SGV & Co. from 1991 to 2015 and Professional Practice Director and Quality and Risk Management Leader from 2004 to 2015. He finished his

	Bachelor of Science in Commerce-Major in Accounting degree at Rizal Memorial Colleges, Davao City. He obtained his Master of Business Administration, concentration in Finance and International Business, at the Graduate School of Business, New York University, (now Stern Graduate School) USA in 1983.
Tristaneil D. Las Marias *Executive Vice President and Chief Strategy Officer*	Mr. Las Marias, 47, Filipino, is the Executive Vice-President and Chief Strategy Officer of FLI. He also serves as a Director of FILRT, a publicly-listed company. He started in 1997 as Head of Regional Projects and went on to hold a higher position as Senior Vice-President and Cluster Head for Visayas and Mindanao projects as well as Southwest and Central Luzon. He obtained his Bachelor of Arts, Major in Management Economics degree from Ateneo de Manila University
Ana Venus A. Mejia *First Senior Vice President, Treasurer and Chief Finance Officer*	Ms. Mejia, 56, Filipino, has been with the Filinvest Group for 26 years. She started in January 1996 as Assistant Controller of FDC and has served the Group in various capacities. She was appointed as Treasurer of FLI in 2012. She also serves as Treasurer and Chief Finance Officer of FILRT. Prior to joining Filinvest, she worked with Shoemart and Sycip, Gorres, Velayo & Company. She is a Certified Public Accountant and a magna cum laude graduate of Pamantasan ng Lungsod ng Maynila. She obtained her Master's Degree from the Kellogg School of Management of Northwestern University and the School of Business and Management at the Hong Kong University of Science and Technology.
Vince Lawrence L. Abejo *First Senior Vice President, Chief Sales and Marketing Officer*	Mr. Abejo, 49, Filipino, is the Chief Sales and Marketing Officer of FLI. He has twenty-two (22) years combined experience in sales and marketing, strategy and corporate affairs and general management. He has held various key marketing positions in the real estate industry as well as across different industries – FMCG, telecoms, tobacco and healthcare and geographies (Philippines, Switzerland, Malaysia and Vietnam). He graduated from the University of the Philippines (Diliman), with a degree in BS Administration on 1994 and completed an Advanced Management Program from Harvard Business School in 2012.
Maria Victoria Reyes-Beltran *Senior Vice-President, General Counsel and Compliance Officer*	Atty. Reyes-Beltran, 55, Filipino, is the General Counsel and Compliance Officer of FLI. She also serves as Compliance Officer of FILRT. Prior to joining FLI, she served as Director of the Office of Internal Legal Counsel of R.G. Manabat & Co., a professional partnership firm affiliated with KPMG International. She also served as General Counsel of the Corporate Legal Unit of JG Summit Holdings, Inc. and Universal Robina Corporation, its subsidiaries, and regional operations in Southeast Asia as well as Corporate Secretary of the printed media unit of the group. She obtained her Bachelor of Arts degree major in Philosophy from the University of the Philippines and her Bachelor of Laws degree from San Beda College of Law. She completed her Master of Laws in

	International Commercial Law at the Ateneo School of Law and course on Structuring International Joint Venture at the University of California, Davis Campus.
Francis V. Ceballos *Senior Vice President and Head of the Industrial/Logistics Business*	Mr. Ceballos, 56, Filipino, joined FLI last 2010 and is currently the Senior Vice-President and Head of the Industrial/Logistics Business. He graduated from Ateneo de Manila University with a degree in Management Engineering and obtained his MBA from the Asian Institute of Management.
Winnifred H. Lim *Senior Vice President and Chief Technical Planning Officer*	Engr. Lim, 57, Filipino, is the Senior Vice- President and Chief Technical Planning Officer of FLI. He started as the company's Engineering Head last 2000 and currently leads Engineering, Architecture, Planning and Design, Survey, and Special Projects. He obtained his Master's Degree in Structural Engineering at the University of the Philippines Diliman.
Edgardo C. Raymundo *Chief Audit Executive*	Mr. Raymundo, 59, is the Chief Audit Executive of FLI. A certified public accountant (CPA), Mr. Raymundo was previously a Senior Auditor of Pepsi-Cola Distributors. Prior to that, he was a Senior Auditor of SGV and Co. He obtained his Bachelor's degree in Accountancy from the Polytechnic University of the Philippines.
Harriet Joan C. Ducepec *First Vice-President, Chief of Staff and Chief Risk Officer*	Ms. Ducepec, 56, Filipino, is the Chief of Staff and Chief Risk Officer of FLI. She has been with the Filinvest Group for 25 years, joining in October 1996 as Assistant Vice President and Head of Corporate Planning and Market Research. She is the Head of the Executive Management Staff under the Office of the President and CEO. She has over 30 years of experience in corporate planning in both real estate and banking industries. Prior to joining Filinvest, she worked with ASB Realty, United Coconut Planters Bank, Union Bank of the Philippines and International Corporate Bank. She obtained her Bachelor of Arts degree in Economics, cum laude, from the University of the Philippines Diliman and completed the Strategic Business Economics Program from the University of Asia and the Pacific.
Janeth B. de los Reyes *First Vice President, Deputy Chief Finance Officer*	Ms. de los Reyes, 48, Filipino, is the Deputy Chief Finance Officer of FLI. Prior to joining FLI, she worked with Ortigas Land Group for more than three (3) years as its Chief Transformation Officer (CTO). Prior to her appointment as CTO, she served as the Ortigas Land Group's AVP & Head of Corporate Finance. She is an experienced Finance Professional with two (2) decades of experience in the Real Estate Industry. She has led finance teams both at controllership and operations in financial reporting and analysis; tax compliance; billing and collection and treasury management; strategic planning, budgeting and forecasting; and procurement. She also worked for SyCip Gorres Velayo & Company in both Assurance and Business Advisory and Risk Consulting service lines. She obtained her Bachelor of Science in

	Accountancy degree in De La Salle University – Manila. Ms. de los Reyes then obtained her Master in Business Administration from the Ateneo Graduate School of Business – Makati. Ms. de los Reyes is a Certified Public Accountant, a licensed Real Estate Broker and has an NCII Certification in Organic Agriculture Production.
Melissa C. Ortiz *Investor Relations Officer*	Ms. Ortiz, 51, Filipino, is the Investor Relations Officer of FLI. She was previously head of investor relations for ABS-CBN Corporation, head of corporate and financial planning for Nutriasia Philippines and head of financial planning and investor relations for MERALCO. She is a Certified Public Accountant. She obtained her Bachelor's Degree in Business Administration from the University of the Philippines and obtained her Master's Degree in Business Administration and Master of Science degree in Computational Finance from De La Salle University.
Katrina O. Clemente-Lua *Assistant Corporate Secretary and Corporate Information Officer*	Ms. Clemente-Lua, 38, Filipino, was appointed as FLI's Assistant Corporate Secretary and Corporate Information Officer on March 16, 2022. She joined the Corporate and Tax Advisory Division of the Legal Department of FLI in October 2018. Prior to joining FLI, she served as the Legal Counsel of Philippine Stratbase Consultancy, Inc. and Executive Director of Stratbase ADR Institute. She was previously an associate of Carag Jamora Somera & Villareal Law Offices as well as Senior Corporate Affairs Officer of Anchor Land Holdings. She obtained her Bachelor of Arts degree in Legal Management from De La Salle University and her Juris Doctor degree from Ateneo de Manila University.

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

There is no director who has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

In order to measure the performance of the Board of Directors, on annual basis, the Board and all Board Committees of the Company shall accomplish the Self-Assessment Sheet. The results shall be consolidated and presented by the Compliance Officer to the Board or through the Corporate Governance Committee.

The members of the board committees, pursuant to appointments made during the organizational meeting of the Board of Directors of FLI on 23 April 2021, are as follows:

Executive Committee	Chair: Lourdes Josephine Gotianun-Yap Members: Andrew T. Gotianun, Jr. Jonathan T. Gotianun Michael Edward T. Gotianun Francis Nathaniel C. Gotianun

Audit and Risk Management Oversight Committee	Chair: Gemilo J. San Pedro (Independent Director) Members: Val Antonio B. Suarez (Independent Director) Jonathan T. Gotianun Efren C. Gutierrez (non-executive director)
Compensation Committee	Chair: Val Antonio B. Suarez (Independent Director) Members: Jonathan T. Gotianun Lourdes Josephine Gotianun-Yap Gemilo J. San Pedro (Independent Director)
Corporate Governance Committee	Chair: Val Antonio B. Suarez (Independent Director) Members: Jonathan T. Gotianun Gemilo J. San Pedro (Independent Director) Ernesto S. De Castro (Independent Director)
Technical Committee	Chair: Ernesto S. De Castro (Independent Director) Members: Michael Edward T. Gotianun Winnifred H. Lim
Related-Party Transaction Committee	Chair: Val Antonio B. Suarez (Independent Director) Members: Gemilo J. San Pedro (Independent Director) Efren C. Gutierrez (non-executive director)

Nomination and Selection of Directors

The directors of FLI are elected at the annual stockholders' meeting to hold office for one (1) year and until their respective successors have been duly appointed or elected and qualified. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

The following are the qualifications and disqualifications of nominees to the Board as set forth in FLI's Revised Manual of Corporate Governance, duly adopted by the Board pursuant to SRC Rule 38.1 and SEC Memorandum Circular No. 16, Series of 2002:

Qualifications

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

Permanent Disqualifications

The following shall be permanently disqualified for election as director:

1. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years;
2. Within the tenure, the director, trustee, or officer was convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years;
3. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted by final judgment for violating the Revised Corporation Code;
4. Within the tenure, the director, trustee, or officer was convicted by final judgment for violating the Revised Corporation Code;
5. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted by final judgment for violating the Securities Regulation Code;
6. Within the tenure, the director, trustee, or officer was convicted by final judgment for violating the Securities Regulation Code;
7. Within five (5) years prior to the election or appointment, the director, trustee, or officer was found administratively liable, by final judgment, for any offense involving fraudulent acts punishable under Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, Republic Act No. 8799, otherwise known as the Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the Commission;
8. Within the tenure, the director, trustee, or officer was found administratively liable, by final judgment, for any offense involving fraudulent acts punishable under Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, Republic Act No. 8799, otherwise known as the Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the Commission;
9. Within five (5) years prior to the election or appointment, the director, trustee, or officer was convicted or found administratively liable by a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to those enumerated in paragraphs (a) and (b) of Section 26 of the RCC;
10. Within the tenure, the director, trustee, or officer was convicted or found administratively liable by a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to those enumerated in paragraphs (a) and (b) of Section 26 of the RCC; or
11. Within five (5) years prior to the election or appointment, or within the tenure, the director, trustee or officer was found administratively liable, by final judgment, for refusal to allow the inspection and/or reproduction of corporate records.

Temporary Disqualifications

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

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

or any twelve (12)-month period during said incumbency. This disqualification applies for purposes of the succeeding election;

3. Dismissal/termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
4. Being under preventive suspension by the Company;
5. If the independent director becomes an officer or employee of FLI, he shall be automatically disqualified from being an independent director; and
6. Conviction that has not yet become final referred to in the grounds for the disqualification of directors.

<u>Nominated Directors for 2022-2023</u>

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

Below is the final list of candidates prepared by the Corporate Governance Committee and the following individuals have been nominated for election as directors, including independent directors at the Annual Stockholders' Meeting on 22 April 2022:

1. Jonathan T. Gotianun
2. Lourdes Josephine Gotianun-Yap
3. Francis Nathaniel C. Gotianun
4. Michael Edward T. Gotianun
5. Efren C. Gutierrez
6. Tristaneil D. Las Marias
7. Ernesto S. De Castro, Jr. (Independent Director)
8. Gemilo J. San Pedro (Independent Director)
9. Val Antonio B. Suarez (Independent Director)

Aside from Mr. Tristaneil D. Las Marias, the other nominees are current directors of FLI. The qualifications of the nominees for the Board of Directors of FLI are discussed on pages 7 to 10 of this Information Statement.

<u>Independent Directors</u>

The Corporate Governance Committee, upon nomination by Mr. Luis L. Fernandez and following the guidelines provided under FLI's Revised Manual on Corporate Governance and pursuant to SEC Memorandum Circular No. 09, Series of 2011, named Atty. Val Antonio B. Suarez, Mr. Gemilo J. San Pedro and Mr. Ernesto S. De Castro, Jr. as nominees for re-election as independent directors for this year's annual meeting. Mr. Fernandez is not related, whether by affinity or consanguinity, to any of these nominees.

The Corporate Governance Committee has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Revised Manual on Corporate Governance and SEC Memorandum

Circular No. 09, Series of 2011. In accordance with SEC Memorandum Circular No. 5, Series of 2017, the Certifications of Independent Directors executed by the aforementioned candidates for independent directors of the Company are attached hereto as **Annexes "B", "B-1" and "B-2".**

Before the annual meeting, a stockholder of FLI may nominate individuals to be independent directors, taking into account the following guidelines:

"Independent director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

1. Is not a director or officer or substantial stockholder of FLI or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
2. Is not a relative of any director, officer or substantial shareholder of FLI, any of its related companies or any of its substantial shareholders. For this purpose, "relative" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
3. Is not acting as a nominee or representative of a substantial shareholder of FLI, any of its related companies or any of its substantial shareholders;
4. Has not been employed in any executive capacity by FLI, any of its related companies or by any of its substantial shareholders within the last two (2) years;
5. Is not retained as professional adviser by FLI, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through his firm;
6. Has not engaged and does not engage in any transaction with FLI or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and are immaterial or insignificant.

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

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

"*Substantial shareholder*" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

An Independent Director of FLI shall have the following qualifications:

1. He shall have at least one (1) share of stock of FLI;
2. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FLI for at least five (5) years;
3. He shall possess integrity/probity; and
4. He shall be assiduous.

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

1. He becomes an officer or employee of FLI, or becomes any of the persons enumerated under item (A) hereof;
2. His beneficial security ownership exceeds 10% of the outstanding capital stock of FLI;
3. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member; or
4. If he becomes disqualified under any of the grounds stated in FLI's Revised Manual on Corporate Governance.

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

1. There shall be no limit in the number of covered companies that a person may be elected as Independent Director, except in business conglomerates where an ID can be elected to only five (5) companies of the conglomerate, i.e., parent company, subsidiary or affiliate;
2. The independent director shall serve for a maximum cumulative term of nine (9) years;
3. After the maximum cumulative term, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director;
4. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and
5. The reckoning of the cumulative nine-year term is from 2012.

Atty. Suarez was first elected as independent director of FLI in 2015. Therefore, he is qualified to be nominated and elected as independent director until 2024. Mr. De Castro was first elected as an independent director of FLI on 22 April 2019, while Mr. San Pedro was first elected as an independent director of FLI on 17 July 2019. Therefore, they are both qualified to be nominated and elected as independent directors until 2028.

The Corporate Governance Committee receives nominations for independent directors as may be submitted by the stockholders. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as independent directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

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

It shall be the responsibility of the Chairperson of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairperson of the meeting shall call a separate election during the same meeting to fill up the vacancy.

Other Significant Employees

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

Family Relationships

Ms. Mercedes T. Gotianun is the mother of Mr. Jonathan T. Gotianun, Mr. Michael Edward T. Gotianun and Mrs. Lourdes Josephine Gotianun-Yap. Mr. Francis Nathaniel C. Gotianun is the grandson of Ms. Mercedes T. Gotianun and the son of Mr. Jonathan T. Gotianun. Except for Mrs. Mercedes T. Gotianun, all of them are current members of the Board of Directors of FLI.

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

Legal Proceedings

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

a) FLI vs. Abdul Backy Ngilay, et al.,
G.R. No. 174715
Supreme Court

This is a civil action for the declaration of nullity of deeds of conditional and absolute sale of certain real properties located in Tambler, General Santos City, covered by free patents and executed between FLI and the plaintiff's patriarch, Hadiji Gulam Ngilay, instituted in 1998. The Regional Trial Court ("RTC") of Las Piñas City (Br. 253) decided the case in favor of FLI and upheld the sale of the properties. On appeal, the Court of Appeals ("CA") rendered a decision partly favorable to FLI but nullified the sale of some properties involved. FLI filed a petition for review on certiorari to question that portion of the decision declaring as void the deeds of sale of properties covered by patents issued in 1991. The Supreme Court ("SC") affirmed the decision of the CA but declared with finality that FLI's purchase of sales patents issued in 1991 was void and ordered the Ngilays to return ₱l4,000,000.00 to FLI. The RTC issued a Writ of Execution dated 16 February 2015. To satisfy the monetary judgment in favor of FLI, four parcels of land owned by the Ngilays and covered by Transfer Certificates of Title ("TCT") Nos. P-6886, 147-201005034, 147-2014000465, and 147-2014000468, were levied on execution and sold at public auction to FLI as highest bidder. The Sheriff's Certificate of Sale over the properties was registered with the Registry of Deeds of General Santos City. FLI filed a motion for the surrender of the certificates of titles of the Ngilays so that FLI's affidavit of consolidation of ownership can be annotated on the titles and new certificates of title will be issued in FLI's name. This motion was partially granted; 3 titles, namely Transfer Certificates of Title ("TCT") Nos. 147-2014005034, 147-2014000465, and 147-2014000468, are surrendered to the Register of Deeds of General Santos City. But the sale by the Sheriff of the property covered by TCT No. P-6886 was declared invalid, because the sale of the property covered by said title was not one of the sales previously declared by the SC as invalid. The Sheriff was ordered to look for another property of Ngilay for execution and to issue an amended certificate of sale for the 3 Ngilay properties in favor of FLI. We are awaiting the Court's issuance of an order approving the amended certificate of sale along with resolution of the Court on the Moner Ngilay's Motion to Exclude his property from execution, with FLI's opposition already filed.

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

The National Government through the Office of the Solicitor General filed suit against Rolando Pascual, Rogelio Pascual, and FLI for cancellation of title and reversion in favor of the Government of properties subject of a joint venture agreement between the said individuals and FLI. The Government claims that the subject properties covering about 73.33 hectares are not alienable and disposable being forest land. The case was instituted in 2002 and dismissed by the RTC Branch 36 of General Santos City on 16 November 2007 for lack of merit. On appeal, the Court of Appeals reversed the Decision of the RTC and ordered the case to be remanded for a full-blown trial on the merits. FLI filed a Motion for Partial Reconsideration, which was denied by the CA. On 4 April 2016, FLI filed its Petition for Review with the SC, but the latter also affirmed the Decision of the CA remanding the case for reversion filed by the Republic of the Philippines to the RTC of General Santos City for further proceedings. In an Order dated 18 September 2018, the hearing was reset to 19 March 2019, the RTC set the case for Judicial Dispute Resolution on 20 August 2019. The Judicial Dispute Resolution was terminated.

On February 13, 2020, FLI filed its Amended Answer incorporating its cross-claim against defendant Rodel Land, Inc. The pre-trial set on April 14, 2020 was reset to March 18, 2021 which was again reset to September 23, 2021 due to the COVID-19 pandemic. The pre-trial was subsequently reset to March 8, 2022 where in the proceedings via video conference, FLI moved for the dismissal of the complaint due to the non-appearance of the handling counsel from the Office of the Solicitor General and for failure of the Government to file its pre-trial brief. The Court however, ordered the resetting of the pre-trial for the last time to May 17, 2022.

c) Antonio E. Cenon and Filinvest Land, Inc. vs. San Mateo Landfill, Mayor Rafael Diaz, Brgy. Pintong Bukawe, Director Julian Amador and the Secretary, Department of Environment and Natural Resources
SC-G.R. No. 251303
Supreme Court

On 9 February 2009, FLI and its First Vice President, Engr. Antonio E. Cenon ("Plaintiffs") filed an action for injunction and damages against the respondents to stop and enjoin the construction of a 19-hectare landfill in a barangay in close proximity to Timberland Heights in San Mateo, Rizal. Plaintiffs sought preliminary and permanent injunctive relief and damages and the complete and permanent closure of the dump site. After presenting evidence, plaintiffs rested their case. Defendant San Mateo Sanitary Landfill and defendant Mayor separately filed a Demurrer to Evidence. In an Order dated 22 August 2016, the Court granted both Demurrers to Evidence and dismissed the case for insufficiency of evidence. Plaintiffs appealed to the Court of Appeals. In the Decision dated May 31, 2019, the Court of Appeals denied the plaintiffs' appeal. Plaintiffs filed a Motion for Reconsideration. The Motion for Reconsideration was denied in a Resolution of the Court of Appeals dated January 6, 2020. A

Petition for Review on Certiorari was filed by plaintiffs with the Supreme Court on March 6, 2020. On November 10, 2020, plaintiffs received a copy of the July 13, 2020 Resolution of the Supreme Court which denied the Petition. Plaintiffs filed a Motion for Reconsideration of the said Resolution which is pending with the Supreme Court.

d) Manila Paper Mills International, Inc. vs. Filinvest Land, Inc., et al.,
Civil Case No. DC-721-17
Regional Trial Court
Branch 90, Dasmariñas City, Cavite

In its Complaint dated July 14, 2017, Manila Paper Mills International, Inc. ("MPMII") claims it owns three parcels of land in Dasmariñas City, Cavite covered by TCT Nos. T-636128, T-636130 and T-636131. These areas allegedly overlap with FLI's lots which now form part of FLI's project, The Glens located in San Pedro, Laguna. The Complaint prays for the cancellation of FLI's certificates of title that overlap with MPMII's as well as the payment of damages. MPMII also prayed for the issuance of a temporary restraining order or preliminary injunction to enjoin FLI from possessing, altering, transferring ownership, or disposing of the subject properties.

FLI sought the dismissal of the Complaint on the following grounds: (a) the court has no jurisdiction over the amended complaint's prayer for injunctive relief; (b) the amended complaint should be dismissed because the original complaint lacks cause of action (MPMII's corporate personality has ceased in 2004) and may not therefore be subject to amendment; (c) the correct filing fees were not paid and in view of its impropriety, the amendment circumvents the need for separate filing and payment of new docket fees.

The trial court subsequently denied FLI's motion for the dismissal of the Complaint. In the course of the proceedings for MPMII's application for preliminary injunction, the court ordered MPMII to submit the tax declarations covering its supposed properties. As MPMII failed to comply with the Order FLI filed an Urgent Motion to Dismiss on February 2, 2021 grounded on the failure of MPMII to submit the said tax declarations. In the hearing of March 5, 2021 set for the hearing on the Urgent Motion to Dismiss and on MPMII's prayer for injunction, the Court dismissed the case and granted FLI's Urgent Motion to Dismiss for MPMII's failure to timely submit the said tax declarations. MPMII filed its Motion for Reconsideration dated March 12, 2021 which remains pending to date.

Item 6. <u>Compensation of Directors and Executive Officers</u>

The aggregate compensation paid or incurred during the last two (2) fiscal years and the estimate for this year are as follows:

(a) **Name and Principal Position**	(b) **Year**	(c) **Salary (Php)**	(d) **Bonus (Php)**	(e) **Other Annual Compensation**	**TOTAL**
Lourdes Josephine Gotianun-Yap *(Director, President and Chief Executive Officer)* Tristaneil D. Las Marias *(Executive Vice President, Chief Strategy Officer)* Ana Venus A. Mejia *(First Senior Vice President, Chief Finance Officer, Treasurer)* Francis V. Ceballos *(Senior Vice President)* Vince Lawrence L. Abejo *(First Senior Vice President, Chief Sales and Marketing Officer)*					
CEO and top four (4) highest compensated officers	2022 - Estimated	26.02Mn	1.69Mn	-	22.72Mn
	2021	24.79Mn	1.61Mn	-	26.40Mn
	2020	26.09Mn	1.99Mn	-	28.08Mn
All officers and directors as a group unnamed	2022 - Estimated	22.05Mn	1.34Mn	-	23.39Mn
	2021	21.00Mn	1.28Mn	-	22.28Mn
	2020	21.17Mn	1.73Mn	-	22.90Mn

Non-executive and independent directors receive a per diem of Php50,000.00 for every stockholders', Board and Board Committee meeting attended. For the year 2021, the total per diem for each of the non-executive director and independent directors is as follows:

Name of Director	Amount (in Php)
Jonathan T. Gotianun*	--
Lourdes Josephine Gotianun-Yap*	--
Michael Edward T. Gotianun*	--
Nelson M. Bona*	--
Francis Nathaniel C. Gotianun*	--
Efren C. Gutierrez	750,000.00
Val Antonio B. Suarez (Independent Director)	850,000.00
Ernesto S. De Castro (Independent Director)	550,000.00
Gemilo J. San Pedro (Independent Director)	850,000.00
Total	PhP3,000,000.00

** These directors do not receive per diem in their capacity as directors of the Company.*

Other than as discussed in the Information Statement, there are no other existing arrangements for the payment of compensation or remuneration to the directors in their capacity as such, but the Company may, without any obligation, grant additional compensation if certain performance driven goals are met, subject to such approvals as may be required by law.

Board Evaluation and Assessment

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

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

The criteria for Board self-assessment are:

1. Collective Board Rating
   a. Board Composition
   b. Board Meetings and Participation
2. Individual Self-Assessment
   a. Individual Performance
   b. Attendance of Board and Committee Meetings
3. Board Committees Rating
   a. Executive Committee
   b. Corporate Governance Committee
   c. Audit and Risk Management Committee
   d. Compensation Committee
   e. Related Party Transaction Committee
   f. Technical Committee
4. Comments and Suggestions

Involvement in Certain Legal Proceedings

Except for (a) criminal cases filed in 2007 before the DOJ Manila in I.S. Nos. 2007-001 and 2007-011 and which were dismissed by the DOJ on 26 March 2009 and 07 April 2009, respectively; (b) criminal complaints in the Prosecutor's Office (filed against certain FLI officers) arising from alleged unlawful collection and application of subdivision dues and other charges being collected by a homeowners' association which was dismissed on 23 January 2012; (c) the complaint for syndicated estafa and usurpation of real property filed by Manuel Tee and Michael Mendoza against certain directors and officers of FLI on 2018, docketed as NPS No. XV-08-INV-18K-01075, which was dismissed by the Office of the City Prosecutor for Muntinlupa City and for which complainants' Motion for Reconsideration was already denied; and (d) the complaint for estafa filed by Manila Paper Mills International, Inc. ("MPMII") with the Office of the City Prosecutor of Dasmariñas, Cavite against certain directors and an officer of FLI, which was dismissed, although MPMII filed a Petition for Review before the Secretary of Justice, none of the members of FLI's Board nor its executive officers are involved in any major criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years, nor have they been found by judgment or decree to have violated securities or commodity laws and enjoined from engaging in any business, securities, commodities or banking activities.

Certain Relationships and Related Transactions

In the normal course of business, FLI and its subsidiaries and affiliates enter into certain related-party transactions principally consisting of advances and inter-company charges. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control of the Group's ultimate parent company (referred herein as "Affiliates"). Related parties may be individuals or corporate entities.

None of the Company's directors have entered into self-dealing and related party transactions with or involving the Company in 2021.

The transactions with related parties for the year ended December 31, 2021 are discussed in the Company's 2021 Audited Financial Statements attached as **Annex "C"** to this Information Statement. Please see Note 20, pages 63 to 68 of the Notes to the Financial Statements accompanying the Company's 2021 Audited Financial Statements where the (a) business purpose of the arrangement; (b) identification of the related parties transacting business with the Company and nature of the relationship; and (c) any ongoing contractual or other commitments as a result of the arrangement, are stated. The transaction price for Related Party Transactions ("RPT") are as negotiated and on an arm's length basis. All material RPT with a transaction value that reaches ten percent (10%) of the Company's total assets are subject to the review and approved for fairness by the RPT Committee.

Item 7. Independent Public Accountants

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

FLI, in compliance with SRC Rule 68(3)(b)(iv) relative to the seven-year rotation requirement of its external auditors, has designated Ms. Wanessa G. Salvador as its engagement partner starting CY 2020. Thus, Ms. Salvador is qualified to act as such until the year 2027. The representatives of SGV shall be present at the annual meeting where they will have the opportunity to make a statement if they desire to do so. They are expected to be available to respond to appropriate questions at the meeting.

The Audit and Risk Management Oversight Committee recommends to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board and the stockholders approve the Audit and Risk Management Oversight Committee's recommendation.

The Audit and Risk Management Oversight Committee recommended the re-appointment of SGV as FLI's external auditor for the year 2022-2023. The said recommendation was approved by the Board of Directors and will be presented for approval and ratification at the Annual Stockholders' Meeting scheduled on 22 April 2022.

Under the Charter of the Audit and Risk Management Oversight Committee, the Committee reviews the external auditor's proposed audit scope and approach, including coordination of audit effort with internal audit. The Revised Manual on Corporate Governance provides that the Committee shall pre-approve all audit plans, scope and frequency before the conduct of external audit.

The Committee also evaluates the performance of the external auditors and exercises final approval on the appointment or discharge of the auditors. The Committee further reviews the independence of the external auditors and meets with the latter separately to discuss any matters that either party believes should be discussed privately.

(1) There has been no change during the two most recent fiscal years or any subsequent interim period in the independent accountant who was previously engaged as principal accountant to audit FLI's financial statements.

(2) There has been no disagreement with FLI's independent accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

<u>Information on Independent Accountant</u>

(a) Audit and Audit-Related Fees

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

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

SGV billed FLI for audit fees totaling Php3.28 million and Php2.74 million for the years 2021 and 2020, respectively.

(b) Tax Fees

In consideration for the following professional services rendered by SGV:

1. Tax and Transfer Pricing Services;

SGV billed FLI for professional service fees totaling NIL and Php1.78million for 2021 and 2020, respectively.

(c) All Other Fees

In consideration for the following professional services rendered by SGV:

1. REIT Initial Public Offering
2. FLI Bond offerings

SGV billed FLI for professional service fees totaling Php6.04 million and Php12.54 million for 2021 and 2020, respectively

(d) Approval of Policies and Procedures of the Management and/or Audit and Risk Management Oversight Committee for Independent Accountant's Services

In giving its stamp of approval to the audit services rendered by the independent accountant and the rate of the professional fees to be paid, the Audit and Risk Management Oversight Committee, with inputs from the management of FLI, makes a prior independent assessment of the quality of audit services previously rendered by the accountant, the complexity of the transactions subject of the audit, and the consistency of the work output with generally accepted accounting standards. Thereafter, the Audit and Risk Management Oversight Committee makes the appropriate recommendation to the Board of Directors of the Company.

Item 8. <u>Compensation Plans</u>

The creation of a Long Term Incentive Plan and the delegation of authority to the President and Chief Executive Officer and Compensation Committee, to finalize and implement the same, shall be presented to the shareholders for approval.

Should the Long Term Incentive Plan involve stock grants, the same shall be implemented subject to the following conditions:

(a) without exceeding the number of treasury shares held by the Company as of the date that this resolution is passed and in no case shall exceed 1% of the Company's total outstanding capital stock; and/or

(b) up to a maximum of 0.5% of common shares of Filinvest REIT Corp., which shares are currently owned by the Company.

The Company's Compensation Committee will be tasked to review and approve the the terms and conditions of the Plan, including vesting periods, qualifications, disqualifications of grantees and any procedures relevant for the same to ensure that the following objectives are met:

1. Drive long term performance for the Company through its critical officers;
2. Motivate a sustained high-level contributions from critical officers; and
3. Attract and retain critical talents

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. <u>Authorization or Issuance of Securities other than for Exchange</u>

No action will be taken at the annual meeting with respect to authorization or issuance of securities will be taken up during the meeting, except possible reissuance of a certain number of treasury shares in relation to the creation of a Long Term Incentive Plan mentioned in item 8 hereof.

Item 10. <u>Modification or Exchange of Securities</u>

No action will be taken at the annual meeting that will result in any modification or exchange of securities.

Item 11. Financial and Other Information

(a) Information Required

(1) Financial Statements

The audited financial statements of FLI for the year ended 31 December 2021 is attached herewith as **Annex "C"** to form an integral part hereof.

(2) Management's Discussion and Analysis, or Plan of Operations

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

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

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

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

No action will be taken at the annual meeting with respect to any acquisition or disposition of property by FLI requiring the approval of the stockholders.

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

No action will be taken at the annual meeting with respect to any restatement of any asset, capital or surplus account of FLI.

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

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

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

FLI also has leasing segments – commercial retail spaces for the mall tenants and merchants and Office spaces for BPO and traditional office. FLI will also lease out land or factory/warehouse buildings to industrial customers initially at the industrial and logistics park in Filinvest at New Clark City.

FLI also has leasing segments – commercial retail spaces for the mall tenants and merchants and Office spaces for BPO and traditional office. It also has 4 retail malls located in Filinvest City, Bacoor, Tagaytay and Cebu. FLI will also lease out land or factory/warehouse buildings to industrial customers initially at the industrial and logistics park in Filinvest at New Clark City.

The subsidiaries of FLI are as follows:

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

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

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

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

e. *Filinvest REIT Corp. (FILRT) (formerly, Cyberzone Properties, Inc.)*, incorporated on 14 January 2000, is a Real Estate Investment Trust ("REIT") company. FILRT owns and manages IT-based buildings on certain parcels of land forming part of the Northgate Cyberzone in the Special Economic Zone of Filinvest Corporate City in Alabang, Muntinlupa City. On 02 July 2021, the Securities and Exchange Commission approved the change of its corporate name; primary purpose; and other relevant portions of its charter documents for it to qualify as a REIT company under the Republic Act No. 9856 (the REIT Act of 2009) including its Revised Implementing Rules and Regulations. FILRT was listed in the Philippine Stock Exchange, Inc. on 12 August 2021. FLI, is the REIT sponsor of FILRT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

v. ProOffice Work Services, Inc. (PWSI) was formed in 18 March 2019 to engage in the business of administration, maintenance and management of real estate developments and projects. It started commercial operations in August 2019. In December 2020, FILRT sold its sixty percent (60%) stake in ProOffice Work to its parent company, Filinvest Land, Inc., making it the majority shareholder of PWSI. The corporation is the REIT property manager of FILRT.

w. Nature Specialists, Inc. (NSI) was incorporated in 24 August 2018 for the development of hospitality projects such as hotels, inns, resorts and lodging houses. In December 2020, FLI subscribed to 382,500 shares consisting of 120,000 common shares and 262,500 preferred shares of NSI, equivalent to seventy-five percent (75%) of its outstanding capital stock, making it a subsidiary of FLI.

x. *FREIT Fund Managers, Inc. (FREITFM)* was registered with the SEC on 13 April 2021 to engage in the business of providing fund management services to REIT companies, as provided under Republic Act No. 9856 (the REIT Act of 2009), including its Revised Implementing Rules and Regulations. FREITFM is the REIT fund manager of FILRT.

y. *Co-Living Pro Managers Corp. (CPMC)* was formed in 02 August 2021 to engage in the business of developing, operating, managing, and maintaining dormitels, lots and buildings whether owned or leased, to make such dormitels available for all clients for temporary stay as well as any and all services and facilities incidental thereto.

D. OTHER MATTERS

Item 15. <u>Action With Respect To Reports</u>

1. Approval of the minutes of the annual meeting of stockholders held on 23 April 2021, hereto attached as **Annex "E"**;

Rationale: To allow the stockholders to confirm that the proceedings during the ASM were recorded accurately and truthfully.

The minutes of the meeting held on 23 April 2021 can be viewed at the Company website, https://www.filinvestland.com/. A copy of the minutes is also attached as Annex "E" of the Information Statement.

2. Presentation of the President's Report

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

The President, Mrs. Lourdes Josephine Gotianun-Yap, will report on the Company's 2021 performance and the outlook for 2022.

3. Ratification of the Audited Financial Statements for the year ended 31 December 2021

Rationale: To apprise the stockholders of the financial results of the Company's operations in 2021.

The audited financial statements refer to the financial operations, balance sheet and income statement of FLI as of and for the year ended 31 December 2021. The Company's audited financial statements for 2021 will be incorporated in the Definitive Information Statement and will be made available on the Company website.

Item 16. Matters Not Required To Be Submitted

Only matters which require stockholders' approval will be taken up during the annual meeting. No action will be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, By-laws or Other Documents

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

Item 18. Other Proposed Action

1. General ratification of the acts of the Board of Directors, Board Committees (including the Executive Committee) and the management from the date of the last annual meeting up to the date of the upcoming meeting

Rationale: To ratify the actions and resolutions of the Board of Directors and management in the regular course of business.

The acts of the Board of Directors and Officers include -
- (a) Appointment of the members of the board committees
- (b) Appointment of officers
- (c) Appointment of authorized representatives and signatories for various corporate transactions and legal proceedings
- (d) Authority for applications for government registration, clearance, permits and licenses
- (e) Appointment and/or updating of bank signatories
- (f) Approval of the assignment of certain obligations
- (g) Approval of investment and/or subscription of shares of stocks

(h) Authority to transact and enter into agreements relating to the Company's projects
(i) Acquisition of motor vehicle and land
(j) Renewal/availment of bank services and credit facilities
(k) Appointment of representatives in homeowners' associations and condominium corporations
(l) Approval of listing of the second tranche of bonds
(m) Purchase or subscription of shares in another company
(n) Offer and sale of common shares in a subsidiary by way of secondary offer
(o) Donation of roads, open spaces and the like
(p) Appointment of external auditor
(q) Approval of the schedule of Board and Board Committee meetings for 2022
(r) Approval of the Creation of the Long Incentive Plan and Delegation of Authority to finalize and implement the same.
(s) Approval of the date of annual stockholders' meeting, record date, the agenda of the meeting, the guidelines for the conduct of annual stockholders' meeting via remote communication and the guidelines for voting in absentia.

2. Election of the members of the Board of Directors, including three (3) Independent Directors to serve for the year 2022-2023; and

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

In accordance with the Company's Revised Manual on Corporate Governance and By-Laws, the stockholders must elect the members of the Board of Directors of the Company comprised of nine (9) directors, including three (3) independent directors, who shall hold office for a term of one (1) year, or until their successors shall have been duly elected and qualified. There will be an election of the members of the Board during the annual stockholders' meeting to serve for the year 2022 to 2023.

The Corporate Governance Committee, acting as the Nominations Committee, shall evaluate the nominees for the Board, including three (3) nominees for independent directors, and the said committee shall determine that the nominees shall have all the qualifications and none of the disqualifications to serve in the Board of Directors.

3. Appointment of External Auditor.

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

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

Item 19. Voting Procedures

(a) *Vote required for approval.*

The approval of the minutes of the annual stockholders' meeting held on 23 April 2021, the ratification of the audited financial statements for the year ended 2021, the ratification of corporate acts, the election of the directors, and the appointment of external auditor for 2022, shall be decided by the majority vote of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

In the election of the members of the Board of Directors, the candidates garnering the nine (9) highest number of votes shall be declared elected as directors of the Company to serve as such for the year 2022-2023.

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

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

Item 20. Participation of Stockholders by Remote Communication

In support of the government's efforts to contain the spread of COVID-19 and to ensure the safety and welfare of its stockholders, directors, officers and employees, the Company will dispense with physical attendance of stockholders at the meeting and will allow attendance only by remote communication.

In order for the Company to properly conduct validation procedures, stockholders who wish to participate in the meeting via remote communication and/or vote *in absentia* must register at https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM on or before 07 April 2022.

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

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

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

Period		High	Low	End
2021	4th Quarter	1.17	1.08	1.10
	3rd Quarter	1.19	1.08	1.10
	2nd Quarter	1.15	1.04	1.10
	1st Quarter	1.24	1.07	1.10

2020	4th Quarter	1.19	0.91	1.12
	3rd Quarter	1.03	0.82	0.91
	2nd Quarter	1.10	0.89	0.99
	1st Quarter	1.56	0.77	0.91
2019	4th Quarter	1.66	1.45	1.50
	3rd Quarter	2.05	1.56	1.57
	2nd Quarter	1.99	1.50	1.88
	1st Quarter	1.66	1.42	1.52

On 28 February 2022, FLI's shares closed at the price of Php1.10 per share. The number of shareholders of record as of said date was 5,629. Common shares outstanding as of 28 February 2022 is 24,249,759,506.

The top 20 Stockholders of FLI's common shares as of 28 February 2022 are as follows:

NAME	**NO. OF SHARES**	**% OF TOTAL**
1. Filinvest Development Corporation	15,681,457,022	64.67%
2. PCD Nominee Corporation (Filipino)	4,593,989,925	18.94%
3. PCD Nominee Corporation (Non-Filipino)	3,373,331,093	13.91%
4. PGI Retirement Fund Inc.	115,281,500	00.48%
5. Philippines International Life Insurance Co. Inc.	60,000,000	00.25%
6. Josefina Multi-Ventures Corporation	54,809,000	00.23%
7. Pryce Corporation	50,802,000	00.21%
8. Don Manuel Investments Corporation	47,918,000	00.20%
9. F. Yap Securities, Inc.	32,000,000	00.13%
10 Michael Gotianun	11,235,913	00.05%
11. Lucio W. Yan &/or Clara Y. Yan	10,687,500	00.04%
12. Joseph M. Yap &/or Josephine G. Yap	7,694,843	00.03%
13. Joseph M. Yap	6,444,115	00.03%
14. Hinundayan Holdings Corporation	5,100,000	00.02%
15. Executive Optical, Inc.	5,040,647	00.02%
16. Berck Y. Cheng or Alving Y. Cheng or Diana Y. Cheng or Cheryl Y. Cheng	5,000,000	00.02%
17. Jonathan Dee Co	5,000,000	00.02%
18. R Magdalena Bosch	4,877,928	00.02%
19. Veronica P. Fernandez	4,064,940	00.02%
20. Luis L. Fernandez	4,064,940	00.02%

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

Recent Sale of Unregistered Securities

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

Declaration of Dividends

On January 8, 2007, the Board of Directors approved an annual cash dividend payment ratio for the Company's issued shares of twenty percent (20%) of its consolidated net income from the preceding fiscal year, subject to the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends. Circumstances which could restrict the payment of cash dividends, include, but are not limited to, when the Company undertakes major projects and developments requiring substantial cash expenditures or when it is restricted from paying cash dividends by its loan covenants. The Company's Board may, at any time, modify such dividend pay-out ratio depending upon the results of operations and future projects and plans of the Company.

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

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

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

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

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

Compliance with Leading Practices on Corporate Governance

FLI is in substantial compliance with its Revised Manual for Corporate Governance as demonstrated by the following: (a) the election of three (3) independent directors to the Board; (b) the appointment of members of the Board Committees, namely the Executive Committee, the Audit and Risk Management Oversight Committee, the Compensation Committee, the Corporate Governance Committee, the Technical Committee and the Related-Party Transaction Committee; (c) the conduct of regular quarterly board meetings and special meetings with the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (d) the adoption of the Related Party Transaction Policy; (e) the creation of sustainability report; (f) the timely submission to the SEC of reports and disclosures required under the Securities Regulation Code; (g) FLI's adherence to national and local laws pertaining to its operations; and (h) the observance of applicable accounting standards by FLI.

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

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

FLI welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors, to improve corporate governance.

Reinvestment Progress

As of December 31, 2021, the remaining balance of the proceeds from the FILRT IPO amounts to Nine Billion Six Hundred Ninety Million Four Hundred Ninety Five Thousand Three Hundred Thirty Two Pesos and Seventy Eight Centavos (Php 9,690,495,332.78) .

Gross Proceeds from IPO	Php	12,583,246,445.00
Purchase of shares during the stabilization period		- 2,281,799.73
Underwriters and IPO-related fees		- 316,945,305.82
Net Proceeds received		12,264,019,339.45
Disbursements for Transaction Costs, Aug. 12- Sept. 30		- 132,542,600.57
Disbursements for Transaction Costs, Oct. 1- Dec. 31		- 1,571,600.24
Available for Reinvestment		12,129,905,138.64
Disbursements for Reinvestment Aug 12- Sept 30		- 1,566,787,666.62
Disbursements for Reinvestment Oct 1-Dec. 31		- 872,622,139.24
Balance of IPO Proceeds as of December 31, 2021	Php	**9,690,495,332.78**

The details of the disbursements in 2021 are as follows:

Disbursements from August 12, 2021-September 30, 2021

Project Name	Disbursing Entity	Amount
Axis Three	Filinvest Land, Inc.	426,856,231.03
Axis Four	Filinvest Land, Inc.	368,883,104.82
Cebu Tower 3	Filinvest Land, Inc.	89,003,459.40
Cebu Tower 4	Filinvest Land, Inc.	66,964,038.96
Columna	Filinvest Land, Inc.	22,232,993.99
387 Gil Puyat	Filinvest Cyberparks Inc	34,644,230.20
PDDC	Phil. DCS Development Corp.	370,963.32
Marina Town Mall	Filinvest Land, Inc.	14,843,258.53
Clark Lifestyle Mall	Filinvest Cyberzone Mimosa Inc	53,017,112.84
Panglao Oasis	Filinvest Land, Inc.	19,436,889.45
Alta Spatial	Filinvest Land, Inc.	61,152,633.67
Verde Spatial	Filinvest Land, Inc.	26,431,861.01
Bali Oasis	Filinvest Land, Inc.	10,232,709.20
Belize Oasis	Filinvest Land, Inc.	5,025,428.96
Raw Land	Filinvest Land, Inc.	264,575,693.71
Dreambuilders capex	Filinvest Land, Inc.	103,117,057.53
TOTAL		**1,566,787,666.62**

Disbursements from October 1, 2021 to December 31, 2021

Project Name	Disbursing Entity	4Q2021
Axis Three	Filinvest Land, Inc.	39,043,957.65
Axis Four	Filinvest Land, Inc.	8,092,912.79
Cebu Tower 3	Filinvest Land, Inc.	51,375,589.70
Marina Town	Filinvest Land, Inc.	24,395,903.00
Columna	Filinvest Land, Inc.	19,146,350.21
387 Gil Puyat	Filinvest Cyberparks Inc	53,430,947.80
4Workplus	Filinvest Cyberzone Mimosa Inc	11,080,029.39
7 Workplus	Filinvest Cyberzone Mimosa Inc	2,533,826.02
PDDC	Phil. DCS Development Corp.	3,599,857.96
Marina Town Mall	Filinvest Land	37,082,938.66
Clark Lifestyle Mall	Filinvest Cyberzone Mimosa Inc	103,739,027.40
Panglao Oasis	Filinvest Land, Inc.	113,346,538.06
Alta Spatial	Filinvest Land, Inc.	106,058,156.07
Verde Spatial	Filinvest Land, Inc.	37,030,012.69
Bali Oasis	Filinvest Land, Inc.	37,112,772.31
Belize Oasis	Filinvest Land, Inc.	33,232,551.90
Raw Land	Filinvest Land, Inc.	96,343,773.59
Dreambuilders capex	Filinvest Land, Inc.	95,976,994.04
TOTAL		**872,622,139.24**

FLI's Reinvestment Plan and Reinvestment Progress Reports may be accessed through this link:

https://filinvestland.com/investor-relations/reinvestment-plan

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

PART II
SIGNATURE PAGE

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

This report is signed in the City of Mandaluyong on the 30th day of March 2022.

FILINVEST LAND, INC.

By:

Ko Clemente

KATRINA O. CLEMENTE-LUA
Assistant Corporate Secretary

ANNEX "A"

FILINVEST LAND, INC.

SECRETARY'S CERTIFICATE

I, **KATRINA O. CLEMENTE-LUA**, Filipino, of legal age, and with office address at the 6th Floor, Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila, after having been duly sworn in accordance with law, hereby certify that:

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

2. Based on the records of the Corporation, none of its incumbent directors and executive officers named in the Corporation's Information Statement (SEC Form 20-IS) for the Annual Stockholders' Meeting to be held on 22 April 2022 is connected with and/or working in the government.

3. This Certification is being issued as an annex to the Information Statement (SEC Form 20-IS) of the Corporation in connection with its Annual Stockholders' Meeting for the year 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of March 2022 in Mandaluyong City, Metro Manila.

KATRINA O. CLEMENTE-LUA
Assistant Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 16th day of March 2022 in Mandaluyong City, Metro Manila, affiant exhibiting to me her Philippine Passport No. P2852223B, bearing her photograph and signature, issued by Department of Foreign Affairs NCR-East, and valid until 23 August 2029.

Doc. No. 268;
Page No. 55;
Book No. 8;
Series of 2022.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-21 UNTIL DECEMBER 31, 2022
ROLL NO. 53970
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 4864924; 1-3-22; MANDALUYONG
MCLE COMPLIANCE NO. VI 0017960 14 APRIL 2022
METRO MART COMPLEX, MANDALUYONG CITY

File No. 1.4.3
FLI_Certification_2022 IS/Ryan

ANNEX "B"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **VAL ANTONIO B. SUAREZ**, Filipino, of legal age, with postal office address at Unit 5C, OPL Building, 100 C. Palanca Street, Legaspi Village, Makati City 1229, after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee for Independent Director of Filinvest Land, Inc. and have been an independent director thereof since 2015.

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

Company/Organization	Position/Relationship	Period of Service
Suarez & Reyes Law Offices	Managing Partner	2000 to Present
Filinvest Development Corporation	Independent Director; Member, Audit & Risk Management Oversight Committee; Chairman, Compensation Committee; Chairman, Corporate Governance Committee; Chairman, Related-Party Transaction Committee	2014 to Present
Filinvest REIT Corp.	Independent Director; Member, Audit & Risk Management Oversight Committee; Chairman, Compensation Committee; Chairman, Corporate Governance Committee; Member, Related-Party Transaction Committee	2017 to Present
Lepanto Consolidated Mining Company	Independent Director, Executive Committee	2011 to Present
Tayabas Resources Ventures Corporation	Director and Corporate Secretary	2003 to Present
Southeast Cable TV Corporation	Director and Corporate Secretary	2003 to Present
Asian Vision Cable Holdings Group of Companies	Corporate Secretary	2003 to Present
Ambassador Suarez Development Corporation	Chairman and President	2003 to Present
Five Karats Property Holdings, Inc.	Director and Treasurer	2003 to Present
Gendrugs, Inc.	Director and Treasurer	2008 to Present

Amun Ini Resort and Spa, Inc.	Director and Corporate Secretary	2010 to Present
Carmen's Best Dairy Products, Inc.	Director and Corporate Secretary	2011 to Present
Headland Road Capital, Inc.	Chairman and President	2012 to Present
Camiguin Gendrugs, Inc.	Director and President	2013 to Present
Avocado Broadband Telecoms, Inc.	Director and Corporate Secretary	2015 to Present
Gendrugs Distributors, Inc.	Director and Treasurer	2016 to Present
Cebu Gendrugs, Inc.	Director and Treasurer	2016 to Present
Chocohills Generics, Inc.	Director and Treasurer	2016 to Present
Vertere Global Solutions, Inc.	Chairman	2017 to Present
Vertere Venture Capital, Inc.	Director	2017 to Present
R&S Development Corporation	Director and Treasurer	2017 to Present
Suarez Bridge Ventures, Inc.	Chairman and President	2018 to Present
AB Capital & Investment Corporation	Corporate Secretary	2021 to Present
AB Capital Securities, Inc.	Corporate Secretary	2021to Present
Financial Executives Institute of the Phils.	Member	2010 to Present
Integrated Bar of the Philippines – Makati Chapter	Member	1986 to Present

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

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

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

5. I disclose that I (together with the other members of the Board of Directors of Filinvest Land, Inc. (FLI)) am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
Complaint for Syndicated Estafa filed by Manila Paper Mills International, Inc. (MPMI) dated April 12, 2016	Department of Justice	Petition for Review pending after Complaint was dismissed by City Prosecutor of Dasmariñas for no probable cause*

* In its Resolution dated November 16, 2016 ("Resolution"), the Office of the City Prosecutor Dasmariñas ruled against MPMII, finding that there was no probable cause to charge the respondents and upholding the validity of FLI's titles to the property. MPMII then filed with the Secretary of Justice (SOJ) a Petition for Review dated February 21, 2017 questioning the Resolution. On March 21, 2017, the respondents who are directors and officers of FLI filed their Comment on the Petition. The Petition is still pending resolution by the SOJ.

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

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

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

Done, this MAR 16 2022 at MANDALUYONG CITY

VAL ANTONIO B. SUAREZ
Affiant

SUBSCRIBED AND SWORN to before me this MAR 16 2022 at MANDALUYONG CITY, affiant personally appeared before me and exhibited to me his IBP Lifetime Member No. 01967 issued by the IBP Pasig City.

Doc. No. 261;
Page No. 54;
Book No. 8;
Series of 2022.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-21 UNTIL DECEMBER 31, 2022
ROLL NO. 53970
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 4864924; 1-3-22; MANDALUYONG
MCLE COMPLIANCE NO. VI 0017960 14 APRIL 2022
METRO MART COMPLEX, MANDALUYONG CITY

ANNEX "B-1"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GEMILO J. SAN PEDRO**, Filipino, of legal age and with address at 21 Batangas Bay Drive, Southbay Gardens Subdivision, Villonco Road, Sucat, Parañaque City, after having been duly sworn in accordance with the law do hereby declare that:

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

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

Company/Organization	Position/Relationship	Period of Service
Filinvest REIT Corp.	Independent Director; Member, Audit & Risk Management Oversight Committee; Member, Compensation Committee; Member, Corporate Governance Committee; Member, Related-Party Transaction Committee	July 2, 2021 to Present
Sycip Gorres Velayo & Co.	Professional Practice Director and Quality and Risk Management Leader	2004 to 2015
	Partner	1991 to 2015

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

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

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

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

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
Co-respondent in a complaint for illegal foreclosure of property by prior owner.	Supreme Court	The primary respondent in the case involves a Philippine bank which foreclosed on the property which my wife and I subsequently acquired

		through public bidding. My wife and I were added to the case as buyers of the property and to prevent us from use/disposal of the property. The Court of Appeals has dismissed the complaint and this has been elevated to the Supreme Court and awaiting resolution.

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

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

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

Done, MAR 16 2022 at Mandaluyong City.

GEMILO J. SAN PEDRO
Affiant

SUBSCRIBED AND SWORN to before me this MAR 16 2022 at Mandaluyong City, affiant personally appeared before me and exhibited to me his Passport ID No. P1141968B bearing his photograph and signature, issued on 21 March 2019 at DFA NCR South and valid until 20 March 2029.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-21 UNTIL DECEMBER 31, 2022
ROLL NO. 53970
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 4864924; 1-3-22; MANDALUYONG
MCLE COMPLIANCE NO. VI 0017960 14 APRIL 2022
METRO MART COMPLEX, MANDALUYONG CITY

Doc. No. 263;
Page No. 54;
Book No. 8;
Series of 2022.

ANNEX "B-2"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ERNESTO S. DE CASTRO**, Filipino, of legal age and with address at 78 8th Avenue, ESCA Global Centre, Brgy. Socorro Murphy Cubao, Quezon City after having been duly sworn in accordance with the law do hereby declare that:

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

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

Company/Organization	Position/Relationship	Period of Service
ESCA, Incorporated	President	January 2017 to present
	President and Chief Executive Officer	July 1993 to December 2016
Esca International Inc.	President	July 2, 2009 to present
Multi Disciplinary Institute Technology, Inc.	Chief Executive Officer	March 10, 2017 to present
A De Castro Construction and Land Development Corporation	President	January 2004 to present
Countryside Dreamtown Realty and Development Corporation	President	July 2006 to present
Millenium Challenge Account Philippines	Member/Consultant	August 2013 to 2016
University of the East	Chancellor for the Caloocan Campus	July 2005 to April 2006
Trans-Asia Engineering Associates Ltd., Philippines	Country Manager	March 1991 to July 1993
Office of the President	Presidential Assistant I, Under Secretary	December 1988 to March 1991

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

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

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

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

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

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

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

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

Done, this MAR 16 2022 at Mandaluyong City.

ERNESTO S. DE CASTRO
Affiant

SUBSCRIBED AND SWORN *to before me this* MAR 16 2022 at Mandaluyong City, affiant personally appeared before me and exhibited to me his Passport ID No. P2260415B bearing his photograph and signature, issued on 23 May 2019 at DFA Manila and valid until 22 May 2029.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-21 UNTIL DECEMBER 31, 2022
ROLL NO. 53970
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
PTR NO. 4864924; 1-3-22; MANDALUYONG
MCLE COMPLIANCE NO. VI 0017960 14 APRIL 2022
METRO MART COMPLEX, MANDALUYONG CITY

Doc. No. 262;
Page No. 64;
Book No. 8;
Series of 2022.

ANNEX "C"

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

SECRegistrationNumber

1 7 0 9 5 7

C O M P A N Y N A M E

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

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

7 9 E D S A , B r g y . H i g h w a y H i l l s ,
M a n d a l u y o n g C i t y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A C F S		

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
	8918-8188	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5,646	Every 2nd to the last Friday of April Each Year	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Venus A. Mejia	venus.mejia@filinvestgroup.com	8918-8188	

CONTACT PERSON's ADDRESS

79 EDSA, Brgy. Highway Hills, Mandaluyong City

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Filinvest Land, Inc. (the Parent Company) and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, 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 at December 31, 2021 and 2020 and for the three years in the period ended December 31, 2021 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which indicates that the financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs on the 2021 financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Basis for Opinion

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

Key Audit Matters

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

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

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) application of the output method as the measure of progress in determining real estate revenue; (3) determination of the actual costs incurred as cost of sales; and (4) recognition of costs to obtain a contract.

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

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

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost of obtaining the contract. For contracts which qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain contract and recognizes the related commission payable. The Group uses percentage of completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

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

Audit Response

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

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the coronavirus pandemic to the level of cancellations during the year.

In determining revenue from real estate sales, we obtained an understanding of the Group's processes for determining POC under the output method and performed tests of relevant controls. We obtained certified POC reports prepared by internal project engineers for mid-rise real estate development and third-party project managers for high-rise real estate development. We assessed the competence and objectivity of the project engineers and managers by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, including inquiries on how the coronavirus pandemic affected the POC during the period, and obtained supporting details of POC reports.

For the cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed tests of relevant controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed, to supporting documents such as project accomplishment reports and progress billings from contractors.

For the recognition of costs to obtain a contract, we obtained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating sales commission capitalized and portion recognized in profit or loss, particularly: (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (e.g., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from real estate sales.

Recoverability of Goodwill

The Group is required to test the amount of goodwill for impairment at least annually. As of December 31, 2021, goodwill attributable to the Festival Supermall structure, Filinvest Asia Corporation and Filinvest REIT Corp., which are considered significant, amounted to ₱4,567.24 million. Management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty due to the current economic conditions which have been impacted by the coronavirus pandemic, specifically revenue growth rates, gross margins, discount rates and terminal growth rates.

Refer to Notes 3 and 4 to the consolidated financial statements for the disclosures about goodwill.

Audit Response

We involved our internal specialist in evaluating the methodology and the assumptions used. These assumptions include revenue growth rates, gross margins, discount rates and terminal growth rates.

We compared the key assumptions used, such as revenue growth rates and terminal growth rates against the historical performance of the cash-generating units and relevant external data and gross margins against the historical rates, taking into consideration the impact associated with the coronavirus pandemic. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Other Information

Management is responsible for Other Information. Other Information comprises the information included in SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

We also:

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

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

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

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

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

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

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

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

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner
CPA Certificate No. 0118546
Tax Identification No. 248-679-852
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 118546-SEC (Group A)
Valid to cover audit of 2019 to 2023 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. 08-001998-137-2020, January 31, 2020, valid until January 30, 2023
PTR No. 8854361, January 3, 2022, Makati City

March 22, 2022

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

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20 and 30)	**₱9,658,260**	₱6,693,557
Contracts receivables (Notes 6, 8 and 30)	**5,337,931**	4,156,939
Contract assets (Notes 6 and 30)	**4,177,819**	5,400,329
Other receivables (Notes 9 and 30)	**2,710,463**	3,362,183
Real estate inventories (Note 10)	**68,726,921**	65,544,567
Other current assets (Notes 6 and 11)	**4,933,311**	4,637,141
Total Current Assets	**95,544,705**	89,794,716
Noncurrent Assets		
Contract assets - net of current portion (Notes 6 and 30)	**4,152,756**	3,533,733
Investments in associates (Note 12)	**5,045,090**	4,787,787
Investment properties (Notes 3 and 13)	**72,077,989**	69,264,957
Property and equipment (Note 14)	**4,794,021**	3,348,145
Deferred income tax assets (Note 28)	**95,553**	82,405
Goodwill (Note 4)	**4,567,242**	4,567,242
Other noncurrent assets (Note 16)	**6,946,175**	5,626,161
Total Noncurrent Assets	**97,678,826**	91,210,430
TOTAL ASSETS	**₱193,223,531**	₱181,005,146
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 17 and 30)	**₱11,738,491**	₱13,117,027
Contract liabilities (Note 6)	**1,171,384**	1,249,050
Lease liabilities - current portion (Note 15)	**248,590**	328,796
Due to related parties (Notes 20 and 30)	**204,317**	112,021
Income tax payable	**8,522**	29,022
Current portion of loans payable (Notes 18, 26 and 30)	**4,912,198**	8,866,369
Current portion of bonds payable (Notes 19, 26 and 30)	**6,991,749**	5,294,517
Total Current Liabilities	**25,275,251**	28,996,802

(Forward)

	December 31	
	2021	2020
Noncurrent Liabilities		
Loans payable - net of current portion (Notes 18, 26 and 30)	**₱27,270,545**	₱29,238,654
Bonds payable - net of current portion (Notes 19, 26 and 30)	**29,297,173**	26,369,011
Contract liabilities - net of current portion (Note 6)	**774,212**	767,219
Lease liabilities - net of current portion (Note 15)	**6,099,428**	5,824,164
Net retirement liabilities (Notes 3 and 25)	**459,630**	580,119
Deferred income tax liabilities - net (Note 28)	**5,317,269**	6,513,036
Accounts payable and accrued expenses - net of current portion (Notes 17 and 30)	**8,939,799**	8,337,198
Total Noncurrent Liabilities	**78,158,056**	77,629,401
Total Liabilities	**103,433,307**	106,626,203
Equity		
Common stock (Note 26)	**24,470,708**	24,470,708
Preferred stock (Note 26)	**80,000**	80,000
Additional paid-in capital	**5,612,321**	5,612,321
Treasury stock (Note 26)	**(221,041)**	(221,041)
Retained earnings (Note 26)		
Unappropriated	**52,425,032**	38,776,186
Appropriated	**5,000,000**	5,000,000
Revaluation reserve on financial assets at fair value through other comprehensive income	**(2,619)**	(2,619)
Remeasurement losses on retirement plan - net of tax (Note 25)	**(16,169)**	(15,136)
Share in other components of equity of associates (Note 12)	**372,449**	372,449
Equity attributable to equity holders of the parent	**87,720,681**	74,072,868
Noncontrolling interests (Notes 1 and 31)	**2,069,543**	306,075
Total Equity	**89,790,224**	74,378,943
TOTAL LIABILITIES AND EQUITY	**₱193,223,531**	₱181,005,146

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2021	2020 (As restated, see Note 2)	2019 (As restated, see Note 2)
REVENUE			
Real estate sales (Note 6)	**₱11,274,509**	₱9,837,122	₱17,013,120
Rental and related services (Notes 6, 13, 15 and 16)	**5,591,801**	7,527,956	8,296,472
Total revenue	**16,866,310**	17,365,078	25,309,592
EQUITY IN NET EARNINGS OF ASSOCIATES (Note 12)	**112,023**	516,450	401,525
OTHER INCOME			
Interest income (Notes 7, 8, 20 and 23)	**409,608**	404,142	571,701
Others - net (Notes 20 and 24)	**350,978**	340,713	678,222
	17,738,919	18,626,383	26,961,040
COSTS			
Real estate sales (Note 10)	**6,443,688**	5,586,834	9,853,871
Rental and related services (Notes 13 and 16)	**2,430,623**	2,150,070	2,416,140
OPERATING EXPENSES			
General and administrative expenses (Note 21)	**1,979,124**	2,243,604	2,474,723
Selling and marketing expenses (Note 22)	**911,817**	1,078,274	1,448,573
INTEREST AND OTHER FINANCE CHARGES (Notes 18, 19 and 23)	**2,426,791**	3,189,462	2,492,965
	14,192,043	14,248,244	18,686,272
INCOME BEFORE INCOME TAX	**3,546,876**	4,378,139	8,274,768
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 28)	**(758,352)**	420,389	1,754,968
NET INCOME	**₱4,305,228**	₱3,957,750	₱6,519,800
Net income attributable to:			
Equity holders of the parent	**₱3,803,377**	₱3,733,443	₱6,283,634
Noncontrolling interest	**501,851**	224,307	236,166
	₱4,305,228	₱3,957,750	₱6,519,800
Basic/Diluted Earnings Per Share (Note 27)	**₱0.16**	₱0.15	₱0.26

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2021	2020	2019
NET INCOME	**₱4,305,228**	₱3,957,750	₱6,519,800
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss			
Remeasurement gains (loss) on retirement plan, net of tax (Notes 25 and 28)	**(1,032)**	9,149	124,296
Remeasurement gain from an associates investment	–	10,655	–
	(1,032)	19,804	124,296
TOTAL COMPREHENSIVE INCOME	**₱4,304,196**	₱3,977,554	₱6,644,096
Total comprehensive income attributable to:			
Equity holders of the parent	**₱3,802,345**	₱3,753,247	₱6,407,930
Noncontrolling interest	**501,851**	224,307	236,166
	₱4,304,196	₱3,977,554	₱6,644,096

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands of Pesos)

	Attributable to Equity Holders of the Parent											
	Common Stock (Note 26)	**Preferred Stock** (Note 26)	**Additional Paid-in Capital**	**Treasury Stock** (Note 26)	**Unappropriated Retained Earnings** (Note 26)	**Appropriated Retained Earnings** (Note 26)	**Revaluation Reserve on Financial Assets at FVOCI** (Note 16)	**Remeasurement Losses on Retirement Plan** (Note 25)	**Share in Other Components of Equity of an Associate** (Note 12)	**Total**	**Noncontrolling Interest** (Note 31)	**Total Equity**
	For the Year Ended December 31, 2021											
Balances as at January 1, 2021	**₱24,470,708**	**₱80,000**	**₱5,612,321**	**(₱221,041)**	**₱38,776,186**	**₱5,000,000**	**(₱2,619)**	**(₱15,136)**	**₱372,449**	**₱74,072,868**	**₱306,075**	**₱74,378,943**
Net income	–	–	–	–	**3,803,377**	–	–	–	–	**3,803,377**	**501,851**	**4,305,228**
Other comprehensive income	–	–	–	–	–	–	–	**(1,032)**	–	**(1,032)**	–	**(1,032)**
Total comprehensive income	–	–	–	–	**3,803,377**	–	–	**(1,032)**	–	**3,802,345**	**501,851**	**4,304,196**
Changes in noncontrolling interests (Note 31)	–	–	–	–	**10,465,661**	–	–	–	–	**10,465,661**	**1,664,244**	**12,129,905**
Dividends declared (Note 26)	–	–	–	–	**(754,223)**	–	–	–	–	**(754,223)**	–	**(754,223)**
Dividend distribution to noncontrolling interest (Note 31)	–	–	–	–	–	–	–	–	–	–	**(402,627)**	**(402,627)**
Impact of adoption of CREATE Act by an associate (Note 12)	–	–	–	–	**134,030**	–	–	–	–	**134,030**	–	**134,030**
Balances as at December 31, 2021	**₱24,470,708**	**₱80,000**	**₱5,612,321**	**(₱221,041)**	**₱52,425,031**	**₱5,000,000**	**(₱2,619)**	**(₱16,168)**	**₱372,449**	**₱87,720,681**	**₱2,069,543**	**₱89,790,224**

	Attributable to Equity Holders of the Parent											
	Common Stock (Note 26)	Preferred Stock (Note 26)	Additional Paid-in Capital	Treasury Stock (Note 26)	Unappropriated Retained Earnings (Note 26)	Appropriated Retained Earnings (Note 26)	Revaluation Reserve on Financial Assets at FVOCI (Note 16)	Remeasurement Losses on Retirement Plan (Note 25)	Share in Other Components of Equity of an Associate (Note 12)	Total	Noncontrolling Interest (Note 31)	Total Equity
	For the Year Ended December 31, 2020											
Balances as at January 1, 2020	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱41,661,647	₱–	(₱2,619)	(₱24,285)	₱361,794	₱71,938,525	₱225,768	₱72,164,293
Net income	–	–	–	–	3,733,443	–	–	–	–	3,733,443	224,307	3,957,750
Other comprehensive income	–	–	–	–		–	–	9,149	10,655	19,804	–	19,804
Total comprehensive income	–	–	–	–	3,733,443	–	–	9,149	10,655	3,753,247	224,307	3,977,554
Dividends declared (Note 26)	–	–	–	–	(1,618,904)	–	–	–	–	(1,618,904)	–	(1,618,904)
Dividend distribution to noncontrolling interest	–	–	–	–	–	–	–	–	–	–	(144,000)	(144,000)
Appropriation (Note 26)	–	–	–	–	(5,000,000)	5,000,000	–	–	–	–	–	–
Balances as at December 31, 2020	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱38,776,186	₱5,000,000	(₱2,619)	(₱15,136)	₱372,449	₱74,072,868	₱306,075	₱74,378,943

	Attributable to Equity Holders of the Parent											
	Common Stock (Note 26)	Preferred Stock (Note 26)	Additional Paid-in Capital	Treasury Stock (Note 26)	Unappropriated Retained Earnings (Note 26)	Appropriated Retained Earnings (Note 26)	Revaluation Reserve on Financial Assets at FVOCI (Note 16)	Remeasurement Losses on Retirement Plan (Note 25)	Share in Other Components of Equity of an Associate (Note 12)	Total	Noncontrolling Interest (Note 31)	Total Equity
	For the Year Ended December 31, 2019											
Balance as at January 1, 2019	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱36,893,845	–	(₱2,619)	(₱148,581)	₱361,794	₱67,046,427	₱237,142	₱67,283,569
Net income	–	–	–	–	6,283,634	–	–	–	–	6,283,634	236,166	6,519,800
Other comprehensive income	–	–	–	–	–	–	–	124,296	–	124,296	–	124,296
Total comprehensive income	–	–	–	–	6,283,634	–	–	124,296	–	6,407,930	236,166	6,644,096
Dividends declared (Note 26)	–	–	–	–	(1,501,060)	–	–	–	–	(1,501,060)	–	(1,501,060)
Dividend distribution to noncontrolling interest	–	–	–	–	–	–	–	–	–	–	(218,000)	(218,000)
Deconsolidation from loss of control (Note 2)	–	–	–	–	(14,772)	–	–	–	–	(14,772)	(29,540)	(44,312)
Balances as at December 31, 2019	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱41,661,647	₱–	(₱2,619)	(₱24,285)	₱361,794	₱71,938,525	₱225,768	₱72,164,293

See accompanying Notes to Consolidated Financial Statements.

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱3,546,876**	₱4,378,139	₱8,274,768
Adjustments for:			
Interest income (Note 23)	**(409,608)**	(404,142)	(571,701)
Gain on sale of investment property	**–**	(65,308)	–
Interest expense and amortization of transaction costs (Note 23)	**2,212,916**	3,137,791	2,442,483
Depreciation and amortization (Notes 13, 14 and 16)	**1,446,779**	1,594,368	1,320,598
Equity in net earnings of associates (Note 12)	**(112,023)**	(516,450)	(401,525)
Pension expense, net of contribution and benefits paid (Note 25)	**21,564**	47,174	91,605
Operating income before changes in operating assets and liabilities	**6,706,504**	8,171,572	11,156,228
Changes in operating assets and liabilities			
Decrease (increase) in:			
Contracts receivable	**(1,180,992)**	(2,710,747)	(645,342)
Contract assets	**603,487**	4,181,680	(3,073,636)
Other receivables	**651,720**	(187,138)	(422,684)
Real estate inventories	**(1,744,514)**	(2,010,336)	6,736,824
Other assets	**(610,255)**	(282,510)	(536,688)
Increase (decrease) in:			
Accounts payable and accrued expense	**(820,155)**	172,068	(1,767,272)
Contract liabilities	**(70,673)**	263,863	(1,457,770)
Cash generated from operations	**3,535,122**	7,598,453	9,989,660
Income taxes paid, including creditable withholding taxes	**(384,639)**	(710,244)	(1,387,147)
Interest received	**409,608**	404,142	571,701
Net cash provided by operating activities	**3,560,091**	7,292,351	9,174,214
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties and property and equipment (Notes 13 and 14)	**(5,344,944)**	(5,641,194)	(8,792,995)
Build-transfer-operate (BTO) rights (Note 16)	**(1,062,079)**	(717,809)	(249,090)
Investment in associates	**(11,250)**	–	–
Proceeds from sale of investment property	–	737,840	–
Net cash used in investing activities	**(6,418,273)**	(5,621,163)	(9,042,085)

(Forward)

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES (Note 35)			
Proceeds from availment of:			
Loans payable (Notes 18 and 30)	**₱16,600,200**	₱10,680,000	₱15,400,000
Bonds payable (Notes 19 and 30)	**10,000,000**	8,057,682	–
Payments of:			
Loans payable (Note 18)	**(22,598,029)**	(8,219,965)	(4,840,663)
Bonds payable (Note 19)	**(5,300,000)**	(4,300,000)	(7,000,000)
Cash dividend (Note 26)	**(784,224)**	(1,588,558)	(1,482,405)
Interest and transaction costs	**(3,563,316)**	(3,917,635)	(3,260,571)
Lease liabilities (Note 15)	**(351,321)**	(317,948)	(295,937)
Dividends paid to noncontrolling interest (Note 31)	**(402,627)**	(144,000)	(218,000)
Increase in noncontrolling interest (Note 31)	**12,129,905**	–	–
Increase (decrease) in amounts due to related parties	**92,297**	(828)	(80,492)
Net cash provided by (used in) financing activities	**5,822,885**	248,748	(1,778,068)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,964,703**	1,919,936	(1,645,939)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**6,693,557**	4,773,621	6,419,560
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱9,658,260**	₱6,693,557	₱4,773,621

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

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

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

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

On January 20, 2021, FLI announced, through a Philippine Stock Exchange (PSE) disclosure, that its BOD has approved the transition of Cyberzone Properties, Inc. (CPI) into a Real Estate Investment Trust (REIT) company. CPI is intended to be listed on the PSE in compliance with the minimum public ownership requirements under Philippine securities regulations and the Real Estate Investment Trust Act of 2009 and its implementing rules and regulations and under such terms and conditions as FLI's BOD may subsequently approve.

On June 25, 2021, the shareholders of CPI, approved the following amendments to its Articles of Incorporation: (i) change of name of the Company from "Cyberzone Properties, Inc." to "Filinvest REIT Corp.", (ii) reduction of the par value of its shares, and (iii) increase of the CPI's authorized capital stock. The change in name of CPI, the reduction in the par value of its shares, and the increase in its authorized capital stock were approved by the Philippine SEC on July 2, 2021.

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

On December 21, 2020, FDC subscribed to 110,000,000 common shares of Dreambuilders Pro, Inc. (DPI) with par value of ₱1.00 per share amounting ₱110 million and equivalent to 55% of DPI's outstanding shares. This resulted in the dilution of FLI's interest in DPI to 45% and deconsolidation by the Group (see Notes 12 and 24). As a result of the dilution, the investment in DPI is accounted as investment in associate under the equity method.

On December 16, 2020, FLI subscribed to 382,500 shares of stock of Nature Specialists, Inc. (NSI) consisting of 120,000 common shares and 262,500 preferred shares, all with a par value of ₱100 per share with total consideration of ₱47.25 million, equivalent to 75% shareholding. NSI was incorporated on August 24, 2018 to conduct real estate activities primarily focusing on hotels, inns, resorts, lodging houses and all adjunct accessories thereto, including restaurants, cafes, bars, stores, offices, etc.. NSI has opened on March 14, 2021 but has not reached commercial level of operations as of December 31, 2021 due to restrictions as a result of COVID-19 pandemic.

On December 26, 2019, FILRT and Filinvest Cyberparks, Inc. (FCI), wholly owned subsidiaries of the Parent, entered into a Deed of Assignment to sell its ownership in Pro-Excel Property Managers, Inc. (Pro-Excel) to Filinvest Alabang, Inc. (FAI). The sale resulted in a loss of control in Pro-Excel and deconsolidation by the Group. The remaining ownership of the Parent Company in Pro-Excel is 33% (see Notes 2 and 12). Subsequently after disposal, the investment in Pro-excel is accounted as investment in associate under the equity method.

On October 11, 2019, ProMixers Aggregates Corp. (PMAC), a wholly owned subsidiary of DPI, was incorporated mainly to operate concrete batching plant, manufacture and supply of pre-cast and construction equipment and rental. PMAC has not started commercial operations as of December 31, 2020.

On March 18, 2019, ProOffice Works Services, Inc. (ProOffice), a wholly owned subsidiary of FLI, was incorporated to engage in the business of administration, maintenance and management of real estate developments and projects. ProOffice started commercial operations in August 2019. On December 23, 2020, FILRT entered into a Deed of Assignment to sell its 60% interest in ProOffice to FLI for a total consideration of ₱17.16 million. Accordingly, ProOffice became a direct subsidiary of FLI. The transaction has no impact to the consolidated financial statements.

On July 18, 2018, the Securities and Exchange Commission (SEC) approved Timberland Sports and Nature Club, Inc.'s (TSNC or the "Club") application for voluntary revocation of its secondary registration which allowed TSNC to proceed with the transition to its new business model. On November 15, 2018, TSNC's Board of Directors (BOD) approved the amendment to change the primary purpose of the Club from an exclusive recreational sports club to a for profit commercial facility. On July 24, 2019, TSNC submitted its Amended Articles of Incorporation to SEC. The amendments include (a) change of the primary purpose of TSNC from that of an exclusive recreational sports club to a real estate development Company; (b) change of TSNC's principal address from No. 173 P. Gomez Street, San Juan, Metro Manila to Timberland Heights, Barangay Malanday, San Mateo Rizal; (c) conversion of TSNC's capital stock from no par value club shares to par value shares; (d) removal of provisions which characterizes TSNC as an exclusive non-profit association; and I removal of paragraphs which relate to the operations of an exclusive recreational sports club. On August 1, 2019, the SEC approved TSNC's application on voluntary revocation of its secondary registration. On August 18, 2019, the SEC approved TSNC's Amended Articles of Incorporation.

Approval of the Consolidated Financial Statements
The consolidated financial statements as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 were approved and authorized for issue by the BOD on March 22, 2022.

2. Summary of Significant Accounting Policies

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

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

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

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

Basis of Consolidation
The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries. The nature of business and the corresponding percentages of ownership over these entities as at December 31, 2021, 2020 and 2019 are as follows. The voting rights held by the Group in these subsidiaries are in proportion to its ownership interest.

Subsidiaries	Nature of Business	**2021**	2020	2019
Filinvest AII Philippines, Inc. (FAPI)	Real estate developer	**100%**	100%	100%
FCGC Corporation (FCGCC)	Real estate developer	**100%**	100%	100%
Filinvest BCDA Clark, Inc. (FBCI)[1]	Real estate developer	**55%**	55%	55%
Gintong Parisukat Realty and Development Inc. (GPRDI)	Real estate developer	**100%**	100%	100%
Homepro Realty Marketing, Inc. (Homepro)	Real estate developer	**100%**	100%	100%
Filinvest REIT Corp. (FILRT)[2]	Leasing	**63%**	100%	100%
Filinvest Asia Corporation (FAC)	Leasing	**60%**	60%	60%
Filinvest Cyberparks, Inc. (FCI)	Leasing	**100%**	100%	100%
Filinvest Clark Mimosa, Inc. (FCMI)[3]	Leasing	**100%**	100%	100%
Festival Supermall, Inc. (FSI)	Property management	**100%**	100%	100%
Filinvest Lifemalls Corporation (FLC)	Property management	**100%**	100%	100%
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Property management	**100%**	100%	100%
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Property management	**100%**	100%	100%
ProOffice Works Services, Inc. (ProOffice)[4]	Property management	**100%**	100%	100%
Property Specialist Resources, Inc. (Prosper)	Property management	**100%**	100%	100%
FSM Cinemas, Inc. (FSM Cinemas)[5]	Theater operator	**60%**	60%	60%
Philippine DCS Development Corporation (PDDC)	District cooling systems, builder and operator	**60%**	60%	60%

(Forward)

Subsidiaries	Nature of Business	**2021**	2020	2019
Timberland Sports and Nature Club, Inc. (TSNC)	Recreational Sports and Natures Club	**98%**	98%	98%
Leisurepro, Inc. (Leisurepro)	Marketing	**100%**	100%	100%
Proleads Philippines, Inc. (PPI)	Marketing	**100%**	100%	100%
Property Leaders International Limited (PLIL)	Marketing	**100%**	100%	100%
Property Maximizer Professional Corp. (Promax)	Marketing	**100%**	100%	100%
Realpros Philippines, Inc. (RPI)	Marketing	**100%**	100%	100%
Nature Specialists, Inc. (NSI)	Recreational Sports and Natures Club	**75%**	75%	–
FREIT Fund Managers, Inc.[6]	Fund Manager	**100%**	–	–
Co-Living Pro Managers Corp. (CPMC) [7]	Real estate developer	**100%**	–	–

Notes:
1. *FBCI is owned indirectly through FCGCC.*
2. *On August 12, 2021, FILRT shares were listed at the PSE. FLI previously owned 100% of FILRT and sold 36.7% or 1,797.61 million shares in its initial public offering (see Notes 1 and 31).*
3. *Filinvest Cyberzone Mimosa, Inc. (FCMI) was renamed Filinvest Clark Mimosa Inc. on February 15, 2021.*
4. *40% interest is owned by FCI. Effectively, FLI owns 100% of ProOffice.*
5. *FSM Cinemas is owned indirectly through FSI.*
6. *FFMI was incorporated on April 13, 2021 to engage in business of providing fund management services to REIT companies.*
7. *CPMC was incorporated on August 2, 2021 in to engage in business of developing, operating, managing, and maintaining dormitels, lots and buildings whether owned or leased, to make such dormitels available for all clients for temporary stay as well as any and all services and facilities incidental thereto. CPMC has not started commercial operations as of December 31, 2021.*

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

None of the foregoing subsidiaries has been a party to any bankruptcy, receivership or similar proceedings and has not undergone or entered into any material classification, merger, consolidation (except as disclosed elsewhere in this report), purchased or sold a significant amount of assets outside the ordinary course of business.

A subsidiary is an entity which the Group controls. 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: (a) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee); (b) exposure, or rights, to variable returns from its involvement with the investee, and, (c) the ability to use its power over the investee to affect its returns.

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: (a) the contractual arrangement with the other vote holders of the investee; (b) rights arising from other contractual arrangements; and, (c) 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 in the consolidated financial statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any noncontrolling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus of deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Noncontrolling Interest

Noncontrolling interest represents 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 income, 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 under "Retained Earnings" of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

Business Combinations Involving Entities under Common Control

A business combination involving entities under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. This will include transactions such as the transfer of subsidiaries or businesses between entities within a group. Common control business combinations are outside the scope of PFRS 3, *Business Combination*.

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

Changes in Accounting Policies and Disclosures
The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial years, except for the adoption of the following amendments in PFRS and PAS which became effective beginning January 1, 2021. Unless otherwise indicated, adoption of these amendments to existing standards and interpretations did not have an impact on the consolidated financial statements of the Group.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

  The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:
  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
  - There is no substantive change to other terms and conditions of the lease.

  A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

  The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted. The Group adopted the amendment beginning April 1, 2021. These amendments had no impact on the Group as there are no rent concessions granted to the Group as a lessee.

- Amendments to PFRS 9, *Financial Instruments,* PFRS 7, *Financial Instruments: Disclosures,* PFRS 4*, Insurance Contracts*, and PFRS 16, *Leases*, *Interest Rate Benchmark Reform - Phase 2*

  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

  The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively. These amendments had no impact on the unaudited interim condensed consolidated financial statements of the Group.

- *Adoption of PIC Q&A 2018-12-H, PFRS 15 – Accounting for Common Usage Service (CUSA) Charges*

  On February 14, 2018, PIC Q&A 2018-12-H was issued providing guidance on accounting for common usage service which concludes that real estate developers are generally acting as principal for CUSA charges. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-12-H was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-12-H and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  The Group previously availed of the reliefs provided by the SEC and have accounted for the related revenue net of costs and expenses. As at January 1, 2021, the Group adopted PIC Q&A 2018-12-H retrospectively. The Group assessed itself as principal for CUSA and air-conditioning charges, and as an agent for electricity and water usage. Accordingly, the Group presented the revenue from provision of CUSA and air conditioning services and its related costs on a gross basis as part of “Revenue from rental and related services” and “Cost of rental and related services”, respectively.

  The adoption did not impact the consolidated statements of financial position and consolidated statements of cash flows.

  Statement of comprehensive income for the year ended December 31:

	2020		2019	
	PFRS 15	Previous PFRS	PFRS 15	Previous PFRS
	(In Thousand)			
Revenues				
Rental and related services	₱7,527,956	₱6,386,219	₱8,296,472	₱7,008,742
Cost				
Rental and related services	2,150,070	1,008,333	2,416,140	1,128,410

- *Adoption of Q&A 2018-12-E (as amended by PIC Q&A 2020-02) – Treatment of Uninstalled Materials in the Calculation of the POC*

  PIC Q&A 2020-02 was issued by the PIC on October 29. 2020. The latter aims to provide conclusion on the treatment of materials delivered on site but not yet installed in measuring performance obligation in accordance with PFRS 15, *Revenue from Contracts with Customers* in the real estate industry.

  The adoption of this PIC Q&A did not impact the consolidated financial statements of the Group since it does not engage in supply contracts with suppliers for the provision and installation of materials.

- *Adoption of PIC Q&A 2018-14, Accounting for Cancellation of Real Estate Sales (as amended by PIC Q&A 2020-05)*

  On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively from approval date of the Financial Reporting Standards Council which was November 11, 2020.

  The adoption of this PIC Q&A as of January 1, 2021 did not impact the consolidated financial statements of the Group. As the Group has been reporting repossessed inventories as allowed under approach 3, there is no change in accounting upon adoption of the PIC Q&A.

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

Effective beginning on or after January 1, 2022

- 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.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16 , *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.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

- 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.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *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 by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

  - 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. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- 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.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023

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

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

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

- 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 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.

Effective beginning on or after January 1, 2024

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

  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

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

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

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

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

Deferred effectivity

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

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

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

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

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

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

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

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

After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021. The Group availed of the SEC relief to defer the above specific provision of PIC Q&A No. 2018-12 on determining whether the transaction price includes a significant financing component. Had this provision been adopted, the mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements in case a full retrospective approach is applied. Depending on the approach of adoption, the adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability for all years presented (full retrospective approach), and the opening balance of retained earnings (full retrospective approach and modified retrospective approach). The Group has yet to assess if the mismatch constitutes a significant financing component for its contracts to sell. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach. The Group has yet to decide on whether the adoption will be using a full retrospective or modified retrospective approach.

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

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

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

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

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

  For real estate companies that avail of the deferral, the SEC requires disclosure in the Notes to the Financial Statements of the accounting policies applied, a discussion of the deferral of the subject implementation issues, and a qualitative discussion of the impact in the financial statements had the IFRIC agenda decision been adopted.
  The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred. This adjustment should have been applied retrospectively and would have resulted to restatement of prior year financial statements. A restatement would have impacted interest expense, cost of sales, provision for deferred income tax, real estate inventories, deferred tax liability and opening balance of retained earnings. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach. The Group has yet to decide on whether the adoption will be using a full retrospective or modified retrospective approach.

Significant Accounting Policies

Current versus Noncurrent Classification
The Group presents assets and liabilities in its statement of financial position based on a current and noncurrent classification. An asset is current when it is:

a. expected to be realized or intended to be sold or consumed in normal operating cycle;
b. held primarily for the purpose of trading;
c. expected to be realized within twelve (12) months after the reporting period; or
d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

a. it is expected to be settled in normal operating cycle;
b. it is held primarily for the purpose of trading;
c. it is due to be settled within twelve (12) months after the reporting period, or
d. there is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

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

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

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

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

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

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

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

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

Recognition and Measurement of Financial Instruments
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 either subsequently measured at amortized cost, at FVOCI, or at FVPL.

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

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

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

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

As of December 31, 2021 and 2020, the Group's financial assets comprise of financial assets at amortized cost and financial assets at FVOCI.

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

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

Financial assets at amortized cost
Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument 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 costs are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as interest income in the consolidated statement of income.

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

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

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

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

Dividends earned on holding these equity instruments are recognized in the consolidated statement of income when the Group's right to receive the dividends is established in accordance with PFRS 15, unless the dividends clearly represent recovery of a part of the cost of the investment.

Reclassification of financial assets
The Group can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Group is required to reclassify the following financial assets:

- from amortized cost to FVPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- from FVPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVPL at initial recognition is not permitted.

A change in the objective of the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

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

All financial liabilities are - 17 -iabilitie initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

As of December 31, 2021 and 2020, loans and borrowings consist primarily of accounts payable and accrued expenses excluding deposit from tenants and other payables, lease liabilities, loans payable, bonds payable and due to related parties (see Notes 15, 17, 18, 19 and 20).

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

The Group applies a simplified approach in calculating ECLs for financial assets at amortized costs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for other receivables and a vintage analysis for contracts receivable and contract assets that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

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 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 consolidated statement of income.

Derecognition of Financial Assets and Financial Liabilities
Financial Assets
A financial asset is derecognized when:

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

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

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

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

Offsetting Financial Instruments
Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, where the related assets and liabilities are presented at gross in the consolidated statement of financial position.

Real Estate Inventories

Lots, Condominium and Residential Units for Sale

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

Cost includes:

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

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

Land and Land Development

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

Investments in Associates

The Group’s investment in associates is accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

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

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

The reporting dates of the associates and the Group are identical and the associates’ accounting policies conform to those used by the Group for like transactions and events in similar circumstances. After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on investment in an associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in an associate is impaired.

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

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

Investment Properties

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

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

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

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

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

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

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

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

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

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

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

Property and Equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Value-added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

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

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

Impairment of Nonfinancial Assets
The carrying values of investment in associates, property and equipment, investment properties, right-of-use assets and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less cost of disposal and value-in-use. In assessing value-in-use, the

estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

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

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

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

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

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

Revenue Recognition

Revenue from Contracts with Customers

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

In September 2019, the Philippine Interpretations Committee (PIC) issued additional guidance to the real estate industry on the implementation of PFRS 15, including guidance on the recording of the difference between the consideration received from the customer and the transferred goods to the customer (ie, measured based on percentage-of-completion). The PIC allowed real estate companies to recognize the difference as either a contract asset or unbilled receivable. If presented as a contract asset, the disclosures required under PFRS 15 should be complied with. Otherwise, the disclosures required under PFRS 9 should be provided.

The Group opted to retain its existing policy of recording the difference between the consideration received from the customer and the transferred goods to the customer as contract asset.

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

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

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

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

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

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

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

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

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

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

Contract Balances

Contracts receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

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

Contract liabilities

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

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

Costs to obtain contract (Commission expenses)

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

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

Contract fulfillment assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Retirement Costs
The 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 (if any), 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 plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

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

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

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

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

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

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.

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

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

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

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

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

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

All other borrowing costs are expensed as incurred.

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

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

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

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

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

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

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

The partial disposal or acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interests is - 29 -iabilitie in equity under "Retained Earnings" of the parent in transactions where the noncontrolling interests are acquired or sold without loss of control.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Group as Lessee
Except for short-term leases and lease of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group - 31 -iabilitie lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

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

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

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

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

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

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

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

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Group expects part or all of provision to be reimbursed or recovered, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

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

Events after the Reporting Date
Any post year-end event up to the date of the auditor's report that provides additional information about the Group's position at reporting date (adjusting event) is reflected in the consolidated financial statements. Any post year-end event that is not an adjusting event is disclosed, when material, in notes to the consolidated financial statements.

3. Significant Accounting Judgments, Estimates and Assumptions

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

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

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

Real Estate Revenue Recognition

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

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

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

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

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

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

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

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

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

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

The rental concessions granted by the Group for the years ended December 31, 2021 and 2020 amounted to ₱734.27 million and ₱625.37 million (see Notes 6 and 15).

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

As of December 31, 2021, FILRT met the provisions of the REIT law and complies with the 90% dividend distribution requirement. FILRT has determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it can effectively operate on a "no-tax" regime. Accordingly, the Group has derecognized deferred taxes of FILRT as of December 31, 2021.

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

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

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

Following the pattern of real estate revenue recognition, the cost to obtain a contract (e.g. commission), is determined using the percentage of completion. In view of the continuing community quarantines and restricted mobility, the progress of the Group's performance obligation is adversely affected which resulted to lower percentage-of-completion in 2021 and 2020 as compared to previous years.

For the years ended December 31, 2021, 2020 and 2019, real estate sales amounted to ₱11.27 billion, ₱9.84 billion, and ₱17.01 billion billion, respectively (see Note 6).

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

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

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

The Group has considered impact of COVID-19 pandemic and revised its assumptions in determining the macroeconomic variables and loss rates in the computation of ECL. The changes in the gross carrying amount of receivables from sale of real estate during the year and impact of COVID-19 pandemic did not materially affect the Group's allowance for ECL.

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

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

	2021	2020
	(In Thousands)	
Contracts receivables (Note 8)	**₱5,337,931**	₱4,156,939
Contract assets (Note 6)	**8,330,575**	8,934,062

Leases – Estimating the incremental borrowing rate to measure lease liabilities
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 (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The incremental borrowing rate used by the Group to measure lease liabilities range from 8.18% to 8.54% in 2021 and 2020.

The Group's lease liabilities amounted to ₱6.35 billion and ₱6.15 billion as of December 31, 2021 and 2020, respectively (see Note 15).

Estimating NRV of Real Estate Inventories
The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether the selling prices of those inventories have significantly declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. In line with the impact of COVID-19, the Group experienced limited selling activities that resulted in lower sales in 2021 and 2020. In evaluating NRV, recent market conditions and current market prices have been considered.

As of December 31, 2021 and 2020, the carrying amount of real estate inventories amounted to ₱68.73 billion and ₱65.54 billion, respectively (see Note 10). No impairment adjustments were recognized in 2021 and 2020 since the costs are lower than NRV.

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

The Group has adjusted the cash flows forecast and assumptions in 2021 to consider the impact associated with the COVID 19 pandemic. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as revenue growth rates, gross margins and terminal growth rates used. The pre-tax discount rates used in 2021 and 2020 was 8.9% to 10% and 9% to 10.85%, respectively. The growth rates used beyond the forecast period for different cash-generating units is 3% to 12%.

As of December 31, 2021 and 2020, the Group has determined that its goodwill is not impaired. The carrying value of goodwill amounted to ₱4.57 billion as of December 31, 2021 and 2020 (see Note 4).

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

The Group's recognized deferred tax assets amounted to ₱1,906.13 million and ₱2,186.24 million as of December 31, 2021 and 2020, respectively (see Note 28). The tax effect of the Group's carryforward benefits of NOLCO for which no deferred income tax assets were recognized amounted to ₱75.38 million and ₱96.71 million in 2021 and 2020, respectively (see Note 28).

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

4. **Goodwill**

Goodwill arising from business combinations in the Group's consolidated statements of financial position as of December 31, 2021 and 2020 consists of (amounts in thousands):

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

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

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

As of December 31, 2021 and 2020, the recoverable value of the cash generating units to which the goodwill pertains is in excess of the carrying value of the cash generating units, thus, no impairment has been recognized.

5. Segment Reporting

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

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

Leasing
This involves the operations of Festival Supermall, I Tagaytay, Main Square and Il Corso, including its management and theater operations, and the leasing of commercial and office spaces in Makati City, Muntinlupa City, Pasay City, Bacoor City, Tagaytay City, Cebu City and Clark. This also includes the hotel operations of TSNC and NSI and the operations of PDDC of a district cooling system within existing and future buildings at Northgate Cyberzone Area, Filinvest City, Alabang, Muntinlupa City. Hotel operations are immaterial in 2021.

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

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

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

For the years ended December 31, 2021, 2020 and 2019, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

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

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

	2021				
	Real Estate Operations	**Leasing Operations**	**Combined**	**Adjustments and Eliminations**	**Consolidated**
Revenue					
External	**₱11,274,509**	**₱5,591,801**	**₱16,866,310**	**₱–**	**₱16,866,310**
Inter-segment	**233,218**		**233,218**	**(233,218)**	**–**
	11,507,727	**5,591,801**	**17,099,528**	**(233,218)**	**16,866,310**
Equity in net earnings of associates	**112,023**	**–**	**112,023**	**–**	**112,023**
Other income	**11,333,805**	**2,544,546**	**13,878,351**	**(13,117,765)**	**760,586**
	₱22,953,555	**₱8,136,347**	**₱31,089,902**	**(13,350,983)**	**₱17,738,919**
Net income	**₱13,289,790**	**₱3,478,276**	**₱16,768,066**	**(12,462,838)**	**₱4,305,228**
Adjusted EBITDA	**₱16,403,290**	**₱5,590,819**	**₱21,994,109**	**(14,547,117)**	**₱7,446,992**
Segment assets	**₱114,176,209**	**₱83,223,266**	**₱197,399,475**	**(4,175,944)**	**₱193,223,531**
Less net deferred tax assets	**–**	**95,553**	**95,553**		**95,553**
Net segment assets	**₱114,176,209**	**₱83,127,713**	**₱197,303,922**	**(4,175,944)**	**₱193,127,978**
Segment liabilities	**67,170,101**	**29,599,056**	**96,769,157**	**6,664,150**	**103,433,307**
Less net deferred tax liabilities	**5,416,353**	**(136,114)**	**5,280,239**	**37,031**	**5,317,270**
Net segment liabilities	**₱61,753,748**	**₱29,735,170**	**₱91,488,918**	**₱6,627,119**	**₱98,116,037**
Cash flows provided by (used in):					
Operating activities	**₱442,988**	**₱6,908,729**	**₱7,351,717**	**₱3,791,626**	**₱3,560,091**
Investing activities	**(1,188,848)**	**(8,570,940)**	**(9,759,788)**	**(3,341,515)**	**(6,418,273)**
Financing activities	**(1,807,044)**	**13,133,583**	**11,326,539**	**(5,503,654)**	**5,822,885**

	2020				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue (as restated, see Note 2)					
External	₱9,837,122	₱7,527,956	₱17,365,078	₱–	₱17,365,078
Inter-segment	61,144	–	61,144	(61,144)	–
	9,898,266	7,527,956	17,426,222	(61,144)	17,365,078
Equity in net earnings of associates	516,450	–	516,450	–	516,450
Other income	9,291,622	484,270	9,775,892	(9,031,037)	744,855
	₱19,706,338	₱8,012,226	₱27,718,564	(₱9,092,181)	₱18,626,383
Net income	₱10,535,014	₱1,979,406	₱12,514,420	(₱8,556,670)	₱3,957,750
Adjusted EBITDA	₱11,650,307	₱5,371,478	₱17,021,785	(₱8,376,266)	₱8,645,519
Segment assets	₱127,394,893	₱63,510,274	₱190,905,167	(₱9,900,021)	181,005,146
Less net deferred tax assets	–	82,405	82,405	–	82,405
Net segment assets	₱127,394,893	₱63,427,869	₱190,822,762	(₱9,900,021)	180,922,741
Segment liabilities	₱53,922,142	₱55,825,136	₱109,747,278	(₱3,121,075)	₱106,626,203
Less net deferred tax liabilities	6,339,213	(20,489)	6,318,724	194,312	6,513,036
Net segment liabilities	₱47,582,929	₱55,845,625	₱103,428,554	(₱3,315,387)	₱100,113,167
Cash flows provided by (used in):					
Operating activities	(₱4,821,733)	₱13,760,967	₱8,939,234	(₱1,646,883)	₱7,292,351
Investing activities	(322,843)	(5,298,320)	(5,621,163)	–	(5,621,163)
Financing activities	912,263	(455,230)	457,033	(208,285)	248,748

	2019				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue (as restated, see Note 2)					
External	₱17,013,120	₱8,296,472	₱25,309,592	₱–	₱25,309,592
Inter-segment	34,362	–	34,362	(34,362)	–
	17,047,482	8,296,472	25,343,954	(34,362)	25,309,592
Equity in net earnings of associates	401,525	–	401,525	–	401,525
Other income	1,935,747	632,521	2,568,268	(1,318,345)	1,249,923
	₱19,384,754	₱8,928,993	₱28,313,747	(₱1,352,707)	₱26,961,040
Net income	₱4,760,397	₱2,342,253	₱7,102,650	(₱582,850)	₱6,519,800
Adjusted EBITDA	₱6,003,896	₱6,203,684	₱12,207,580	(₱520,774)	₱11,686,806
Segment assets	₱130,313,658	₱49,609,668	₱179,923,326	(₱6,226,895)	₱173,696,431
Less net deferred tax assets	3,019	49,416	52,435	–	52,435
Net segment assets	₱130,310,639	₱49,560,252	₱179,870,891	(₱6,226,895)	₱173,643,996
Segment liabilities	₱70,604,255	₱31,548,256	₱102,152,511	(₱620,373)	₱101,532,138
Less net deferred tax liabilities	6,057,332	361,238	6,418,570	94,043	6,512,613
Net segment liabilities	₱64,546,923	₱31,187,018	₱95,733,941	(₱714,416)	₱95,019,525
Cash flows provided by (used in):					
Operating activities	₱4,646,540	₱5,753,086	₱10,399,626	(₱1,225,412)	₱9,174,214
Investing activities	(2,769,256)	(6,272,829)	(9,042,085)	–	(9,042,085)
Financing activities	(1,591,008)	(208,412)	(1,799,420)	21,352	(1,778,068)

The following table shows a reconciliation of the adjusted earnings before interest and other finance charges, income taxes, depreciation and amortization (EBITDA) to income before income tax in the consolidated statement of income. Adjusted EBITDA is the Group's EBITDA adjusted by the equity in net earnings from associates for the year:

	2021	2020	2019
		(In Thousands)	
Adjusted EBITDA	**₱7,308,423**	₱8,645,519	₱11,686,806
Depreciation and amortization (Notes 13, 14 and 16)	**(1,446,779)**	(1,594,368)	(1,320,598)
Operating profit	**5,861,644**	7,051,151	10,366,208
Interest and other finance charges (Note 23)	**(2,426,791)**	(3,189,462)	(2,492,965)
Equity in net earnings of an associate (Note 12)	**112,023**	516,450	401,525
Income before income tax	**₱3,546,876**	₱4,378,139	₱8,274,768

6. **Revenue from Contracts with Customers**

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

	2021	2020 (As restated, see Note 2)	2019 (As restated, see Note 2)
		(In Thousands)	
Real estate sales by market segment			
Medium income	**₱7,582,470**	₱ 7,545,026	₱12,156,833
Low affordable and affordable	**2,500,696**	1,375,284	3,256,803
High-end and others	**877,766**	814,504	1,254,289
Socialized	**313,577**	102,308	345,195
	11,274,509	9,837,122	17,013,120
Cinema operations by type of goods or services (included as part of rental and related services)			
Theater and parking sales	**63,021**	18,821	150,565
Snack bar sales	**10**	1,920	22,526
	63,031	20,741	173,091
Tenant dues			
Office leasing	**1,210,100**	1,560,292	1,504,945
Mall operations	**282,993**	298,484	366,008
	1,493,093	1,858,776	1,870,953
Total revenue from contracts with customers	**12,830,633**	11,716,639	19,057,164
Rental revenues			
Office leasing	**3,585,598**	4,895,829	4,054,286
Mall operations	**450,079**	752,610	2,198,142
	4,035,677	5,648,439	6,252,428
Total Revenue	**₱16,866,310**	₱17,365,078	₱25,309,592

The Group's real estate sales and theater sales are revenue from contracts with customers which are recognized over time while revenue from snack bar sales is recognized at a point in time. Market segment classifications of projects in 2020 and 2019 were updated to conform with the 2021 presentation.

As of December 31, 2021, contract balances are as follows:

	Current	**Noncurrent**	**Total**
		(In Thousands)	
Contracts receivable	**₱5,337,931**	**₱–**	**₱5,337,931**
Contract assets	**4,177,819**	**4,152,756**	**8,330,575**
Contract liabilities	**1,171,384**	**774,212**	**1,945,596**

As of December 31, 2020, contract balances are as follows:

	Current	Noncurrent	Total
		(In Thousands)	
Contracts receivable	₱4,156,939	₱–	₱4,156,939
Contract assets	5,400,329	3,533,733	8,934,062
Contract liabilities	1,249,050	767,219	2,016,269

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

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

In 2020, the Parent Company entered into an Agreement for Purchase of Contract Assets with a local bank. The bank agreed to buy the contract assets on a without recourse basis, and the Parent Company agreed to sell, assign, transfer and convey to the bank all its rights, titles, and interest in and to the contract assets. Total proceeds from these transactions equivalent to the carrying value of the contract assets sold amounted to ₱900.54 million. There was no similar transaction in 2021.

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred based on percentage of completion. The movement in contract liability arise mainly from revenue recognition of completed performance obligations. The amount of revenue recognized in 2021 from amounts included in contract liabilities at the beginning of the year amounted to ₱537.44 million.

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

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

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

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

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

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31, 2021 and 2020 amounted to ₱1.62 billion and ₱3.75 billion, respectively. Performance obligation for the transaction price amounting to ₱1.49 billion and ₱2.73 billion will be satisfied within one year as of December 31, 2021 and 2020, respectively.

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

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

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

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

	2021	2020
	(In Thousands)	
Balance at beginning of year	**₱776,795**	₱467,807
Additions	**192,521**	835,535
Amortization (Note 22)	**(495,034)**	(526,547)
Balance at end of year (Note 11)	**₱474,282**	₱776,795

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

For the years ended December 31, 2021 and 2020, additions of contract fulfillment costs amounted to ₱3.89 million and ₱1.19 billion, respectively. Amortization of contract fulfillment costs amounted to ₱948.23 million and ₱312.73 million for the years ended December 31, 2021 and 2020, respectively. Contract fulfilment assets is included as part of real estate inventories.

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

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

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

7. Cash and Cash Equivalents

This account consists of:

	2021	2020
	(In Thousands)	
Cash	**₱6,443,411**	₱3,886,911
Cash equivalents	**3,214,849**	2,806,646
	₱9,658,260	₱6,693,557

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

Interest income earned on the Group's cash and cash equivalents amounted to ₱23.15 million, ₱34.53 million and ₱18.96 million in 2021, 2020 and 2019, respectively (see Note 23).

There is no restriction on the Group's cash and cash equivalents as at December 31, 2021 and 2020.

8. **Contracts Receivable**

This account consists of:

	2021	2020
	(In Thousands)	
Contracts receivable	**₱5,133,740**	₱3,963,551
Receivables from government and financial institutions	**204,191**	193,388
	₱5,337,931	₱4,156,939

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

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 provided reliefs under Bayanihan 1 Act and Bayanihan 2 Act, which offered financial reliefs to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. These relief measures included the restructuring of existing receivables including extension of payment terms. Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

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

Interest income recognized on contracts receivable amounted to ₱355.06 million, ₱347.22 million and ₱403.85 million in 2021, 2020 and 2019, respectively (see Note 23). Interest rates per annum on contracts receivable range from 11.5% to 19.0% for these years.

The Group has a mortgage insurance contract with Philippine Guarantee Corporation (PhilGuarantee), a government insurance company for a retail guaranty line. As of December 31, 2021 and 2020, the contracts (comprise of both contract receivables and contract assets) covered by the guaranty line amounted to ₱796.7 million and ₱460.3 million respectively. As of December 31, 2021 and 2020, the remaining unutilized guaranty line amounted to ₱1.57 billion and ₱2.04 billion, respectively.

As of December 31, 2021 and 2020, no impairment losses were recognized from contracts receivables.

9. Other Receivables

	2021	2020
	(In Thousands)	
Receivables from tenants	**₱1,623,286**	₱2,456,106
Due from related parties (Notes 12 and 20)	**472,233**	347,121
Advances to officers and employees	**310,616**	303,460
Receivables from homeowners' associations	**261,127**	230,189
Receivables from buyers	**1,003**	43,174
Others	**89,884**	23,126
	2,758,149	3,403,176
Less: Allowance for expected credit losses	**47,686**	40,993
	₱2,710,463	₱3,362,183

"Receivables from tenants" represent charges to tenants for rentals and utilities normally collectible within a year. Allowance for expected credit losses related to tenants' accounts specifically determined to be impaired amounted to ₱31.82 million and ₱25.13 million as of December 31, 2021 and 2020, respectively. The Group has recognized provision for expected credit losses amounting to ₱7.70 million in 2021 (nil in 2020 and 2019).

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

"Receivables from homeowners' associations" represent claims from the homeowners' association of the Group's projects for the payment of the expenses on behalf of the association. Allowance for expected credit losses related to these receivables, determined using collective impairment assessment, amounted to ₱15.86 million as of December 31, 2021 and 2020, respectively. The Group has not recognized provision for expected credit losses in 2021, 2020 and 2019.

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

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

10. Real Estate Inventories

This account consists of:

	2021	2020
	(In Thousands)	
Real estate inventories – at cost		
Lots, condominium and residential units for sale	**₱42,808,627**	₱41,659,064
Land and land development	**25,918,294**	23,885,503
	₱68,726,921	₱65,544,567

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

	2021	2020
	(In Thousands)	
Balance at beginning of year	**₱41,659,064**	₱38,851,977
Land costs transferred from land and land development	**3,894**	1,194,483
Net transfer to investment properties and property and equipment (Notes 13 and 14)	**–**	(40,831)
Construction/development costs incurred	**7,093,538**	6,576,586
Capitalized borrowing costs	**495,820**	663,683
Cost of real estate sales	**(6,443,688)**	(5,586,834)
	₱42,808,627	₱41,659,064

Capitalization rate for the capitalized borrowing costs is 4.6%, 1.0% and 1.5% in 2021, 2020 and 2019, respectively.

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

	2021	2020
	(In Thousands)	
Balance at beginning of year	**₱23,885,503**	₱24,166,459
Land acquisitions	**653,310**	450,018
Land costs transferred to real estate inventories	**(3,894)**	(1,194,483)
Net transfers and others (Notes 13 and 16)	**–**	(222,994)
Site development and incidental costs	**1,383,375**	686,503
	₱25,918,294	₱23,885,503

As of December 31, 2021 and 2020, on account additions to land and land development during the year which remain outstanding amounted to ₱513.18 million and ₱2.90 million, respectively, and these are recognized as part of "Accounts payable and accrued expense" (see Note 17).

Borrowing costs capitalized as part of land and land development, where activities necessary to prepare it for its intended use is ongoing, amounted to ₱428.85 million, ₱113.48 million and ₱102.37 million for the years ended December 31, 2021, 2020 and 2019, respectively. Capitalization rate is 4.9%, 2.4% and 4.5% in 2021, 2020 and 2019, respectively.

Acquisition of land and land development included under cash flows used in operating activities amounted to ₱1.18 billion, ₱1.02 billion and ₱2.62 billion for the years ended December 31, 2021, 2020 and 2019, respectively.

In 2020, deposits previously held in escrow amounted to ₱281.85 million for the purchase of a parcel of land in Manila has been transferred to land and land development (see Note 16).

11. **Other Current Assets**

This account consists of:

	2021	2020
	(In Thousands)	
Input taxes – net	**₱2,772,002**	₱2,054,956
Creditable withholding taxes	**1,039,951**	928,110
Prepaid expenses	**209,645**	570,337
Cost to obtain contract (Note 6)	**474,282**	776,795
Construction materials and supplies	**166,497**	105,591
Advances to contractors and suppliers	**218,702**	191,397
Short-term deposits (Note 30)	**52,232**	9,955
	₱4,933,311	₱4,637,141

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

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

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

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

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

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

12. **Investments in Associates**

This account consists of:

	2021	2020
	(In Thousands)	
At equity:		
Acquisition cost		
Balance at beginning of year	**₱996,619**	₱906,619
DPI	**–**	90,000
SharePro, Inc.	**11,250**	–
Balance at end of year	**1,007,869**	996,619

(Forward)

	2021	2020
	(In Thousands)	
Accumulated equity in net earnings:		
Balance at beginning of year	**₱1,542,297**	₱1,025,847
Equity in net earnings for the year	**112,023**	516,450
Balance at end of year	**1,654,320**	1,542,297
Share in revaluation increment on land at deemed cost*		
Balance at beginning of year	**1,876,422**	1,876,422
Impact of adoption of CREATE Act	**134,030**	–
Balance at end of year	**2,010,452**	1,876,422
Share in other components of equity	**372,449**	372,449
	₱5,045,090	₱4,787,787

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

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

	2021	2020
	(In Thousands)	
FAI	**₱4,782,999**	₱4,552,473
DPI	**98,892**	87,702
FMI	**74,580**	74,022
CTI	**53,166**	52,146
Pro-excel	**24,203**	21,444
SharePro	**11,250**	–
	₱5,045,090	₱4,787,787

FAI

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

For the year ended December 31, 2019, dividends declared by FAI and the corresponding share of the Group amounted to ₱2.02 billion and ₱404.0 million, respectively (nil for the years ended December 31, 2021 and 2020). The dividends declared by FAI in 2019 was received in 2020.

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

	2021	2020
	(In Thousands)	
Current assets	**₱12,376,252**	₱13,528,951
Noncurrent assets	**23,980,258**	23,262,765
Total assets	**36,356,511**	36,791,716
Current liabilities	**2,447,298**	3,963,286
Noncurrent liabilities	**6,899,302**	6,991,632
Total liabilities	**9,346,600**	10,954,918
Equity	**₱27,009,910**	₱25,836,798
Proportion of the Group's ownership	**20%**	20%
Equity in net assets of associate	**₱5,401,982**	₱5,167,360
Less upstream sales	**618,983**	614,887
Carrying amount of the investment	**₱4,782,999**	₱4,552,473

	2021	2020
	(In Thousands)	
Revenue and other income	**₱2,077,786**	₱4,926,052
Cost and other expenses	**(1,182,219)**	(1,920,348)
Depreciation	**(243,102)**	(242,019)
Interest expense	**(120,451)**	(177,689)
Interest income	**2,503**	55,488
Income before tax	**534,517**	2,641,484
Income tax expense	**52,042**	84,766
Net income for the year	**₱482,475**	₱2,556,718
Group's equity in net earnings of associate	**₱96,495**	₱511,344

DPI
On December 21, 2020, FDC subscribed to 110,000,000 common shares of DPI with par value of ₱1.00 per share amounting ₱110.00 million and equivalent to 55% of DPI's outstanding shares. This resulted in the dilution of FLI's interest in DPI to 45% and deconsolidation by the Group (see Note 1). As a result of the dilution, the investment in DPI is accounted as investment in associate under the equity method. Gain on deconsolidation amounted to ₱131.17 million (see Note 24). For the years ended December 31, 2021 and 2020, share in net earnings (loss) of DPI amounted to ₱11.19 million and (₱2.30 million), respectively.

FMI
In 2016, FMI was incorporated and operating in the Philippines and handles the lease of the Mimosa Leisure Estate. The Parent Company subscribed for 47.5% of FMI's capital stock amounting to ₱37.83 million. For the years ended December 31, 2021, 2020 and 2016, share in net earnings of FMI amounted to ₱0.56 million, ₱3.12 million and ₱0.77 million, respectively.

On January 1, 2019, FMI adopted PFRS 16, *Leases*, resulting in a transition adjustment in FMI's retained earnings which resulted in the restatement in the beginning investment in FMI amounting to ₱48.35 million.

CTI
In 2019, the 30% interest in CTI of the Parent Company was classified as an investment in associate. CTI is primarily involved in information technology service management. Share in net earnings of CTI amounted ₱1.02 million and ₱0.33 million for the years ended December 31, 2021 and 2020, respectively.

Pro-Excel
On December 26, 2019, FILRT and FCI, wholly owned subsidiaries of the Parent, entered into a Deed of Assignment to sell ownership in Pro-Excel to FAI. The sale resulted in a loss of control in Pro-Excel and deconsolidation by the Group. As of December 31, 2020, the remaining ownership of the Parent Company in Pro-Excel is 33%. Share in net earnings of Pro-Excel amounted to ₱2.76 million and ₱3.96 million for the years ended December 31, 2021 and 2020, respectively.

SharePro, Inc. (SPI)
SPI was incorporated and operating in the Philippines and handles the technical and project management services for the Group. In December 2021, the Parent Company subscribed for 45.0% of SPI's capital stock amounting to ₱11.25 million. There was no share in net earnings in 2021.

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

	2021	2020
	(In Thousands)	
Carrying amount	**₱262,091**	₱235,314
Share in net income	**15,528**	5,106
Share in total comprehensive income	**15,528**	5,106

The Group does not restrict profit distribution of its associates. The associates have no contingent liabilities outside of the ordinary course of business or capital commitments as at December 31, 2021 and 2020.

13. Investment Properties

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

	2021					
	Land	**Buildings and Improvements**	**Machinery and Equipment**	**Construction in Progress**	**Right-of-use assets** (Note 15)	**Total**
			(In Thousands)			
Cost						
Balances at beginning of year	**₱14,798,900**	**₱29,160,153**	**₱216,420**	**₱26,840,127**	**₱5,376,136**	**₱76,391,736**
Additions	**15,286**	**706,238**	**150,818**	**4,140,888**	**–**	**5,013,230**
Transfers (Note 14)	**(352,785)**	**(921,309)**	**–**	**–**	**–**	**(1,274,094)**
Balances at end of year	**14,461,401**	**28,945,083**	**367,238**	**30,981,015**	**5,376,136**	**80,130,872**
Accumulated Depreciation						
Balances at beginning of year	**–**	**6,623,937**	**214,720**	**–**	**288,122**	**7,126,779**
Depreciation (Note 21)	**–**	**825,783**	**149,552**	**–**	**165,770**	**1,141,105**
Transfers (Note 14)	**–**	**(215,002)**	**–**	**–**	**–**	**(215,002)**
Balances at end of year	**–**	**7,234,718**	**364,273**	**–**	**453,892**	**8,052,883**
Net Book Value	**₱14,461,401**	**₱21,710,365**	**₱2,965**	**₱30,981,015**	**₱4,922,244**	**₱72,077,989**

	2020					
	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-use assets (Note 15)	Total
						(In Thousands)
Cost						
Balances at beginning of year	₱15,771,312	₱28,669,503	₱164,814	₱22,649,397	₱5,279,966	₱72,534,992
Additions	12,270	205,738	91,320	4,225,885	96,170	4,631,383
Disposals	(672,802)	–	–	–	–	(672,802)
Transfers (Notes 10 and 14)	(311,880)	284,183	(39,714)	(35,155)	–	(101,836)
Balances at end of year	14,798,900	29,160,153	216,420	26,840,127	5,376,136	76,391,736
Accumulated Depreciation						
Balances at beginning of year	–	5,786,881	146,960	–	140,091	6,073,932
Depreciation (Note 21)	–	837,056	103,517	–	148,031	1,088,605
Transfers (Notes 10 and 14)	–	–	(35,757)	–	–	(35,757)
Balances at end of year	–	6,623,937	214,720	–	288,122	7,126,779
Net Book Value	₱14,798,900	₱22,536,216	₱1,700	₱26,840,127	₱5,088,014	₱69,264,957

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

On October 7, 2020, FILRT sold a portion of its South Road Properties with a carrying value of ₱672.8 million for a consideration of ₱737.8 million. The gain on sale amounting to ₱65.3 million is presented as gain on sale of investment property under "Other income" in the consolidated statement o comprehensive income (see Note 24).

Borrowing costs capitalized as part of investment properties amounted to ₱856.96 million, ₱645.27 million and ₱404.10 million, in 2021, 2020 and 2019, respectively. Capitalization rate used is 1.17% to 3.85%, 1.00% to 6.14%, and 2.43% to 6.47% in 2021, 2020 and 2019.

As of December 31, 2021 and 2020, on account additions to investment properties which remain outstanding amounted to ₱1.33 billion and ₱1.66 billion, respectively, and these are recognized as part of "Accounts payable and accrued expense" (see Note 17).

The aggregate fair value of the Group's investment properties amounted to ₱203.28 billion as of December 31, 2021 based on third party appraisals performed in 2021 by an SEC accredited independent appraiser and management appraisal updated using current and year-end values and assumptions. The fair value of investment properties was determined using the Income Approach based on discounted cash flow analysis for buildings and Market approach for land.

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

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

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

Revenue from rental and related services from investment properties amounted to ₱5.38 billion, ₱7.31 billion and ₱8.10 billion in 2021, 2020 and 2019, respectively (see Note 6). Cost of rental and related services arising from investment properties is as follows:

	2021	2020 (As restated, see Note 2)	2019 (As restated, see Note 2)
		(In Thousands)	
Depreciation	**₱1,013,013**	₱779,223	₱600,409
Mall operations	**1,331,730**	1,289,200	1,635,255
Others	**33,619**	3,719	110,923
	₱2,378,362	₱2,072,142	₱2,346,587

"Others" pertain to cost of ticket sales and snack bar sales. The Group classifies the depreciation of fit out cost and machinery and equipment related to the common area and air-conditioning as part of the maintenance and air-conditioning dues that are collected from the tenants. In 2021, 2020 and 2019, depreciation expense recognized as part of "Rental and related services" revenue amounted to ₱67.96 million, ₱161.35 million and ₱201.48 million, respectively.

Deed of Sale on Installment of the 19.2-hectare South Road Properties (SRP)
In July 2015, FLI, FILRT and FAI (collectively referred to as Filinvest Consortium) won the bidding for a 19.20-hectare lot in Cebu's SRP (see Notes 10 and 13). Thereafter, on August 7, 2015, Filinvest Consortium entered into a Deed of Sale on Installment (DSI) with the Cebu City Government. In a letter dated January 6, 2017, the Cebu City Mayor questioned the validity of the sale and gave the buyers the option to withdraw from the sale at buyer's discretion. In a letter to the Cebu City Mayor dated February 7, 2017 (the Letter), Filinvest Consortium expressed its intention to rescind the DSI. Under the DSI, Cebu City undertook to comply with several covenants, undertakings and obligations no later than February 7, 2016 (or 180 days from execution of the DSI). The Letter pointed out that as of February 7, 2017, the said covenants, undertakings and obligations have not been complied with and it does not appear that these will be complied with within a foreseeable reasonable period of time.

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

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

On August 2, 2019, Filinvest Consortium informed Cebu City that the payments will be judicially consigned in accordance with law considering that to date, Cebu City has not yet returned the payments with interest, thus, the conditional rescission has already expired. In response, Cebu City issued a letter dated October 4, 2019 to FLI Consortium and insisted that the latter has no longer any debt to Filinvest Consortium as the DSI was effectively rescinded. Cebu City reiterates its willingness to restitute the Filinvest Consortiun of the amount it has already paid prior the rescission.

The Cebu City Government and Filinvest Consortium came to a resolution on January 8, 2020 with the full payment and the signing of the Deed of Absolute Sale. The Filinvest Consortium paid on December 17, 2019 the full amount of the purchase price of the lot plus the accumulated interest for the unpaid installments since 2017. Accordingly, the matter has been resolved.The carrying value of the property amounted to ₱1.22 billion and ₱1.20 billion as of December 31, 2021 and 2020, respectively.

14. Property and Equipment

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

	2021						
	Land and Buildings	**Machinery and Equipment**	**Transportation Equipment**	**Furniture and Fixtures**	**Leasehold Improvements**	**Construction in Progress**	**Total**
				(In Thousands)			
Cost							
Balances at beginning of year	**₱2,160,594**	**₱1,804,016**	**₱167,788**	**₱112,523**	**₱191,736**	**₱183,444**	**₱4,620,101**
Additions	**131,746**	**439,854**	**8,575**	**23,386**	**2,363**	**33,805**	**639,729**
Transfers (Note 13)	**1,274,094**	**–**	**–**	**–**	**–**	**–**	**1,274,094**
Balances at end of year	**3,566,434**	**2,243,870**	**176,363**	**135,909**	**194,099**	**217,249**	**6,533,924**

(Forward)

	2021						
	Land and Buildings	**Machinery and Equipment**	**Transportation Equipment**	**Furniture and Fixtures**	**Leasehold Improvements**	**Construction in Progress**	**Total**
Accumulated Depreciation and Amortization							
Balances at beginning of year	**₱327,981**	**₱619,901**	**₱128,440**	**₱76,289**	**₱119,345**	**₱–**	**₱1,271,956**
Depreciation and amortization (Note 21)	**60,930**	**142,883**	**16,692**	**28,498**	**3,942**	**–**	**252,945**
Transfers (Note 13)	**215,002**	**–**	**–**	**–**	**–**	**–**	**215,002**
Balances at end of year	**603,913**	**762,784**	**145,132**	**104,787**	**123,287**	**–**	**1,739,903**
Net Book Value	**₱2,962,521**	**₱1,481,086**	**₱31,232**	**₱31,122**	**₱70,811**	**₱217,249**	**₱4,794,021**

	2020						
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
				(In Thousands)			
Cost							
Balances at beginning of year	₱2,118,313	₱1,227,672	₱153,222	₱102,306	₱92,761	₱453,675	₱4,147,949
Additions	42,281	341,846	21,354	11,464	106,703	9,549	533,197
Transfers (Note 13)	–	263,844	–	–	–	(279,780)	(15,936)
Deconsolidation (Note 12)	–	(29,346)	(6,788)	(1,247)	(7,728)	–	(45,109)
Balances at end of year	2,160,594	1,804,016	167,788	112,523	191,736	183,444	4,620,101
Accumulated Depreciation and Amortization							
Balances at beginning of year	278,285	336,137	102,659	63,123	79,027	–	859,231
Depreciation and amortization (Note 21)	49,696	288,860	27,703	13,670	43,409	–	423,338
Deconsolidation (Note 12)	–	(5,096)	(1,922)	(504)	(3,091)	–	(10,613)
Balances at end of year	327,981	619,901	128,440	76,289	119,345	–	1,271,956
Net Book Value	₱1,832,613	₱1,184,115	₱39,348	₱36,234	₱72,391	₱183,444	₱3,348,145

In 2021, NSI started operating TSNC as a hotel. As the use of these assets were changed, investment properties amounting to ₱1,274.09 million, gross of accumulated depreciation of ₱215.00 million, were transferred to property, plant and equipment (see Note 14).

As of December 31, 2021 and 2020, on account additions to property and equipment which remain outstanding amounted to ₱0.66 million and ₱2.18 million, respectively, and these are recognized as part of "Accounts payable and accrued expenses" (see Note 17).

15. Leases

Group as lessee

The Group has lease contracts for land as of January 1, 2020. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group has entered into land lease arrangements with lease terms of between 25 and 50 years. There are several leases that include extension option to lease the assets for additional 25 years based on mutual agreement of the parties.

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

	2021		
	Investment Properties (Note 13)	**Other Noncurrent Assets** (Note 16)	**Total**
		(In Thousands)	
Cost			
At January 1 and December 31	**₱5,376,136**	**₱112,424**	**₱5,488,560**
Accumulated Depreciation			
At January 1	**288,122**	**8,994**	**297,116**
Depreciation (Note 21)	**165,770**	**468**	**166,238**
As at December 31	**453,892**	**9,462**	**463,354**
Net Book Value	**₱4,922,244**	**₱102,962**	**₱5,025,206**

	2020		
	Investment Properties (Note 13)	Other Noncurrent Assets (Note 16)	Total
		(In Thousands)	
Cost			
At January 1	₱5,279,966	₱112,424	₱5,392,390
Additions	96,170	–	96,170
As at December 31	5,376,136	112,424	5,488,560
Accumulated Depreciation			
At January 1	140,091	4,497	144,588
Depreciation (Note 21)	148,031	4,497	152,528
As at December 31	288,122	8,994	297,116
Net Book Value	₱5,088,014	₱103,430	₱5,191,144

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

	2021	2020
	(In Thousands)	
Depreciation expense of right-of-use assets (included in general and administrative expenses) (Note 21)	**₱166,238**	₱152,528
Interest expense on lease liabilities (included in interest and other finance charges) (Note 23)	**546,378**	504,674
Total amount recognized in statement of income	**₱712,616**	₱657,202

Interest expense capitalized as part of investment properties amounted to ₱116.09 million and ₱108.14 million in 2021 and 2020, respectively.

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

	2021	2020
	(In Thousands)	
At January 1	**₱6,152,960**	₱5,870,064
Additions	**–**	96,170
Interest expense (gross of related capitalized borrowing costs) (Note 23)	**546,379**	504,674
Payments	**(351,321)**	(317,948)
As at December 31	**6,348,018**	6,152,960
Lease liabilities – current portion	**248,590**	328,796
Lease liabilities – net of current portion	**₱6,099,428**	₱5,824,164

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

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

	2021	2020
	(In Thousands)	
Variable lease payments (included in general and administrative expenses) (Note 21)	**₱15,161**	₱11,256
Expenses relating to leases of low-value assets (included in general and administrative expenses) (Note 21)	**1,872**	2,973
Total	**₱17,033**	₱14,229

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

	2021	2020
	(In Thousands)	
1 year	**₱363,029**	₱345,345
more than 1 years to 2 years	**376,195**	363,161
more than 2 years to 3 years	**395,440**	375,283
more than 3 years to 4 years	**414,196**	394,731
more than 5 years	**27,834,454**	28,698,182

Group as lessor
As lessor, future minimum rental receivables under renewable operating leases as of December 31, 2021 and 2020 are as follows:

	2021	2020
	(In Thousands)	
Within one year	**₱3,832,883**	₱5,318,158
After one year but not more than five years	**8,350,500**	11,450,935
After five years	**2,681,971**	5,826,570
	₱14,865,354	₱22,595,663

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

Rental income recognized based on a percentage of the gross revenue of mall tenants included in "Rental and related services" account in the consolidated statement of income amounted to ₱264.92 million, ₱292.56 million and ₱334.40 million in 2021, 2020 and 2019, respectively. The Group granted rental concessions to its tenants which were affected by the community quarantine imposed by the government amounting to ₱734.37 million and ₱625.37 million in 2021 and 2020, respectively. These rent concessions did not qualify as a lease modification, thus, were accounted for as negative variable lease payments and reported as reduction of lease income in 2021 and 2020 (see Note 3).

16. **Other Noncurrent Assets**

This account consists of:

	2021	2020
	(In Thousands)	
BTO rights (Note 32)	**₱4,638,348**	₱3,576,269
Advances to contractors and suppliers (Note 11)	**1,594,945**	1,579,205
Advances to joint venture partners	**412,910**	401,890
Input taxes – net of current portion	**230,170**	–
Creditable withholding taxes – net of current portion	**178,626**	–
Right-of-use assets (Note 15)	**112,424**	112,424
Financial assets at FVOCI (Notes 30 and 32)	**15,622**	15,622
Deposits (Note 10)	**12,276**	15,200
Other assets (Note 32)	**83,450**	205,418
	7,278,771	5,906,028
Less accumulated amortization	**332,596**	279,867
	₱6,946,175	₱5,626,161

"BTO rights" relate to the development cost, construction and operation of BPO Complex at the land properties owned by Cebu Province. As of December 31, 2021, and 2020, cost of completed portion pertaining to Cebu Towers 1 and 2 of the BTO project amounted to ₱2.7 billion and ₱2.6 billion, respectively. Construction of Cebu Towers 3 and 4 are still on-going and are expected to be completed in 2021 and 2022, respectively.

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

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

	2021		
	BTO Rights	**Right-of-Use Assets** (Note 15)	**Total**
		(In Thousands)	
Cost			
Balance at beginning of year	**₱3,576,269**	**₱112,424**	**₱3,688,693**
Additions	**1,062,079**	**–**	**1,062,079**
Balance at end of year	**4,638,348**	**112,424**	**4,750,772**
Accumulated Amortization			
Balance at beginning of year	**270,873**	**8,994**	**279,867**
Depreciation	**52,261**	**468**	**52,729**
Balance at end of year	**323,134**	**9,462**	**332,596**
Net Book Value	**₱4,315,214**	**₱102,962**	**₱4,418,176**

	2020		
	BTO Rights	Right-of-Use Assets (Note 15)	Total
		(In Thousands)	
Cost			
Balance at beginning of year	₱2,858,460	₱112,424	₱2,970,884
Additions	717,809	–	717,809
Balance at end of year	3,576,269	112,424	3,688,693
Accumulated Amortization			
Balance at beginning of year	192,945	4,497	197,442
Depreciation	77,928	4,497	82,425
Balance at end of year	270,873	8,994	279,867
Net Book Value	₱3,305,396	₱103,430	₱3,408,826

In 2021, 2020 and 2019, related amortization recognized as part of "Cost of rental and related services" amounted to ₱52.26 million, ₱77.93 million and ₱69.55 million, respectively. Rental income amounting to ₱207.90 million and ₱215.5 million and ₱193.3 million in 2021, 2020 and 2019, respectively, was recognized as part of "Revenue from rental and related services".

As of December 31, 2021 and 2020, on account additions to "BTO Rights" which remain outstanding amounted to ₱0.22 million and ₱1.01 million, respectively, and these are recognized as part of "Accounts payable and accrued expense" (see Note 17).

"Deposits" include utility and security deposits. In 2020, deposits previously held in escrow amounted to ₱281.85 million for the purchase of a parcel of land in Manila has been transferred to land and land development (see Note 10).

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

"Financial assets at FVOCI" consist of quoted and unquoted shares of stock (see Note 30).

Unquoted investments in shares of stock include unlisted preferred shares in a public utility company which the Group will continue to carry as part of the infrastructure that it provides for its real estate development projects. The Group did not receive dividends from unquoted shares in 2021, 2020 and 2019.

"Other assets" includes the fee paid by the Parent Company to a third party for the assignment of the developmental rights for another BTO project in Cebu amounting ₱200 million (see Note 32).

17. Accounts Payable and Accrued Expenses

This account consists of:

	2021			2020		
	Current	**Noncurrent**	**Total**	Current	Noncurrent	Total
			(In Thousands)			
Accounts payable (Note 20)	**₱6,119,431**	**₱5,534,413**	**₱11,653,844**	₱7,298,674	₱4,930,111	₱12,228,785
Deposits from tenants	**1,295,788**	**1,429,650**	**2,725,438**	1,981,658	1,381,945	3,363,603
Retention fees payable	**2,001,782**	**550,160**	**2,551,942**	1,495,682	902,347	2,398,029
Accrued expenses	**1,221,753**	**–**	**1,221,753**	1,009,473	–	1,009,473
Deposits for registration	**177,540**	**1,282,493**	**1,460,033**	155,870	1,122,795	1,278,665
Accrued interest on bonds and loans (Notes 18 and 19)	**704,994**	**–**	**704,994**	674,060	–	674,060
Other payables	**217,203**	**143,083**	**360,286**	501,609	–	501,609
	₱11,738,491	**₱8,939,799**	**₱20,678,290**	₱13,117,027	₱8,337,198	₱21,454,225

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

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

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

"Deposits for registration" pertain to amounts collected from buyers for payment of registration of real estate properties.

"Accrued expenses" pertain to various operating expenses incurred by the Group in the course of business such as salaries and wages, professional fees, unbilled construction cost related to ongoing projects, and utilities expense, among others.

Accrued expenses account consists of:

	2021	2020
	(In Thousands)	
Suppliers and contractors	**₱1,170,281**	₱937,183
Professional fees	**38,845**	40,848
Utilities	**7,878**	4,423
Payroll	**3,531**	12,721
Interest	–	12,131
Other accruals	**1,218**	2,167
	₱1,221,753	₱1,009,473

"Other payables" pertain mainly to withholding taxes, output VAT payables and deferred income. This also includes the amount due to SPI for the retirement benefits of transferred employees (see Notes 20 and 25).

18. Loans Payable

This account consists of:

	2021	2020
	(In Thousands)	
Developmental loans from local banks	**₱32,299,195**	₱38,233,885
Less unamortized transaction costs	**116,452**	128,862
	32,182,743	38,105,023
Less current portion of loans payable	**4,912,198**	8,866,369
Long-term portion of loans payable	**₱27,270,545**	₱29,238,654

Developmental loans from local banks will mature on various dates up to 2026. These Peso-denominated loans bear floating interest rates equal to 91-day PDST-F rate and or PDST-R2 rate and or 3 months BVAL rate plus a spread, or fixed interest rates of 2.75% to 6.51% per annum. Additional loans availed by the Group in 2021, 2020 and 2019 amounted to ₱16.6 billion, ₱10.68 billion and ₱15.4 billion, respectively. These include availment of short-term loans payable amounting to ₱9.9 billion and ₱1.5 billion in 2021 and 2020, respectively. Principal payments made in 2021, 2020 and 2019 amounted to ₱22.59 billion, ₱8.22 billion and ₱4.84 billion, respectively.

As of December 31, 2021 and 2020, short term loans payable, presented under current portion of loans payable amounted to ₱905.00 million and ₱500.00 million, respectively.

Interest incurred on these loans (gross of related capitalized borrowing costs) amounted to ₱1.89 billion, ₱2.59 billion and ₱1.59 billion for the years ended December 31, 2021, 2020, and 2019, respectively.

In 2021, transactions costs capitalized amounted to ₱63.14 million. Amortization of transaction costs amounted to ₱75.55 million, ₱91.63 million and ₱26.85 million in 2021, 2020 and 2019, respectively, and included under "Interest and other finance charges" (see Note 23).

The Group's loans payable is unsecured and no assets are held as collateral for these debts. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio ranging from 2.0x to 3.1x and minimum interest coverage ratio of 1.0x.

The agreements also provide for restrictions and requirements with respect to, among others, making distribution on its share capital; purchase, redemption or acquisition of any share of stock if it would materially and adversely affect the Group's ability to perform its obligations; sale or transfer and disposal of all or a substantial part of its capital assets other than in the ordinary course of business; restrictions on use of funds other than the purpose it was approved for; and entering into any partnership, merger, consolidation or reorganization except in the ordinary course of business and except when the Group maintains controlling interest. As of December 31, 2021 and 2020, the Group has not been cited in default on any of its outstanding obligations.

19. **Bonds Payable**

This account consists of:

	2021	2020
	(In Thousands)	
Bonds payable	**₱36,500,000**	₱31,800,000
Less unamortized transaction costs	**211,078**	136,472
	36,288,922	31,663,528
Less current portion of bonds payable	**6,991,749**	5,294,517
Long-term portion of bonds payable	**₱29,297,173**	₱26,369,011

a. On November 8, 2013, the Parent Company issued fixed rate bonds with aggregate principal amount of ₱7.00 billion comprised of ₱4.30 billion, 7-year bonds with interest of 4.86% per annum due in 2020 and ₱2.70 billion, 10-year bonds with interest of 5.43% per annum due in 2023. Interest for both bonds is payable quarterly in arrears starting on February 8, 2014. As of December 31, 2021, ₱2.70 billion of the related bonds payable remain outstanding.

   Unamortized debt issuance cost on bonds payable amounted to ₱4.70 million and ₱7.43 million of December 31, 2021 and 2020, respectively. Accretion in 2021, 2020 and 2019 included as part of 'Interest and other finance charges' amounted to ₱2.73 million, ₱8.25 million and ₱9.58 million, respectively (see Note 23).

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

   Unamortized debt issuance cost on bonds payable amounted to ₱4.48 million and ₱12.77 million as of December 31, 2021 and 2020, respectively. Accretion in 2021, 2020 and 2019 included as part of "Interest and other finance charges" amounted to ₱8.29 million, ₱9.33 million and ₱9.81 million, respectively (see Note 23).

c. On August 20, 2015, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of 8.00 billion comprising of 7.00 billion, 7-year fixed rate bonds due in 2022 and 1.00 billion, 10-year fixed rate bonds due in 2025. The 7-year bonds carry a fixed rate of 5.36% per annum, while the 10-year bonds have a fixed rate of 5.71% per annum.

   Unamortized debt issuance cost on bonds payable amounted to ₱12.95 million and ₱26.37 million as of December 31, 2021 and 2020, respectively. Accretion in 2021, 2020 and 2019 included as part of "Interest and other finance charges" amounted to ₱13.42 million, ₱13.83 million and ₱11.98 million, respectively (see Note 23).

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

   Unamortized debt issuance cost on bonds payable amounted to ₱12.96 million and ₱25.83 million as of December 31, 2021 and 2020, respectively. Accretion in 2021, 2020 and 2019 included as part of "Interest and other finance charges" amounted to ₱12.88 million, ₱12.70 million, and ₱12.61 million respectively (see Note 23).

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

   Unamortized debt issuance cost on bonds payable amounted to ₱44.96 million and ₱64.07 million as of December 31, 2021 and 2020, respectively. Accretion in 2021 and 2020 included as part of "Interest and other finance charges" amounted to ₱19.40 million and ₱2.20 million, respectively (see Note 23).

e. On December 21, 2021, the Parent Company issued to the public unsecured fixed rate bonds with an aggregate principal amount of ₱10.0 billion comprising of ₱5.0 billion, 4-year fixed rate bonds due in 2025 and ₱5.0 billion, 6-year fixed rate bonds due in 2027. The 4-year bonds carry a fixed rate of 4.5300% per annum, while the 6-year bonds have a fixed rate of 5.2579% per annum.

   Unamortized debt issuance cost on bonds payable amounted to ₱131.03 million as of December 31, 2021. Accretion in 2021 included as part of "Interest and other finance charges" amounted to ₱0.75 million (see Note 23).

Interest incurred on these bonds (gross of related capitalized borrowing costs) amounted to ₱1.54 billion, ₱1.43 billion and ₱1.67 billion for the years ended December 31, 2021, 2020 and 2019, respectively. Payments made on these bonds amounted to ₱5.3 billion, ₱4.3 billion and ₱7.0 billion in 2021, 2020 and 2019, respectively.

The Group's bonds payable are unsecured and no assets are held as collateral for these debts. These bonds require the Group to maintain certain financial ratios which include maximum debt-to-equity ratio of 2.5x; minimum current ratio of 2.0x; and minimum debt service coverage ratio (DSCR) of 1.0x (except for FILRT bonds which requires maximum debt-to-equity ratio of 2.33x and DSCR of 1.1x). As of December 31, 2021 and 2020, the Group has not been cited in default on any of its outstanding obligations.

20. **Related Party Transactions**

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

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

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

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

Outstanding balances at year-end are unsecured, interest free and require settlement in cash, unless otherwise stated. The transactions are made at terms and prices agreed aupon by the parties. As of December 31, 2021 and 2020, the Group has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Significant related party transactions are as follows. Outstanding liabilities are unsecured and no impairment loss was recognized on any of the assets.

	2021				
	Amount/ Volume	**Due from / (Due to)**	**Terms**	**Conditions**	**Note**
	(In Thousands)				
Bank under common control of the ultimate parent					
Cash and cash equivalents	**₱6,132,494**	**₱6,132,494**	0.50% to 4.50%	No impairment	19 (a)
Interest income	**4,708**	**–**			
	₱6,137,202	**₱6,132,494**			
Accounts payable and accrued expenses (Note 17)					
Current portion	**(₱378,968)**	**(₱378,968)**	Noninterest-bearing, payable on installment	Unsecured	19 (a)
Noncurrent portion		**(1,765,189)**	Noninterest-bearing, payable on installment	Unsecured	19 (a)
	(₱378,968)	**(₱2,144,157)**			
Ultimate Parent	**₱40**	**₱141**	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(b)
Associate SPI					
Service Fee	**86,641**	**86,803**	Due within 30 days	Unsecured	(d)
Associate -CTI					
Service Fee		**3,540**	Due within 30 days	Unsecured	(d)
Associate - Pro-excel					
Management and service fees	**302**	**74,381**	Due within 30 days	Unsecured	(d)
(Forward)					
Associate - DPI					
Other Income	**(₱10,786)**	**₱149,594**	Due within 30 days	Unsecured	(d)
Associate - FMI					
Other Income	**73**	**64,525**	Due within 30 days	Unsecured	(d)

	2021				
	Amount/ Volume	**Due from / (Due to)**	**Terms**	**Conditions**	**Note**
Associate - FAI					
Rent Income	**3,465**	**(131)**	Noninterest-bearing, collectible on demand	Unsecured	(h)
Share in Other Expenses	**(7,697)**	**10,213**	Noninterest-bearing, collectible on demand	Unsecured	(d)
	₱72,038	**₱389,066**			
Affiliates					
Rental income	**₱7,104**		Noninterest-bearing	Unsecured	(g)
Share in common expenses	**746**	**83,167**	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(e)
Due from related parties (Note 9)	**₱79,888**	**₱472,233**			
Parent					
Share in Group expenses	**₱69,332**	**(₱10,575)**	Noninterest-bearing, payable on demand	Unsecured	(e)
Associate - FAI					
Share in other expenses	**–**	**(₱62)**	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – CTI					
Service Fee	**806**	**(20,855)**	Due within 30 days	Unsecured	(d)
Associate - SharePr					
Share in Other Expenses	**(100,843)**	**(100,843)**	Noninterest-bearing, payable on demand	Unsecured	(d)
	(100,037)	**(121,760)**			
Affiliates	**17,474**	**(71,982)**	Noninterest-bearing, payable on demand	Unsecured	(e)
Due telated parties	**(₱13,231)**	**(₱204,317)**			

	2020				
	Amount/ Volume	Due from / (Due to)	Terms	Conditions	Note
	(In Thousands)				
Bank under common control of the ultimate parent					
Cash and cash equivalents	₱3,264,153	₱3,264,153	0.50% to 4.50%	No impairment	19 (a)
Interest income	27,148	–			
	₱3,291,301	₱3,264,153			
Accounts payable and accrued expenses (Note 17)					
Current portion	(₱378,968)	(₱378,968)	Noninterest-bearing, payable on installment	Unsecured	19 (a)
Noncurrent portion	–	(1,993,579)	Noninterest-bearing, payable on installment	Unsecured	19 (a)
	(₱378,968)	(₱2,372,547)			
Ultimate Parent	₱35	₱128	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(b)
Associate - Pro-excel					
Management and service fees	4,962	80,823	Due within 30 days	Unsecured	(d)
Associate - DPI					
Other Income	10,136	71,034	Collectible on demand	No impairment	(d)

(Forward)

Associate - FMI					
Other Income	₱21	₱73,268	Collectible on demand	No impairment	(d)
	15,120	225,125			
Affiliates					
Rental income	7,192	–	Noninterest-bearing	Unsecured	(g)

	2020				
	Amount/ Volume	Due from / (Due to)	Terms	Conditions	Note
Share in common expenses	(23,353)	121,868	Noninterest-bearing, collectible on demand	Unsecured, no impairment	(e)
Due from related parties (Note 9)	₱10,199	₱347,121			
Parent					
Share in Group expenses	₱18,873	(₱60,484)	Noninterest-bearing, payable on demand	Unsecured	(c)
Associate - FAI					
Rent	115,155	131	Noninterest-bearing, payable on demand	Unsecured	(h)
Share in other expenses	-	(3,891)	Noninterest-bearing, payable on demand	Unsecured	(d)
Associate – CTI					
Service Fee	41,203	(42,811)	Due within 30 days	Unsecured	(d)
	₱156,359	(₱46,571)			
Affiliates	(29,155)	(4,966)	Noninterest-bearing, payable on demand	Unsecured	(e)
Due to related parties	₱5,778	(₱112,021)			

a. *Transactions with bank under common control of the ultimate parent (EW)*
On January 3, 2012, the Group entered into a Receivable Purchase Agreement with East West Banking Corporation (EW), an entity under common control of the ultimate parent. The Group agreed to sell, assign, transfer and convey to EW all of its rights, titles and interest on certain contracts receivables. The contracts receivables sold to EW will be serviced by the Group under an Accounts Servicing Agreement.

Under this agreement, the Group shall be responsible for the monitoring and collection of contracts receivables sold to EW, including safekeeping of the collections in trust until these are remitted to EW, 10 days after the beginning of each month.

For the performance of the said services, the Group charges EW a service fee equivalent to a certain percentage of the amounts actually received and collected. Although the Group retains the contractual rights to receive cash flows from the contracts receivables sold to EW, the same will be subsequently distributed to EW under a "pass-through arrangement".

In this transaction, the risk of default and non-payment of buyers of contracts receivable is assumed by EW and the Group has no liability to EW for such events. Due to this, the Group derecognized the contracts receivables sold and did not recognize any liability in its consolidated financial statements.

The Group's plan assets in the form of cash equivalents amounting to ₱45.24 million and ₱38.29 million as of December 31, 2021 and 2020, respectively, are maintained with EW (see Note 25). The Group also maintains cash and cash equivalents with EW.

As of December 31, 2021 and 2020, the amounts payable to EW related to the above purchase of land amounted to ₱2.14 billion and ₱2.33 billion, respectively, and are presented as part of Accounts Payable under accounts payable and accrued expenses in the consolidated statement of financial position (see Note 17).

b. *Transactions with Ultimate Parent (ALG)*
Transactions with the Group's ultimate parent company relates to sharing of common expenses.

c. *Transactions with Parent Company (FDC)*
The Parent Company charged FDC certain common expenses paid by the Parent Company on its behalf.

In 2021, FDC made short-term interest-bearing advances to the Group amounting to ₱2.65 billion. These loans bear interest ranging from 2.76% to 4.00% and have maturities of 7 days to 5 months. There are no outstanding advances as of December 31, 2021.

In 2020, certain employees of FLI were transferred to FDC. The related retirement benefits of these employees amounting to ₱12.07 million as of December 31, 2020 was also transferred with a corresponding payable to the FDC (see Note 25).

In 2009, Promax was appointed by FDC as the marketing agent to act for and on behalf of FDC in promoting the marketing and sale of the Beaufort project. Accordingly, FDC pays Promax a marketing fee equivalent to a certain percentage of the net selling price (see Note 23).

d. *Transactions with Associates*

Filinvest Alabang, Inc (FAI)
'Due from Associate' include noninterest-bearing cash advances and various charges for management fees, marketing fees, share of expenses and commission charges. The account also includes dividend receivable amounting to nil and ₱404.00 million as of December 31, 2020 and 2019, respectively, declared by FAI both years 2020 and 2019 (see Note 12).

Pro-excel
Transactions from Pro-Excel relates to sharing of common expenses and management fee for managing the buildings of FLI.

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

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

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

SPI
Transactions with SPI, Inc. relates to sharing of common expenses and service fees for technical and project management.

In 2021, certain employees of FLI were transferred to SPI, an associate. The related retirement benefits of these employees amounting to ₱143.08 million as of December 31, 2021 was also transferred with a corresponding payable to the SPI under "Other payables" (see Notes 17 and 25).

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

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

FILRT also entered into a service agreement with Professional Operations Maintenance Experts Incorporated. whereby FILRT shale and pay the services rendered by the latter to operate and maintain its equipment and premises.

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

f. The compensation of key management personnel consists of short-term employee salaries and benefits amounting to ₱26.40 million, ₱28.08 million and ₱34.17 million in 2021, 2020 and 2019, respectively. Post-employment benefits of key management personnel amounted to ₱22.28 million, ₱18.77 million and ₱22.41 million in 2021, 2020 and 2019, respectively.

g. *Leases with related parties - Group as lessor*
Chroma ospitality, Inc. (CHI) office lease with FILRT
CHI leases the office space from FILRT. The lease term is 10 years, renewable by another 5 years upon mutual agreement by the parties.

h. *Leases with related parties - Group as lessee*
The Grouphas several land lease transactions with related parties:
1. Mall lease with FAI
The Parent Company, as lessee, entered into a lease agreement with FAI on a portion of the land area occupied by the Festival Supermall and its Expansion. The lease term will expire on September 30, 2056.

2. Land lease with FAI
The Parent Company, as lessee, entered into a lease agreement with FAI for a portion of land area occupied by a third party lessee. . The lease term will expire on December 31, 2034.

3. FCMI lease with FMI
   FCMI, a wholly owned subsidiary of the Parent Company, subleases the Mimosa Leisure Estate from FMI, an associate of the Parent Company. The original lessor is Clark Development Corporation. The lease term is 50 years, renewable by another 25 years upon mutual agreement by parties.

4. PDDC lease with FAI
   PDDC, a 60% owned subsidiary of the Parent Company, leases Block 50 Lot 3-B-2, Northgate District from FAI. The lease term is twenty (20) years from the date on which the Chilled Water production plants starts supplying chilled water.

As of December 31, 2021 and 2020, the amount included in lease liabilities payable to related parties is ₱5,530.6 million and ₱5,566.3 million, respectively (see Note 15).

21. General and Administrative Expenses

The account consists of:

	2021	**2020**	2019
		(In Thousands)	
Salaries, wages and employee benefits	**₱470,638**	₱660,858	₱743,321
Depreciation and amortization (Notes 13, 14, 15 and 16)	**381,505**	440,796	453,930
Repairs and maintenance	**307,204**	145,832	147,475
Taxes and licenses	**262,060**	347,223	355,007
Outside services	**189,165**	158,808	169,798
Entertainment, amusement and recreation	**80,661**	81,024	84,060
Transportation and travel	**65,771**	75,503	89,279
Electronic data processing charges	**53,483**	87,230	89,696
Insurance	**37,208**	33,487	39,680
Communications, light and water	**35,611**	42,914	44,573
Retirement costs (Note 25)	**28,789**	44,551	82,541
Rent (Note 20)	**17,033**	14,229	56,996
Office supplies	**12,797**	11,749	14,170
Others	**37,199**	99,400	104,197
	₱1,979,124	₱2,243,604	₱2,474,723

"Others" mainly consists of postage and dues and subscription, parking operations, freight charges, and other miscellaneous expenses.

22. Selling and Marketing Expenses

The account consists of:

	2021	2020	2019
		(In Thousands)	
Brokers' commissions	**₱497,109**	₱618,337	₱808,437
Selling, advertising and promotions	**198,875**	279,249	336,579
Service fees	**159,604**	87,506	190,826
Sales office direct costs	**50,669**	85,222	92,791
Salaries and wages	**4,603**	5,360	6,057
Others	**956**	2,600	11,916
	₱911,816	₱1,078,274	₱1,448,573

23. Interest and Other Finance Charges

The following table shows the component of interest income, interest expense and other financing charges recognized in the consolidated statements of income:

	2021	2020	2019
		(In Thousands)	
Interest income on:			
Contracts receivable (Note 8)	**₱355,059**	₱347,224	₱403,850
Cash and cash equivalents (Note 7)	**23,149**	34,533	18,955
Others (Note 25)	**31,400**	22,385	148,896
	₱409,608	₱404,142	₱571,701
Interest and other finance charges:			
Interest expense on loans and bonds payable, net of interest capitalized (Notes 18 and 19)	**₱1,649,610**	₱2,603,346	₱1,882,916
Interest expense on lease liabilities, net of interest capitalized (Note 15)	**430,286**	396,531	488,732
Amortization of transaction costs of loans and bonds (Notes 18 and 19)	**133,020**	137,914	70,835
Other finance charges (Note 25)	**213,875**	51,671	50,482
	₱2,426,791	₱3,189,462	₱2,492,965

Other finance charges include bank charges, debt issue costs for short-term loans, and other miscellaneous bank fees.

24. Other Income

The account consists of:

	2021	2020	2019
		(In Thousands)	
Processing fees	**₱183,613**	₱25,054	₱67,271
Forfeited reservations and collections	**98,925**	66,822	367,151
Service fees (Note 20)	**24,704**	27,629	104,577
Management, leasing and other fees	**10,400**	9,423	83,556
Foreign currency exchange gain	**1,278**	1,010	2,554
Gain on deconsolidation (Notes 1 and 12)	–	131,171	–
Gain on sale of investment property (Note 13)	–	65,308	–
Others (Note 20)	**32,058**	14,296	53,113
	₱350,978	₱340,713	₱678,222

Other income includes income from hotel operations and other miscelleanous income.

25. Retirement Costs

The Group has a funded, noncontributory defined benefit retirement plan (the "Plan") covering substantially all of its officers and regular employees. Under the Plan, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements.

The retirement plan provides retirement benefits equivalent to 70% to 125% of the final monthly salary for every year of service. The funds are administered by the Group's Treasurer under the supervision of the Board of Trustees of the Plan and are responsible for investment strategy of the Plan.

The following tables summarize the components of retirement expense recognized in the consolidated statements of income and pension liability recognized in the consolidated statements of financial position for the existing retirement plan.

	2021		
	Present value of defined benefit obligation	**Fair value of plan asset**	**Net defined benefit liabilities**
		(In Thousands)	
Balance as at January 1, 2021	**₱618,415**	**₱38,296**	**₱580,119**
Net benefit costs in profit or loss			
Current service cost (Note 21)	**28,789**	–	**28,789**
Net interest (Note 23)	**18,123**	**348**	**17,775**
	46,912	**348**	**46,564**
Benefits paid	**(17,647)**	**(17,647)**	–
Transfer out	**(143,083)**	–	**(143,083)**
Contribution	–	**25,000**	**(25,000)**

(Forward)

	2021		
	Present value of defined benefit obligation	**Fair value of plan asset**	**Net defined benefit liabilities**
		(In Thousands)	
Remeasurements in other comprehensive income			
Return on Plan assets, excluding amounts included in Interest Income	**₱–**	**(₱759)**	**₱759**
Settlement (gain) loss	**(1,114)**	**–**	**(1,114)**
Experience adjustments	**1,385**	**–**	**1,385**
	271	**(759)**	**1,030**
	₱504,868	**₱45,238**	**₱459,630**

	2020		
	Present value of defined benefit obligation	Fair value of plan asset	Net defined benefit liabilities
		(In Thousands)	
Balance as at January 1, 2020	₱583,298	₱70,856	₱512,442
Net benefit costs in profit or loss			
Current service cost (Note 21)	44,551	–	44,551
Net interest (Note 23)	24,411	2,285	22,126
	68,962	2,285	66,677
Benefits paid	(19,503)	(19,503)	–
Transfer out	(12,070)	–	(12,070)
Remeasurements in other comprehensive income			
Actuarial changes arising from:			
Experience adjustments	(37,533)	(217)	(37,316)
Changes in financial assumptions	35,261	–	35,261
Return on plan assets, excluding amounts included in interest income	–	(15,125)	15,125
	(2,272)	(15,342)	13,070
	₱618,415	₱38,296	₱580,119

The Group's plan assets comprise of cash equivalents with original maturities of three months or less from dates of placements and are subject to insignificant risk of changes in value. As of December 31, 2021 and 2020, these placements are with EW (see Note 20). As of December 31, 2021 and 2020, the carrying amount of the plan assets approximates its fair value.

In 2021 and 2020, certain employees of FLI were transferred to the SPI and FDC. The related retirement benefits of these employees amounting to ₱143.08 million and ₱12.07 million as of December 31, 2021 and 2020, respectively, were also transferred with a corresponding payable to SPI and the Parent Company (see Note 20).

The costs of defined benefit pension plan as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The assumptions used in determining pension obligation for the defined benefit plan are as follows:

	2021	2020	2019
Discount rate	**3.70% - 5.10%**	3.70% - 4.10%	5.19% - 8.00%
Future salary increases	**3.00% - 8.00%**	3.00% - 8.00%	5.00% - 8.00%

The sensitivity analysis that follows has been determined based on reasonably possible changes of the assumption occurring as of the end of the reporting period, assuming if all other assumptions were held constant. Management believes that as of the reporting date, it is only the decline in discount rate that could significantly affect the pension obligation.

Management believes that pension obligation will not be sensitive to the salary rate increases because it is expected to be at the same level throughout the remaining life of the obligation. The sensitivity analyses below have been determined based on reasonably possible changes of the significant assumption on the DBO as of the end of the financial reporting period, assuming all other assumptions were held constant.

	Increase (Decrease)		Impact on DBO Increase (Decrease)	
	2021	2020	**2021**	2020
Salary rate	**12%**	13%	**46,902**	65,113
	(10%)	(10%)	**(40,369)**	(50,672)

Shown below is the maturity analysis of the undiscounted benefit payments of the Group:

	2021	2020
	(In Thousands)	
Less than one year	**₱32,559**	₱60,089
More than one year and up to five years	**137,590**	113,477
More than five years and up to 10 years	**158,554**	217,869

The Group does not expect to contribute to its plan assets in the next 12 months.

The management performs an Asset-Liability Matching (ALM) Study. The principal technique of the Group's ALM is to ensure the expected return on assets to be sufficient to support the desired level of funding arising from the defined benefit plans, as well as the liquidity of the plan assets. The Group's current investment strategy consists of 100% short-term deposit placements.

26. **Equity**

The details of the Parent Company's common and preferred shares as of December 31, 2021 and 2020 follow:

	Common Shares	Preferred Shares
	(In Thousands, except par value figures)	
Authorized shares	₱33,000,000	₱8,000,000
Par value per share	1	0.01
Issued and outstanding shares	24,470,708	8,000,000
Treasury shares	220,949	–

In 2021, 2020 and 2019, there was no issuance of additional common shares.

Preferred Shares
As stated in the Company's Amended Articles of Incorporation, the preferred shares may be issued from time to time in one or more series as the Board of Directors (BOD) may determine, and authority is expressly granted to the BOD to establish and designate each particular series of preferred shares, to fix the number of shares to be included in each of such series, and to determine the dividend rate and the issue price and other terms and conditions for each such shares. Dividends shall be cumulative from and after the date of issue of the preferred shares. Preferred shares of each and any sub-series shall not be entitled to any participation or share in the retained earnings remaining after dividend payments shall have been made on the preferred shares. To the extent not set forth in the Articles of Incorporation, the specific terms and restrictions of each series of preferred shares shall be specified in such resolutions as may be adopted by the BOD prior to the issuance of each of such series (the "Enabling Resolutions"), which resolutions shall thereupon be deemed a part of the Amended Articles of Incorporation.

In an Enabling Resolution approved and adopted by the BOD on October 6, 2006, it was clarified that the preferred shares are not convertible to common shares. In another Enabling Resolution approved and adopted by the BOD on January 5, 2007, the Board approved that preferred shares are entitled to cash dividend equal to one percent (1%) of the cash dividend declared and payable to common shares.

Thus, in a disclosure made by the Company to the relevant government agency and regulatory body on January 18, 2007, it was clarified that the features of the issued and subscribed preferred shares, in addition to the features indicated in the Company's Amended Articles of Incorporation so long as these features are not inconsistent with the Enabling Resolutions, are as follows: (i) voting, cumulative, and non-redeemable, (ii) par value is one centavo (PhP0.01), (iii) entitled to cash dividend equal to one percent (1%) of the cash dividend declared and payable to common shares, and (iv) not convertible to common shares.

Treasury Shares
On December 20, 2007, the Parent Company's BOD approved the buy-back of some of the issued shares of stock of the Parent Company over a period of twelve (12) months up to an aggregate amount of ₱1.50 billion, in view of the strong financial performance of the Parent Company and the very large discrepancy that existed between the current share price and the net asset value of the Parent Company.

The Parent Company had acquired 220.95 million shares at total cost of ₱221.04 million in 2008. There were no additional acquisitions in 2021, 2020 and 2019. The retained earnings is restricted from dividend distribution to the extent of the cost of treasury shares.

Dividend Declarations
On April 23, 2021 the BOD approved the declaration and payment of cash dividend of ₱0.0155 per share for all common shareholders of record as of May 21, 2021 and ₱0.0155 per share for all common shareholders of record as of November 15, 2021 or a total of ₱751.74 million. The Group has remaining unpaid cash dividend amounting to ₱18.7 million as of December 31, 2021.

On April 23, 2021 the BOD approved the declaration and payment of cash dividend of ₱0.000155 per share for all preferred shareholders of record as of May 21, 2021 and ₱0.000155 per share for all preferred shareholders of record as of November 15, 2021 or a total of ₱2.48 million. The Group has remaining unpaid cash dividend amounting to ₱0.32 million as of December 31, 2021.

On June 11, 2020 the BOD approved the declaration and payment of cash dividend of ₱0.0324 per share for all common shareholders of record as of July 10, 2020 and ₱0.0324 per share for all common shareholders of record as of November 16, 2020 or total of ₱1.57 billion. The Group has remaining unpaid cash dividend amounting to ₱49.0 million as of December 31, 2020.

On June 11, 2020 the BOD approved the declaration and payment of cash dividend of ₱0.0006 per share for all preferred shareholders of record as of July 10, 2020 and ₱0.0006 per share for all preferred shareholders of record as of November 16, 2020 or a total of ₱5.10 million. The Group also paid dividends amounting ₱42.4 million for dividends in arears for preferred shareholders.

On April 22, 2019, the BOD approved the declaration and payment of cash dividend of ₱0.0619 per share or total of ₱1.50 billion for all shareholders of record as of May 22, 2019. The Group has remaining unpaid cash dividend amounting to ₱18.65 million as of December 31, 2019.

Retained Earnings
Retained earnings include undistributed earnings amounting to ₱4.45 billion and ₱10.56 billion as of December 31, 2021 and 2020, respectively, representing accumulated equity in net earnings of subsidiaries, which are not available for dividend declaration until declared as dividends by the subsidiaries.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of the shares held in treasury and deferred tax asset recognized in profit or loss as of December 31, 2021 and 2020.

The retained earnings is being utilized to cover part of the annual expenditure requirements of the Parent Company for its expansion projects in the real estate and leasing segments.

On October 21, 2020, FLI's BOD approved the appropriation amounting to ₱5.00 billion out of its unrestricted retained earnings as of December 31, 2019. The appropriation will cover the capital expenditure of the following projects:

Project	Location	Description	Amount (In Thousands)	Estimated Completion Date
Activa	Quezon City	Mixed-use	₱3,500,000	Q4 2024
100 West Annex	Makati City	Mixed-use	1,500,000	Q4 2024
			₱5,000,000	

Capital Management
The Group monitors its capital and cash positions and manages its expenditures and disbursements. Furthermore, the Group may also, from time to time seek other sources of funding, which may include debt or equity issues depending on its financing needs and market conditions.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. No changes were made in capital management objectives, policies or processes for the years ended December 31, 2021, 2020 and 2019.

The Group monitors capital using interest-bearing debt-to-equity ratio, which is the long-term debt (loans payable, bonds payable) divided by total equity. The Group's policy is to keep the debt-to-equity ratio not to exceed 2:1. The following table shows how the Group computes for its interest-bearing debt-to-equity ratio:

	2021	2020
	(In Thousands)	
Loans payable (Note 18)	**₱32,182,744**	₱38,105,023
Bonds payable (Note 19)	**36,288,922**	31,663,528
Long-term debt	**68,471,666**	69,768,551
Total equity	**89,790,224**	74,378,943
Interest-bearing debt-to-equity ratio	**0.76 : 1.00**	0.94 : 1:00

The Group is subject to externally imposed capital requirements due to loan covenants (see Notes 18 and 19).

On August 12, 1993, SEC approved the registration of ₱2.0 billion common shares with issue price of ₱5.25 per share.

On December 15, 2006, SEC approved the registration of ₱3.7 billion common shares with issue price of ₱1.60 per share.

Below is the summary of the outstanding number of common shares and holders of security as of December 31, 2021:

Year	Number of Shares Registered (In Thousands)	Number of Holders of Securities as of Year End
January 1, 2020	24,249,759	5,670
Add/(deduct) movement	–	(25)
December 31, 2020	24,249,759	5,645
Add/(deduct) movement	–	1
December 31, 2021	**24,249,759**	**5,646**

**Exclusive of 220,949 treasury shares as of December 31, 2020 and 2019.*

27. **Earnings Per Share**

	2021	2020	2019
	(In Thousands, Except EPS Figures)		
a. Net income attributable to the equity holder of the parent*	**₱3,800,897**	₱3,728,343	₱6,278,834
b. Weighted average number of outstanding common shares (after considering treasury shares)	**24,249,759**	24,249,759	24,249,759
Basic/Diluted EPS (a/b)	**₱0.16**	₱0.15	₱0.26

**After deducting the dividends for preferred shareholders (Note 26)- 2021: ₱2.5 million, 2020: ₱5.1 million, 2019: ₱4.8 million,*

There were no potential dilutive shares in 2021, 2020 and 2019.

28. **Income Tax**

Provision for income tax consists of:

	2021	2020	2019
	(In Thousands)		
Current	**₱350,992**	₱596,530	₱1,273,754
Deferred	**(1,109,344)**	(176,141)	481,214
	(₱758,352)	₱420,389	₱1,754,968

The components of the Group's deferred income tax assets follow:

	2021	2020
	(In Thousands)	
Advance rentals	**₱60,396**	₱48,596
Accrued retirement benefits	**23,293**	21,945
NOLCO	**11,864**	11,864
	₱95,553	₱82,405

The components of the Group's net deferred income tax liabilities follow:

	2021	2020
	(In Thousands)	
Deferred income tax liabilities on:		
Capitalized borrowing costs	**₱4,099,718**	₱4,420,767
Right-of-use-assets	**1,092,018**	1,278,261
Excess of real estate revenue based on financial accounting policy over real estate revenue based on tax rules	**1,936,114**	2,917,843
	₱7,127,850	8,616,871

(Forward)

	2021	2020
	(In Thousands)	
Deferred income tax assets on:		
Lease liabilities	**(1,309,748)**	(1,456,532)
NOLCO	**(237,907)**	(285,488)
MCIT	**(109,324)**	(111,947)
Advance rentals	**(4,620)**	(66,779)
Accrued retirement benefits charged to profit or loss	**(120,160)**	(141,335)
Remeasurement losses on retirement plan	**(12,915)**	(15,876)
Allowance for expected credit losses	**(8,123)**	(9,835)
Others	**(7,784)**	(16,043)
	(1,810,581)	(2,103,835)
	₱5,317,269	₱6,513,036

Provision for deferred income tax charged directly to other comprehensive income in 2021, 2020 and 2019 relating to remeasurement gain on defined benefit obligation amounted to ₱2.27 million, ₱3.90 million and ₱53.27 million, respectively. Impact of CREATE amounted to ₱1.05 billion.

The Group did not recognize deferred income tax assets on NOLCO of certain subsidiaries amounting to ₱301.51 million and ₱322.36 million as of December 31, 2021 and 2020, respectively, since management believes that their carryforward benefits may not be realized before they expire.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of the Bayanihan 2 Act which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. NOLCO incurred before taxable year 2020 can be claimed as deduction from the regular taxable income for the next three (3) years immediately following the year of such loss.

The MCIT recognized for the period ended December 31, 2020 amounting to ₱111.95 million can be claimed as deduction from income tax due until December 31, 2023.

The carryforward benefits of the NOLCO, which can be claimed by the Group as credits against the RCIT, are as follows (amounts in thousands):

Year Incurred	Amount	Expiry Date
2021	**₱301,509**	**December 31, 2026**
2020	1,103,515	December 31, 2025
2019	95,495	December 31, 2022
	₱1,500,519	

The following are the movements in NOLCO:

	2021	2020
	(In Thousands)	
At January 1	**₱1,352,800**	₱347,141
Addition	**301,509**	1,103,515
Applied/expired	**(153,790)**	(97,856)
At December 31	**₱1,500,519**	₱1,352,800

The reconciliation of the provision for income tax at statutory tax rate to the actual provision for income tax follows:

	2021	2020	2019
		(In Thousands)	
Income tax at statutory tax rate	**₱886,719**	₱1,313,442	₱2,482,430
Adjustments for:			
Income tax holiday incentive on sales of BOI-registered projects (Note 33)	**(42,913)**	(147,751)	(144,466)
Income covered by PEZA (Note 32)	**(519,422)**	(436,779)	(446,960)
Equity in net earnings of associates	**(28,006)**	(154,935)	(120,458)
Deductible expense - Optional Standard Deduction	**(162,757)**	(166,919)	(37,864)
Tax-exempt net income on socialized housing units	**(17,877)**	(8,549)	(14,292)
Income subjected to final tax	**(12,546)**	(13,143)	(23,968)
Interest on HGC-enrolled contracts receivables	**(1,960)**	(1,936)	(2,524)
Impact of CREATE Act	**(1,121,282)**	–	–
Change in unrecognized deferred tax	**269,940**	5,017	7,577
Nondeductible interest expense	**62,515**	23,446	5,137
Others - net	**(70,763)**	8,496	50,356
	(₱758,352)	₱420,389	₱1,754,968

29. Fair Value Measurement

The following table sets forth the fair value hierarchy of the Group's assets and liabilities measured at fair value and those for which fair values are required to be disclosed:

	2021				
		Fair Value			
	Carrying Value	**Total**	**Quoted Prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
			(In Thousands)		
Assets measured at fair value					
Financial assets at FVOCI (Note 16)					
Quoted	**₱9,425**	**₱9,425**	**₱9,425**	**₱–**	**₱–**
Unquoted	**6,197**	**6,197**	**–**	**–**	**6,197**
	₱15,622	**₱15,622**	**₱9,425**	**₱–**	**₱6,197**
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost					
Accounts Payable and Accrued Expenses (Note 17)					
Accounts payable	**₱11,653,844**	**₱11,292,529**	**₱–**	**₱–**	**₱11,292,529**
Retention fee payable	**2,551,942**	**2,442,829**	**–**	**–**	**2,442,829**
Deposits for registration	**1,460,033**	**1,397,606**	**–**	**–**	**1,397,606**
	15,665,819	**15,132,964**	**–**	**–**	**15,132,964**

(Forward)

	2021				
			Fair Value		
	Carrying Value	**Total**	**Quoted Prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Lease liabilities (Note 15)	**₱6,348,017**	**₱9,000,500**	**₱–**	**₱–**	**₱9,000,500**
Loans payable (Note 18)	**32,182,743**	**30,763,627**	**–**	**–**	**30,763,627**
Bonds payable (Note 19)	**36,288,922**	**33,873,948**	**–**	**–**	**33,873,948**
	₱90,485,501	**₱88,771,039**	**₱–**	**₱–**	**₱88,771,039**

	2020				
			Fair Value		
	Carrying Value	Total	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In Thousands)		
Assets measured at fair value					
Financial assets at FVOCI (Note 16)					
Quoted	₱9,425	₱9,425	₱9,425	₱–	₱–
Unquoted	6,197	6,197	–	–	6,197
	₱15,622	₱15,622	₱9,425	₱–	₱6,197
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost					
Accounts Payable and Accrued Expenses (Note 17)					
Accounts payable	₱12,228,785	₱11,705,923	₱–	₱–	₱11,705,923
Retention fee payable	2,398,029	2,295,498	–	–	2,295,498
Deposits for registration	1,278,665	1,223,994	–	–	1,223,994
	15,905,475	15,225,416	–	–	15,225,416
Lease liabilities (Note 15)	6,152,960	8,723,939	–	–	8,723,939
Loans payable (Note 18)	38,105,023	41,329,195	–	–	41,329,195
Bonds payable (Note 19)	31,663,528	32,125,459	–	–	32,125,459
	₱91,826,991	₱97,404,009	₱–	₱–	₱97,404,009

	2019				
			Fair Value		
	Carrying Value	Total	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In Thousands)		
Assets measured at fair value					
Financial assets at FVOCI (Note 16)					
Quoted	₱6,545	₱6,545	₱6,545	₱–	₱–
Unquoted	9,077	9,077	–	–	9,077
	₱15,622	₱15,622	₱6,545	₱–	₱9,077
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost					
Accounts Payable and Accrued Expenses (Note 17)					
Accounts payable	₱13,532,158	₱12,953,559	₱–	₱–	₱12,953,559
Retention fee payable	2,424,633	2,320,965			2,320,965
Deposits for registration	1,289,403	1,234,272	–	–	1,234,272
	17,246,194	16,508,796	–	–	16,508,796
Lease liabilities (Note 15)	5,870,064	8,322,837	–	–	8,322,837
Loans payable (Note 18)	35,528,233	33,564,399	–	–	33,564,399
Bonds payable (Note 19)	27,884,687	25,463,323	–	–	25,463,323
	₱86,529,178	₱83,859,355	₱–	₱–	₱83,859,355

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

- *Cash and cash equivalents, due from and to related parties, other receivables and other assets*: Due to the short-term nature of these accounts, their fair values approximate their carrying amounts.

- *Contract receivables*: Estimated fair value of contract receivables is based on the discounted value of future cash flows using the prevailing interest rates for similar types of receivables as of the reporting date. Interest rates used was 11.5% - 19.0% in 2021 and 2020.

  Due to the short-term nature of receivables from government and financial institutions, carrying amounts approximate fair values.

- *Financial assets at FVOCI*: Fair values were determined using quoted market prices at reporting date. Fair value of unquoted equity securities are based on the latest selling price available.

- *Accounts payable and accrued expenses*: On accounts due within one year, the fair value of accounts payable and accrued expenses approximates the carrying amounts. On accounts due for more than a year, estimated fair value is based on the discounted value of future cash flows using the prevailing interest rates on loans and similar types of payables as of the reporting date. Interest rate used was 4.28% in 2021 and 2020.

- *Long-term debt (lease liabilities, loans payable and bonds payable):* Estimated fair value on debts with fixed interest and not subjected to quarterly repricing is based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date.

  Long term debt subjected to quarterly repricing is not discounted since it approximates fair value. The discount rates used range from 4.21% to 5.74% and 2.88% to 6.51% as of December 31, 2021 and 2020, respectively.

  During the years ended December 31, 2021, 2020 and 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

30. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments are composed of cash and cash equivalents, contracts and other receivables, due from related parties, financial assets at FVOCI, accounts payable and accrued expenses, due to related parties and long-term debt (loans payable and bonds payable). The main purpose of these financial instruments is to raise financing for the Group's operations.

The main objectives of the Group's financial risk management are as follows:
- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and,
- To provide a degree of certainty about costs.

The Group's finance and treasury functions operate as a centralized service for managing financial risks and activities, as well as providing optimum investment yield and cost-efficient funding for the Group. The Group's BOD reviews and approves the policies for managing each of these risks. The policies are not intended to eliminate risk but to manage it in such a way that opportunities to create value for the stakeholders are achieved. The Group's risk management takes place in the context of the normal business processes such as strategic planning, business planning, operational and support processes.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk.

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

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

As of December 31, 2021 and 2020, the Group has undrawn short-term credit lines amounting ₱13.60 billion and ₱4.82 billion, respectively, and undrawn long-term credit facilities amounting ₱18.28 billion and ₱5.20 billion, respectively.

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

The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2021 and 2020 based on contractual undiscounted payments.

	2021						
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	Total
			(In Thousands)				
Financial Liabilities at Amortized Cost							
Accounts Payable and Accrued Expenses							
Accounts payable	**₱3,729,937**	**₱1,544,357**	**₱845,137**	**₱3,328,211**	**₱2,206,202**	**₱-**	**₱11,653,844**
Retention fees payable	**1,128,889**	**718,374**	**154,519**	**13,223**	**193,493**	**343,444**	**2,551,942**
Deposits for registration	**-**	**431**	**177,548**	**650,097**	**256,060**	**375,897**	**1,460,033**
Accrued expenses	**1,221,753**	**-**	**-**	**-**	**-**	**-**	**1,221,753**
Accrued interest on bonds and loans	**704,994**	**-**	**-**	**-**	**-**	**-**	**704,994**
	6,785,573	**2,263,162**	**1,177,204**	**3,991,531**	**2,655,755**	**719,341**	**17,592,566**
Other Payables	**-**	**-**	**-**	**143,083**	**-**	**-**	**143,083**
Due to Related Parties	**204,317**	**-**	**-**	**-**	**-**	**-**	**204,317**
Loans Payable	**-**	**1,628,897**	**4,886,692**	**19,544,996**	**11,010,076**	**-**	**37,070,661**
Bonds Payable	**-**	**2,159,494**	**6,478,483**	**18,504,571**	**8,661,023**	**5,259,244**	**41,062,815**
Lease liabilities	**-**	**90,757**	**272,272**	**771,635**	**414,196**	**27,834,454**	**29,383,314**
	₱6,989,890	**₱6,142,310**	**₱12,814,651**	**₱42,955,816**	**₱22,741,050**	**₱33,813,039**	**₱125,456,756**

	2020						
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	Total
			(In Thousands)				
Financial Liabilities at Amortized Cost							
Accounts Payable and Accrued Expenses							
Accounts payable	₱4,615,670	₱1,734,055	₱948,949	₱2,452,914	₱2,477,197	₱–	₱12,228,785
Retention fees payable	675,435	675,048	145,199	12,425	567,191	322,731	2,398,029
Deposits for registration	–	378	155,492	569,341	224,251	329,203	1,278,665
Accrued expenses	1,009,473	–	–	–	–	–	1,009,473
Accrued interest on bonds and loans	674,060	–	–	–	–	–	674,060
	6,974,638	2,409,481	1,249,640	3,034,680	3,268,639	651,934	17,589,012
Due to Related Parties	112,021	–	–	–	–	–	112,021
Loans Payable	–	2,571,907	7,715,721	14,660,280	17,001,920	–	41,949,828
Bonds Payable	–	1,650,901	4,952,702	23,367,717	3,030,174	1,786,543	34,788,037
Lease liabilities	–	84,290	261,232	1,132,762	844,363	27,399,979	29,722,627
	₱7,086,659	₱6,732,090	₱14,217,465	₱41,885,007	₱23,724,749	₱32,832,140	₱126,478,111

The tables below summarize the maturity profile of the Group's financial assets and contract assets held to manage liquidity as of December 31, 2021 and 2020:

	2021						
	On demand	**Less than 3 months**	**3 months to 1 year**	**> 1 year but < 3 years**	**3 years to 5 years**	**Over 5 years**	**Total**
				(In Thousands)			
Financial Assets at Amortized Cost							
Cash and cash equivalents							
Cash on hand and in banks	**₱6,443,411**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱6,443,411**
Cash equivalents	**–**	**3,214,849**	**–**	**–**	**–**	**–**	**3,214,849**
Contracts receivable							
Contracts receivable	**5,133,740**	**–**	**–**	**–**	**–**	**–**	**5,133,740**
Receivables from government and financial institutions	**204,191**	**–**	**–**	**–**	**–**	**–**	**204,191**
Other receivables		**–**	**–**	**–**	**–**	**–**	
Receivable from tenants – net	**1,658,598**	**–**	**–**	**–**	**–**	**–**	**1,658,598**
Due from related parties	**721,285**	**–**	**–**	**–**	**–**	**–**	**721,285**
Receivable from homeowners' associations - net	**261,127**	**–**	**–**	**–**	**–**	**–**	**261,127**
Receivable from buyers	**1,003**	**–**	**–**	**–**	**–**	**–**	**1,003**
Others	**108,049**	**–**	**–**	**–**	**–**	**–**	**108,049**
Short-term deposits	**–**	**–**	**52,232**	**–**	**–**	**–**	**52,232**
	14,531,404	**3,214,849**	**52,232**	**–**	**–**	**–**	**17,798,485**
Financial Assets at FVOCI							
Investments in shares of stocks:							
Quoted	**–**	**9,425**	**–**	**–**	**–**	**–**	**9,425**
Unquoted	**–**	**6,197**	**–**	**–**	**–**	**–**	**6,197**
	-	**15,622**	**–**	**–**	**–**	**–**	**₱15,622**
Total financial assets	**14,531,404**	**3,230,471**	**52,232**	**-**	**-**	**-**	**17,814,107**
Contract Assets	**–**	**1,044,455**	**3,133,364**	**1,701,470**	**907,803**	**1,543,483**	**8,330,575**
	₱14,531,404	**₱4,274,926**	**₱3,185,596**	**₱1,701,470**	**₱907,803**	**₱1,543,483**	**₱26,144,682**

	2020						
	On demand	Less than 3 months	3 months to 1 year	> 1 year but < 3 years	3 years to 5 years	Over 5 years	Total
				(In Thousands)			
Financial Assets at Amortized Cost							
Cash and cash equivalents							
Cash on hand and in banks	₱3,886,911	₱–	₱–	₱–	₱–	₱–	₱3,886,911
Cash equivalents	–	2,806,646	–	–	–	–	2,806,646
Contracts receivable							
Contracts receivable	3,963,551	–	–	–	–	–	3,963,551
Receivables from government and financial institutions	193,388	–	–	–	–	–	193,388
Other receivables							
Receivable from tenants – net	2,456,107	–	–	–	–	–	2,456,107
Due from related parties	347,121	–	–	–	–	–	347,121
Receivable from homeowners' associations - net	230,189	–	–	–	–	–	230,189
Receivable from buyers	43,174	–	–	–	–	–	43,174
Others	23,125	–	–	–	–	–	23,125
Short-term deposits	–	–	9,955	–	–	–	9,955
	11,143,566	2,806,646	9,955	–	–	–	13,960,167
Financial Assets at FVOCI							
Investments in shares of stocks:							
Quoted	–	9,425	–	–	–	–	9,425
Unquoted	–	6,197	–	–	–	–	6,197
	–	15,622	–	–	–	–	15,622
Total financial assets	11,143,566	2,822,268	9,955	–	–	–	13,975,789
Contract Assets	–	1,254,899	4,145,430	1,363,970	935,151	1,234,612	8,934,062
	₱11,143,566	₱4,077,167	₱4,155,385	₱1,363,970	₱935,151	₱1,234,612	₱22,909,851

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

It is the Group's policy that buyers who wish to avail the in-house financing scheme be subjected to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk. Moreover, as discussed in Note 8, the Group has a mortgage insurance contract with Home Guaranty Corporation for a retail guaranty line.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based groupings of various customer segments with similar loss patterns (i.e., by market segment and collateral type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

		2021				
	Total	**Socialized**	**Low Affordable**	**Affordable**	**Middle Income**	**High-end**
				(In Thousands)		
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Estimated total gross carrying amount at default	**₱13,668,506**	**₱550,177**	**₱1,941,136**	**₱3,674,836**	**₱6,378,651**	**₱1,123,707**

		2020				
	Total	Socialized	Low Affordable	Affordable	Middle Income	High-end
				(In Thousands)		
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	₱13,091,002	₱442,089	₱1,800,133	₱2,688,198	₱6,770,394	₱1,390,188

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

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

The following tables show the credit quality by class of asset as of December 31, 2021 and 2020. The Group's high-grade receivables pertain to receivables from related parties and third parties which, based on experience, are highly collectible or collectible on demand, and of which exposure to bad debt is not significant.

Receivables assessed to be of standard grade are those which had passed a certain set of credit criteria, and of which the Group has not noted any extraordinary exposure which calls for a substandard grade classification.

As at December 31, 2021 and 2020, the analysis of contracts receivable that were past due is as follows:

	Past due					
	Less than 30 days	30 to 60 days	61 days to 90 days	91 days to 120 days	Over 120 days	Total
			(In Thousands)			
2021	**₱521,891**	**₱401,973**	**₱393,920**	**₱380,231**	**₱3,435,725**	**₱5,133,740**
2020	₱440,937	₱397,852	₱370,753	₱255,163	₱2,498,846	₱3,963,551

No individually impaired and expected credit loss have been recognized for contracts receivables.

There is no concentration risk on the Group's financial assets as of December 31, 2021 and 2020.

Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's financial instruments affected by market risk include loans payable and cash and cash equivalents.

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

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings). There is no other impact on the Group's other comprehensive income other than those already affecting the profit and loss.

	Increase (decrease) in basis points	Effect on income before income tax (In Thousands)
2021	**+200**	**₱21,156**
	-200	**(21,156)**
2020	+200	₱119,591
	-200	(119,591)

The sensitivity analysis shown above is based on the assumption that interest rate movement will most likely be limited to a two hundred basis point upward or downward fluctuation. The Group, used as basis of these assumptions, the annual percentage change of three-month PDST-F rate for the past five years as obtained from Philippine Dealing and Exchange Corp. (PDEx). Effect on the Group's income before tax is computed on the carrying amount of the Group's floating rate loans payable as of December 31, 2021 and 2020.

The following tables set out the carrying amount, by maturity, of the Group's loans payable that are exposed to interest rate risk (amounts in thousands):

	91-day Treasury bill plus 1% to 2% margin					
Variable interest rate	Below 1 Year	1-2 Years	>2 years but <3 years	3 years to 4 years	Over 4 years	Total
As of December 31, 2021	**₱683,333**	**₱83,333**	**₱291,667**	**₱–**	**₱–**	**₱1,058,333**
As of December 31, 2020	₱1,743,021	₱1,092,034	₱455,569	₱1,442,390	₱1,246,550	₱5,979,564

31. Subsidiary with Material Noncontrolling Interest

On August 12, 2021, FILRT was listed and traded in the Philippine Stock Exchange under the PSE ticker symbol FILRT. As a result of the listing, FLI's interest in Filinvest REIT Corp. decreased to 63.3%. The transaction was accounted for as an equity transaction since there was no change in control over FILRT. Net proceeds from the public offering amounted to ₱12.13 billion and resulted in additions to retained earnings and noncontrolling interest amounting to ₱10.47 billion and ₱1.66 billion, respectively as of December 31, 2021.

As of December 31, 2021, the noncontrolling interest in FILRT represents 36.7%.

Other noncontrolling interest as of December 31, 2021 and 2020 pertains to the 45% equity interest in FBCI, 40% equity interest in FSM Cinemas, 40% equity interest in PDDC, 2% equity interest in TSNC and 25% equity interest in NSI.

Dividend Declaration
On August 31, 2021 and November 18, 2021, FILRT's BOD declared cash dividends totaling to ₱1.06 billion. The share of the noncontrolling interest related to these dividend declarations amounted to ₱402.63 million. The dividends were paid in 2021.

The summarized financial information of FILRT as of and for the year December 31, 2021 is provided below. This information is based on amounts before intercompany eliminations.

Summarized Statement of Financial Position:

	2021
	(In Thousands)
Current assets	₱3,406,246
Noncurrent assets	10,565,910
Total assets	13,972,156
Current liabilities	1,321,493
Noncurrent liabilities	6,667,038
Total liabilities	7,988,531
Equity	₱5,983,625

Statement of Comprehensive Income

	2021
	(In Thousands)
Revenues	₱3,442,017
Cost and other expenses	(1,588,410)
Other charges	(150,469)
Income before income tax	1,703,138
Benefit from income tax	151,996
Net income for the year	₱1,855,134
Net income attributable to noncontrolling interest	₱395,514

Statement of Cash Flows

	2021
	(In Thousands)
Cash flows from (used in)	
Operating activities	₱2,140,086
Investing activities	1,002,046
Financing activities	(1,425,454)
Net increase in cash and cash equivalents	₱1,716,678

The entire proceeds from FILRT's listing shall be used in accordance with its reinvestment plan.

As a REIT entity, FILRT is subject to externally imposed capital requirements from its debt covenants and based on the requirements of the Aggregate Leverage Limit under the REIT Implementing Rules and Regulations. Thus, FILRT has made adjustments to its policies and processes for managing capital for the year ended December 31, 2021. Per Section 8 of the REITImplementing Rules and Regulations issued by the SEC, the total borrowings and deferred payments of a REIT should not exceed thirty-five percent (35%) of its Deposited Property; provided, however,that the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed thirty-five percent (35%) but not more than seventy percent (70%) of its Deposited Property. Provided,further, that in no case shall a Fund Manager, borrow for the REIT from any of the funds under its management. As of December 31, 2021, the fair value of the deposited properties amounted to ₱52,379.5 million, resulting to a debt ratio of 11.4%. FILRT is compliant to this Aggregate Leverage Limit.

32. Contingencies and Commitments

Contingencies
The Group is involved in various legal actions, claims, assessments and other contingencies incidental to its ordinary course of business. Management believes that any amount the Group may have to pay in connection with any of these matters would not have a material adverse effect on the consolidated financial position or operating results. The other information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* is not disclosed as they may prejudice the outcome of the ongoing proceedings.

Build, Transfer and Operate (BTO) Agreement with Cebu Province
In connection with the BTO Agreement with the Cebu Province, the Group is committed to develop and construct a BPO Complex on the properties owned by Cebu Province located at Salinas, Lahug, Cebu City and transfer the ownership of the BPO Complex to the Cebu Province upon completion in exchange for the right to operate and manage the BPO Complex for the entire term of the agreement and its renewal (see Note 16).

Capital Commitments and Obligations
The Group has contractual commitments and obligations for the construction and development costs to be incurred for investment properties and property and equipment items aggregating ₱4,105.52 million and ₱5,765.02 million as of December 31, 2021 and 2020, respectively. These will be recognized as liabilities in the Group's consolidated financial statements when the related services are received.

Assignment of Development Rights under a Build, Transfer and Operate Agreement
On June 26, 2015, the Parent Company and a third party entered into an agreement whereby the latter agreed to assign its project development rights and benefits under its BTO Agreement with Cebu Province to the Parent Company. In consideration of this assignment, the Parent Company paid upfront fee amounting ₱50.0 million and ₱150.0 million in 2016 and 2015, respectively. As of December 31, 2021 and 2020, project construction has not started pending approval from the Province of Cebu on cleared site and this upfront fee is recorded as part of 'Other noncurrent assets' in the consolidated statement of financial position (see Note 16).

Development Agreement with Bases Conversion Development Authority (BCDA)
In 2015, the Parent Company won the contract to develop a 288-hectare area in Clark Green City in Tarlac and paid 10% of the bid premium as bid security amounted to ₱16.0 million. On January 8, 2016, the Joint Venture Agreement with BCDA was signed and pursuant to the terms of the development of the project, the Parent Company paid the ₱160.0 million bid premium representing the right to own 55% of the equity on the joint venture company to be formed with BCDA.

On February 11, 2016, the Parent Company incorporated FCGC Corporation, the entity that will handle the development of the Clark Green City Project (see Note 1). The bid premium is presented as part of investment properties in the consolidated financial statements (see Note 13).

On March 16, 2016, FCGC and BCDA incorporated Filinvest BCDA Clark Inc. (FBCI) with an initial authorized capital stock of One Million Pesos (₱1,000,000) divided into One Million (1,000,000) common shares with par value of One Peso per share.

On March 29, 2017 and May 17, 2017, FBCI's Board of Directors (BOD) and stockholders, respectively, approved the Company's application for the increase in the authorized capital stock. On September 28, 2018, the SEC approved the increase in the authorized capital stock of FBCI from ₱1,000,000 divided into 1,000,000 shares at ₱1.00 par value per share to ₱1,000,000,000 divided into 1,000,000,000 shares at ₱1.00 par value per share. FCGC subscribed 282,880,000 shares at par value amounting to ₱282,880,000, out of which ₱267,330,000 shares at is still unpaid. On the other hand, BCDA subscribed 231,000,000 shares amounting ₱231,000,000 and paid its subscription thru the assignment of a 50-year Development and Usufructuary Rights (DUR) over the parcel of land where the CGC project will be developed. The value of the DUR approved by the SEC amounted to ₱231,000,000, which is equal to BCDA's subscription on the increase in authorized capital stock. FCGCC and BCDA subscribed pro rata on the increase in authorized capital stock based on their existing ownership interest. The DUR was recorded in FBCI's books as of December 31, 2021 and 2020 under investment properties.

33. Registration with PEZA

On February 13, 2002, the Parent Company, FAC and FILRT were registered with Philippine Economic Zone Authority (PEZA) pursuant to the provisions of RA No. 7916 as the Ecozone Developer/Operator to lease, sell, assign, mortgage, transfer or otherwise encumber the area designated as a Special Economic Zone (Ecozone). The same shall be known as Filinvest Technology Park-Calamba.

Under the registration, the Parent Company shall enjoy 5% preferential tax privilege on income generated from the Ecozone in lieu of the regular income tax rate.

On June 11, 2001, FAC was registered with PEZA as the developer/operator of PBCom Tower not entitled to any incentives. However, IT enterprises which shall locate in PBCom Tower shall be entitled to tax incentives pursuant to RA No. 7916.
On June 6, 2000, FILRT was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, it is also entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On December 15, 2015, PDDC was registered with PEZA as an ECOZONE Facilities Enterprise. As a registered enterprise, PDDC is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

On July 3, 2019, FBCI was registered with PEZA as an ECOZONE developer/operator enterprise of New Clark City Phase I. As a registered enterprise, FBCI is entitled to certain tax and non-tax benefits such as exemption from payment of national and local taxes and instead a special tax rate of five percent (5%) of gross income.

The Group is also entitled to zero percent (0%) value-added tax for sales made to ECOZONE enterprises.

34. Registration with the Board of Investments (BOI)

The Group has registered the following New Developer of Low-Cost Mass Housing Projects with the BOI under the Omnibus Investments Code of 1987 (Executive Order No. 226) and are un-expired as of December 31, 2021:

Name	Reg. No.	Date Registered
New Fields	2018-016	01/22/2018
Futura Homes Palm Estates Ph 1	2018-156	07/20/2018
Sandia Homes 2	2019-136	07/25/2019
Futura Homes Zamboanga Ph1A	2018-200	09/24/2018
8 Spatial Davao Bldg 5	2019-182	09/26/2019
Marina Spatial Bldg 2	2019-259	12/02/2019
New Leaf	2019-054	03/20/2019

As a registered enterprise, the Group is entitled to certain tax and nontax incentives, subject to certain conditions.

35. Notes to Statements of Cash Flows

The Group’s noncash activities are as follows:

a) Land and land developments previously presented under inventories were reclassified to investment property in 2020 amounting to ₱0.07 million (see Notes 10 and 13).
b) Addition to investment in associate due to impact of CREATE Act to FAI amounting to ₱134.03 million. (see Note 12)
c) Reclasssification from investment property to property, plant and equipment amounting to ₱1,274.09 million (see Notes 13 and 14)
d) Purchases of real estate inventories, investment properties, property and equipment, and BTO rights which remain unpaid amounted to ₱513.18 million, ₱1.98 billion and ₱0.66 million, ₱0.22 million, respectively, as of December 31, 2021; and ₱2.9 million, ₱1.66 billion and ₱2.18 million, ₱1.01 million, respectively, as of December 31, 2020 (see Notes 10, 13 and 14).
e) Increase in Other payables and decrease in retirement liabilities amounting to ₱143.08 million due to transfer of certain employees to related parties (see Notes 17 and 25).
f) The Group has remaining unpaid cash dividend amounting to ₱19.0 million and ₱49.0 million out of the dividends declared in 2021 and 2020, respectively (see Note 26).

g) Total accretion of interest for loans and bonds payable amounted to ₱75.55 million and ₱57.47 million, respectively, in 2021; and ₱91.6 million and ₱46.2 million, respectively, in 2020 (see Notes 18 and 19).

Changes in liabilities arising from financing activities for the years ended December 31 follows:

	2021			
	January 1, 2021	**Cash flows**	**Noncash movement**	**December 31, 2021**
	(In Thousands)			
Loans payable	**₱38,105,023**	**(₱5,997,829)**	**75,550**	**₱32,182,744**
Bonds payable	**31,663,528**	**4,700,000**	**74,606**	**36,288,922**
Accrued interest	**674,060**	**(3,400,306)**	**3,431,240**	**704,994**
Dividends payable	**49,001**	**(784,224)**	**754,223**	**19,000**
Lease liabilities	**6,152,960**	**(351,321)**	**546,378**	**6,348,017**
Due to related parties	**112,021**	**92,297**	**–**	**193,742**
	₱76,768,613	**(₱6,079,842)**	**(₱5,048,649)**	**₱75,737,420**

	2020			
	January 1, 2020	Cash flows	Noncash movement	December 31, 2020
	(In Thousands)			
Loans payable	₱35,528,233	₱2,460,035	₱116,755	₱38,105,023
Bonds payable	27,884,687	3,757,682	21,159	31,663,528
Accrued interest	358,754	(3,917,635)	4,232,941	674,060
Dividends payable	18,655	(1,588,558)	1,618,904	49,001
Lease liabilities	5,870,064	(317,948)	600,844	6,152,960
Due to related parties	100,779	(828)	12,070	112,021
	₱69,761,172	₱392,748	₱6,614,693	₱76,768,613

	2019			
	January 1, 2019	Cash flows	Noncash movement	December 31, 2019
	(In Thousands)			
Loans payable	₱24,948,473	₱10,559,337	₱20,423	₱35,528,233
Bonds payable	34,834,266	(7,000,000)	50,421	27,884,687
Accrued interest	358,433	(3,260,571)	3,260,892	358,754
Dividends payable	–	(1,482,405)	1,501,060	18,655
Lease liabilities	–	(295,937)	6,166,001	5,870,064
Due to related parties	181,271	(80,492)	–	100,779
	₱60,322,443	(₱1,560,068)	₱10,998,797	₱69,761,172

'Noncash movement' column includes amortization of debt issuance costs and interest expense for loans payable and bonds payable, dividend declaration and share in the net income of noncontrolling interest.

36. **Other Matters**

COVID-19 Pandemic

The Group continues to abide by and comply with all rules and regulations issued by the government in relation to the COVID-19 pandemic. In line with applicable rules and regulations, the said risks are mitigated by business continuity strategies set in place by the Group. Measures currently undertaken by the Group to mitigate the risks of COVID-19 pandemic on its operations include workfrom-home arrangements, proper and frequent sanitation of office premises, cancellation of large group meetings in person, an internal ban on foreign business travel, and the practice of social distancing through remote communication, among others.

The quarantine restrictions and recent social distancing guidelines limit the operations of malls and construction completion. Despite the challenges, the Group prioritized easing the burden of its customers by providing payment grace periods or rental relief. Past efforts in process improvement and digitalization allowed the company to operate efficiently and effectively to continue to serve customers. Operations have adjusted to the pandemic from digital marketing and online selling processes to the continued communication with the buyers and homeowners through the online service desk. As of date, estimate of the impact cannot be made.

The Group is taking a two-pronged strategy of (i) expanding the investment property portfolio and (ii) prudent residential development focusing on the end-user, affordable and middle-income markets. The company is concentrating on the completion of its key projects, particularly office buildings which continue to be in demand and selected residential developments across the country.

Typhoon Odette

On December 16, 2021, Typhoon Rai (local name Odette) brought torrential rains, violent winds, landslides, and storm surges to various provinces in Visayas and Mindanao. This did not materially hamper the operations of the Group's properties in Cebu. Damage to properties was not material and eligible to receive insurance claims.

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Land, Inc. (the Parent Company) and its subsidiaries (collectively referred to as "the Group") as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated March 22, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner
CPA Certificate No. 0118546
Tax Identification No. 248-679-852
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 118546-SEC (Group A)
Valid to cover audit of 2019 to 2023 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. 08-001998-137-2020, January 31, 2020, valid until January 30, 2023
PTR No. 8854361, January 3, 2022, Makati City

March 22, 2022

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Filinvest Land, Inc. (the Parent Company) and its subsidiaries (collectively referred to as "the Group") at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated March 22, 2022. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission ("SEC"), and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner
CPA Certificate No. 0118546
Tax Identification No. 248-679-852
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 118546-SEC (Group A)
Valid to cover audit of 2019 to 2023 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. 08-001998-137-2020, January 31, 2020, valid until January 30, 2023
PTR No. 8854361, January 3, 2022, Makati City

March 22, 2022

FILINVEST LAND, INC. AND SUBSIDIARIES
INDEX TO SUPPLEMENTARY SCHEDULES

ANNEX A

FILINVEST LAND, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION DECEMBER 31, 2021

(Amounts in Thousands of Pesos)

Unappropriated Retained Earnings of Parent Company, as adjusted, January 1, 2021		₱31,820,393
Net income based on the face of audited financial statements of Parent Company	17,039,791	
Less: Non-actual/unrealized income net of tax		
Equity in net income of subsidiaries and an associate	–	
Unrealized foreign exchange gain – net	–	
Unrealized actuarial gain	–	
Fair value adjustment (marked-to-market 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 PFRS	(3,214,220)	
Add: Movement in deferred tax assets of the Parent Company	185,661	
Non-actual/unrealized losses net of tax		
Depreciation on revaluation increment	–	
Adjustment due to deviation from PFRS/GAAP loss	–	
Loss on fair value adjustment of Investment Property	–	
Net income actual/realized		14,011,232
Less: Dividend declarations during the year		(754,223)
Unappropriated Retained Earnings, as adjusted, December 31, 2021		₱45,077,402

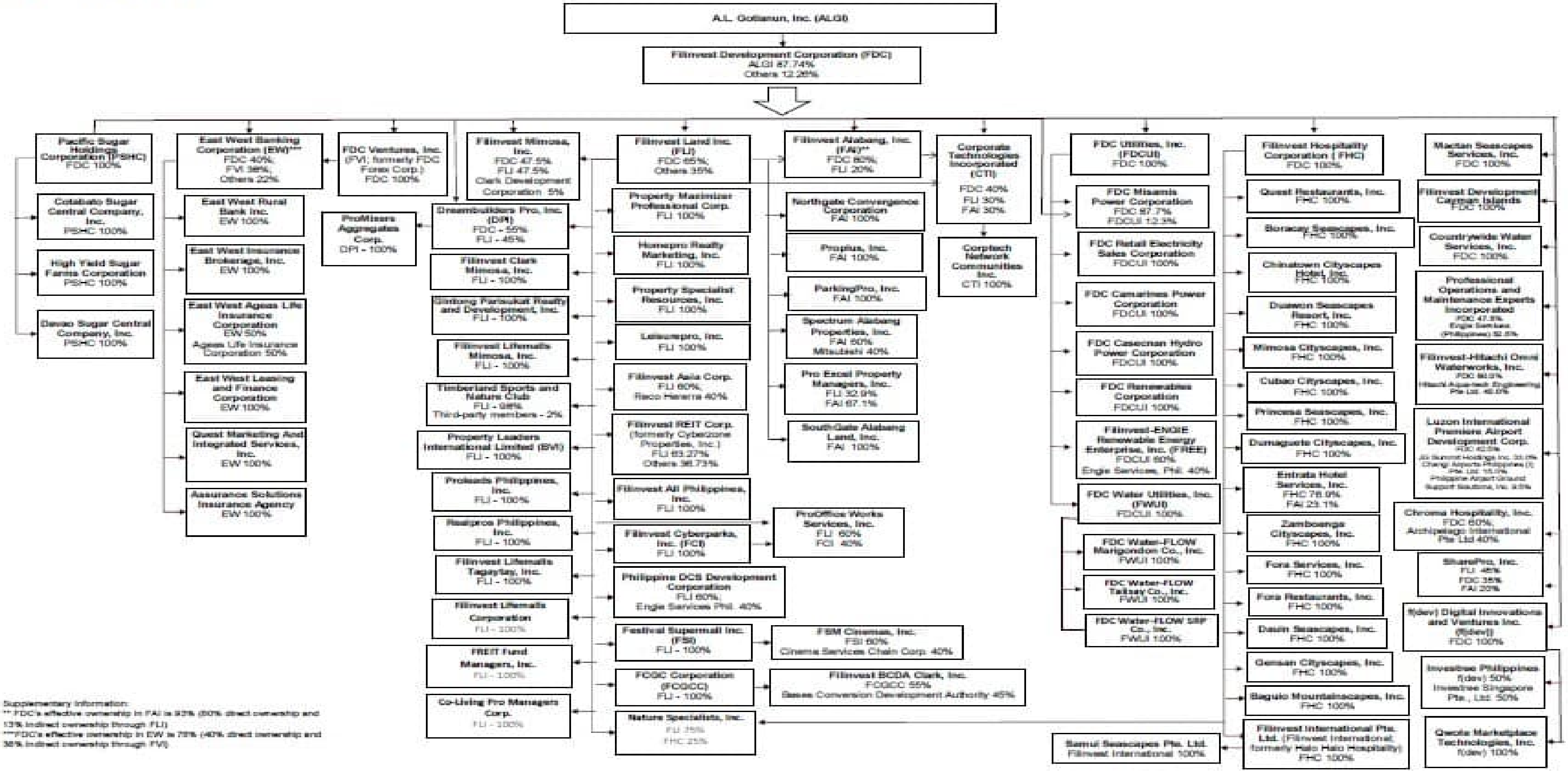
ANNEX B

FILINVEST LAND, INC. AND SUBSIDIARIES

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES

DECEMBER 31, 2021

A.L. GOTIANUN, INC.
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES
(As of December 31, 2021)



Supplementary information:
** FDC's effective ownership in FAI is 93% (80% direct ownership and 13% indirect ownership through FLI)
***FDC's effective ownership in EW is 78% (40% direct ownership and 38% indirect ownership through FVI)

SCHEDULE A

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
DECEMBER 31, 2021

Below is the detailed schedule of the Group's financial assets in equity securities as of December 31, 2021:

Name of Issuing entity and association of each issue	Number of Shares	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at end of year	Income Received and Accrued
		(In Thousands Except Number of Shares)		
Financial assets at FVOCI				
Quoted:				
Philippine Long Distance Telephone Company	26,100	₱348	₱348	₱–
Manila Electric Company (MERALCO)	1,153,694	6,197	6,197	–
		6,545	6,545	–
Unquoted:				
The Palms Country Club, Inc.	1,000	₱3,060	₱3,060	₱–
Cebu Country Club	1	6,017	6,017	–
		9,077	9,077	–
		₱15,622	₱15,622	₱–

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

SCHEDULE B

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2021

As of December 31, 2021, there were no advances to employees of the Group with balances above ₱1.0 million.

All amounts receivable from related parties pertained to items arising in the ordinary course of business.

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS DECEMBER 31, 2021

Below is the schedule of receivables with related parties which are eliminated in the consolidated financial statements as of December 31, 2021. All are noninterest-bearing and to be settled within the year (amounts in thousands):

		Volume of Transactions	Receivable
Filinvest Cyberzone Mimosa, Inc. (FCMI)	Share in expenses	₱980,028	₱3,857,464
Homepro Realty Marketing, Inc. (Homepro)	Share in expenses	12,558	807,912
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Share in expenses	(9,593)	533,155
Filinvest Cyberparks, Inc. (FCI)	Share in expenses	343,763	357,587
Filinvest Clark Green City (FCGC)	Share in expenses	31,347	289,219
Property Maximizer Professional Corp. (Promax)	Share in Expenses	(13,924)	99,993
Nature Specialists, Inc.	Share in expenses	13,931	43,438
Proleads Philippines, Inc. (PPI)	Share in expenses	716	26,674
Timberland Sports and Nature Club, Inc. (TSNC)	Share in expenses	16,601	19,476
Gintong Parisukat Realty and Development Inc. (GPRDI)	Share in expenses	6,264	18,511
Realpros Philippines, Inc. (RPI)	Share in expenses	177	15,085
Filinvest BCDA Clark, Inc. (FBCI)	Share in expenses	479	12,056
Property Specialist Resources, Inc. (Prosper)	Share in expenses	7	7,872
Leisurepro, Inc. (Leisurepro)	Share in expenses	47	6,501
Co-Living Pro Managers Corp.	Share in Expenses	2,462	2,462
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Share in expenses	1	210
Property Leaders International Limited (PLIL)	Share in expenses	0	111
Philippine DCS Development Corporation (PDDC)	Share in expenses	-21	97
ProOffice Works Services, Inc. (ProOffice)	Share in expenses	21	23
FREIT Fund Managers, Inc. (FFMI)	Share in expenses	18	18
			₱6,097,864

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

	Balance at beginning of year	Additions	Collections	Balance as of December 31, 2021
Filinvest Cyberzone Mimosa, Inc. (FCMI)	₱2,877,436	980,028	-	3,857,464
Homepro Realty Marketing, Inc. (Homepro)	795,354	12,558	-	807,912
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	542,747	(9,592)	(1)	533,155
Filinvest Cyberparks, Inc. (FCI)	13,824	343,763	-	357,587
Filinvest Clark Green City (FCGC)	257,872	31,347	-	289,219
Property Maximizer Professional Corp. (Promax)	113,917	(13,924)	-	99,993
Nature Specialists, Inc.	29,508	13,931	-	43,438
Proleads Philippines, Inc. (PPI)	25,958	716	-	26,674
Timberland Sports and Nature Club, Inc. (TSNC)	2,875	16,601	-	19,476
Gintong Parisukat Realty and Development Inc. (GPRDI)	12,247	6,264	-	18,511
Realpros Philippines, Inc. (RPI)	14,908	177	-	15,085
Filinvest BCDA Clark, Inc. (FBCI)	11,576	479	-	12,056
Property Specialist Resources, Inc. (Prosper)	7,865	7	-	7,872
Leisurepro, Inc. (Leisurepro)	6,454	47	-	6,501
Co-Living Pro Managers Corp.	-	2,462	-	2,462
Filinvest Lifemalls Mimosa, Inc. (FLMI)	210	1	-	210
Property Leaders International Limited (PLIL)	111	-	-	111
Philippine DCS Development Corporation (PDDC)	118	39	(60)	97
ProOffice Works Services, Inc. (ProOffice)	2	21	-	23
FREIT Fund Managers, Inc. (FFMI)	-	18	-	18
	₱4,712,982	**₱1,384,943**	**(₱61)**	**₱6,097,864**

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

SCHEDULE D

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2021

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

Type of Obligation	Amount	Current	Noncurrent
		(In Thousands)	
Developmental loans			
Unsecured loan obtained in March 2016 with interest rate equal to 5.74% per annum (fixed rate for 7 years). The 50% of principal balance is payable in 20 equal quarterly amortizations to commence in June 2018 and 50% is payable at maturity in March 2023.	₱124,833	₱19,973	₱104,860
Unsecured loan obtained in October 2016 with interest rate equal to 4.47% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in January 2019 and 50% is payable at maturity in October 2023.	489,869	69,981	419,888
Unsecured loan obtained in October 2016 with interest rate equal to 4.21% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in January 2019 and 50% is payable at maturity in October 2023.	909,701	129,957	779,744
Unsecured loan obtained in November 2016 with interest rate equal to 4.75% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 16 equal quarterly amortizations to commence in February 2020 and 50% is payable at maturity in November 2023.	300,000	50,000	250,000
Unsecured loan obtained in November 2016 with interest rate equal to 5.20% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% of principal is payable in 16 equal quarterly amortizations to commence in February 2020 and 50% is payable at maturity in November 2023.	374,908	62,485	312,423
Unsecured loan obtained in December 2016 with interest rate equal to 5.23% per annum (fixed rate for 7 years), payable quarterly in arrears. The 50% principal is payable in 16 equal amortizations to commence in March 2020 and 50% is payable at maturity in December 2023.	149,762	24,960	124,802
Unsecured loan obtained in February 2017 with interest rate equal to 4.65% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortization to commence in May 2019 and 50% is payable at maturity in February 2022.	54,158	54,158	-
Unsecured loan obtained in March 2017 with interest rate equal to 4.86% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortization to commence in June 2019 and 50% is payable at maturity in March 2022.	135,375	135,375	-
Unsecured loan obtained in March 2017 with interest rate equal to 5.00% per annum (fixed rate for 5 years). The 50% principal is payable in 12 equal amortization to commence in June 2019 and 50% is payable at maturity in March 2022.	270,708	270,708	-

Type of Obligation	Amount	Current	Noncurrent
		(In Thousands)	
Unsecured loan obtained in June 2017 with interest rate equal to 5.07% per annum (fixed rate for 5 years), payable quarterly in arrears. The 3% principal is payable in three (3) annual amortizations to commence in June 2019 and 97% is payable at maturity in June 2022.	₱969,502	₱969,502	₱-
Unsecured loan obtained in July 2017 with interest rate equal to 4.78% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortization to commence in October 2019 and 50% is payable at maturity in July 2022.	109,287	109,287	-
Unsecured loan obtained in December 2017 with interest rate equal to 5.46% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in March 2020 and 50% is payable at maturity in December 2022.	266,267	266,267	-
Unsecured loan obtained in June 2018 with interest rate equal to 4.99% per annum (fixed rate for 5 years). 6% of the principal balance is payable at 12 equal quarterly amortization to commence on September 2020 and 94% is payable maturity on June 2023.	483,938	9,978	473,959
Unsecured loan obtained in June 2019 with interpoted rate of 5.21% per annum (fixed rate for 5 years), payable quarterly in arrears. 50% of principal is payable in 12 equal quarterly amortizations to commence in September 2021 and 50% is payable at maturity in June 2024.	1,826,777	332,141	1,494,635
Unsecured loan obtained in June 2019 with interpoted rate of 4.99% per annum (fixed rate for 5 years), payable quarterly in arrears. 50% of principal is payable in 12 equal quarterly amortizations to commence in September 2021 and 50% is payable at maturity in June 2024.	1,826,820	332,149	1,494,671
Unsecured loan obtained in June 2019 with interpoted rate of 4.84% per annum (fixed rate for 5 years), payable quarterly in arrears. 50% of principal is payable in 12 equal quarterly amortizations to commence in September 2021 and 50% is payable at maturity in June 2024.	2,740,228	498,223	2,242,004
Unsecured loan obtained in June 2019 with interpolated rate of 5.0513%, payable quarterly in arrears. The principal is payable at maturity on June 2024.	1,992,088	-	1,992,088
Unsecured loan obtained in June 2019 with interest rate equal to 91-day Bloomberg Valuation Service Rate (BVAL Rate) plus margins, payable quarterly in arrears. The 50% principal is payable in 12 equal quarterly amortizations to commence on September 2021 and 50% payable at maturity on June 2024.	458,333	83,333	375,000
Unsecured loan obtained in September 2019 with interest rate equal to 5.30% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable upon maturity in September 2024.	995,682	-	995,682
Unsecured loan obtained in September 2019 with interest rate equal to 5.21% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting December 2021 and the reamining 50% balance is payable in September 2024.	287,500	50,000	237,500

Type of Obligation	Amount	Current	Noncurrent
		(In Thousands)	
Unsecured loan obtained in September 2019 with interest rate equal to 5.11% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable upon maturity in September 2024.	₱995,677	₱-	₱995,677
Unsecured loan obtained in October 2019 with interest rate equal to 4.98% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in October 2024.	497,767	-	497,767
Unsecured loan obtained in October 2019 with interest rate equal to 5.18% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting January 2022 and the reamining 50% balance is payable in October 2024.	500,000	83,333	416,667
Unsecured loan obtained in November 2019 with interest rate equal to 5.01% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in November 2024.	1,000,000	-	1,000,000
Unsecured loan obtained in December 2019 with interest rate equal to 5.06% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting March 2022 and the reamining 50% balance is payable in December 2024.	300,000	50,000	250,000
Unsecured loan obtained in January 2020 with interest rate equal to 5.32% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting April 2022 and the reamining 50% balance is payable in January 2025.	500,000	62,500	437,500
Unsecured loan obtained in January 2020 with interest rate equal to 5.2540% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in April 2022 and 50% is payable at maturity in January 2025.	373,362	46,670	326,692
Unsecured loan obtained in January 2020 with interest rate equal to 5.2540% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in April 2022 and 50% is payable at maturity in January 2025.	425,000	53,125	371,875
Unsecured loan obtained in January 2020 with interpoted rate of 5.08% per annum (fixed rate for 5 years), payable quarterly in arrears. 50% of principal is payable in 11 equal quarterly amortizations to commence in April 2022 and 50% is payable at maturity in October 23 2024.	995,375	135,733	859,642
Unsecured loan obtained in February 2020 with interest rate equal to 5.02% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in February 2025.	300,000	-	300,000
Unsecured loan obtained in April 2020 with interest rate equal to 4.23% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in July 2022 and 50% is payable at maturity in April 2025.	300,000	25,000	275,000
Unsecured loan obtained in April 2020 with interest rate equal to 4.91% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in April 2025.	500,000	-	500,000

Type of Obligation	Amount	Current	Noncurrent
		(In Thousands)	
Unsecured loan obtained in May 2020 with interest rate equal to 4.75% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in May 2025.	₱278,526	₱-	₱278,526
Unsecured loan obtained in April 2020 with interest rate equal to 4.23% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in April 2025.	199,000	-	199,000
Unsecured loan obtained in July 2020 with interest rate equal 5.4898% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal installments starting October 2022 and the remaining 50% balance is payable in July 2025.	994,783	41,449	953,334
Unsecured loan obtained in July 2020 with interest rate equal 5.4101% per annum (fixed rate for 5 years), payable quarterly in arrears. The 50% of principal is payable in 12 equal installments starting October 2022 and the remaining 50% balance is payable in July 2025.	994,804	41,450	953,354
Unsecured loan obtained in October 2020 with interest rate equal to 4.75% per annum (fixed rate for 5 years). The 50% of principal balance is payable in 12 equal quarterly amortization to commence in January 2023 and 50% is payable at maturity in October 2025.	696,063	-	696,063
Short term loan obtained in July 2021 with interest rate equal to 3.33% per annum, payable quarterly in arrears. The principal is payable at maturity in January 2022.	100,000	100,000	-
Unsecured loan obtained in August 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in August 2026.	854,088	-	854,088
Short term loan obtained in September 2021 with interest rate equal to 3.33% per annum, payable quarterly in arrears. The principal is payable at maturity in March 2022.	205,000	205,000	-
Unsecured loan obtained in September 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in September 2026.	992,890	-	992,890
Unsecured loan obtained in September 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in September 2026.	992,890	-	992,890
Short term loan obtained in September 2021 with interest rate equal to 3.090% per annum, payable quarterly in arrears. The principal is payable at maturity in February 2022.	599,458	599,458	-
Unsecured loan obtained in September 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in September 2026.	645,379	-	645,379

Type of Obligation	Amount	Current	Noncurrent
		(In Thousands)	
Unsecured loan obtained in September 2021 with interest rate equal to 4.25% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in September 2026.	₱695,023	₱-	₱695,023
Unsecured loan obtained in November 2021 with interest rate equal to 4.75% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in November 2026.	1,240,923	-	1,240,923
Unsecured loan obtained in November 2021 with interest rate equal to 4.97% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in November 2026.	248,177	-	248,177
Unsecured loan obtained in November 2021 with interest rate equal to 4.98% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in November 2026.	496,353	-	496,353
Unsecured loan obtained in December 2021 with interest rate equal to 5.01% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in December 2026.	496,271	-	496,271
Unsecured loan obtained in December 2021 with interest rate equal to 5.01% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in December 2026.	100	-	100
Unsecured loan obtained in December 2021 with interest rate equal to 5.01% per annum (fixed rate for 5 years), payable quarterly in arrears. The principal is payable at maturity in December 2026.	100	-	100
	32,182,744	4,912,198	27,270,545
Bonds			
Fixed rate bonds with aggregate principal amount of P7.0 billion issued by the Group on November 8, 2013. This comprised of P4.30 billion 7-year fixed rate bonds due in November 2020 with a fixed interest rate of 4.86% per annum, and P2.70 billion 10-year fixed rate bonds due in November 2023 with a fixed interest rate of 5.43% per annum.	2,695,305	-	2,695,305
Fixed rate bonds with aggregate principal amount of P7.0 billion issued by the Group on December 4, 2014. This comprised of P5.30 billion, 7-year fixed rate bonds due in December 2021 with a fixed interest rate of 5.40% per annum, and P1.70 billion, 10-year fixed rate bonds due in December 2024 with a fixed interest rate of 5.64% per annum.	1,695,521	-	1,695,521
Fixed rate bonds with aggregate principal amount of P8.00 billion issued by the Group on August 20, 2015. This comprised of P7.00 billion, 7-year fixed rate bonds due in August 2022 with a fixed interest rate of 5.36% per annum, and P1.00 billion, 10-year fixed rate bonds due in August 2025 with a fixed interest rate of 5.71% per annum.	7,987,045	6,991,749	995,296
Fixed rate bonds with principal amount of P6.00 billion and term of 5.5 years from the issue date was issued by the Company on July 7, 2017 to mature in January 2023 with fixed interest rate is 5.05% per annum.	5,987,045	-	5,987,045

Type of Obligation	Amount	Current	Noncurrent
		(In Thousands)	
Fixed rate bonds with aggregate principal amount of P8.1 billion issued by the Group on November 18, 2020. This comprised of P6.3 billion 3-year fixed rate bonds due in November 2023 with a fixed interest rate of 3.34% per annum, and P1.8 billion 5.5-year fixed rate bonds due in May 2026 with a fixed interest rate of 4.18% per annum.	₱8,055,040	₱-	₱8,055,040
Fixed rate bonds with aggregate principal amount of P10.0 billion issued by the Group on December 21, 2021. This comprised of P5.0 billion 4-year fixed rate bonds due in December 2025 with a fixed interest rate of 4.53% per annum, and P5.0 billion 6-year fixed rate bonds due in December 2027 with a fixed interest rate of 5.26% per annum.	9,868,967	-	9,868,967
	36,288,922	6,991,749	29,297,173
	₱68,471,666	**₱11,903,947**	**₱56,567,718**

Each loan balance is presented net of unamortized deferred costs. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio ranging from 2.0x to 3.1x and minimum interest coverage ratio of 1.0x.

Each bond balance is presented net of unamortized deferred costs. The agreements covering the abovementioned bonds require maintaining certain financial ratios including maximum debt-to-equity ratio of 2.0x; minimum current ratio of 2.0x; and minimum debt service coverage ratio (DSCR) of 1.0x (except for FILRT bonds which requires maximum debt-to-equity ratio of 2.33x and DSCR of 1.1x).

The agreements also provide for restrictions and requirements with respect to, among others, making distribution on its share capital; purchase, redemption or acquisition of any share of stock; sale or transfer and disposal of all or a substantial part of its capital assets; restrictions on use of funds; and entering into any partnership, merger, consolidation or reorganization.

The Group has complied with these contractual agreements. There was neither default nor breach noted for the year ended December 31, 2021.

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2021

This schedule is not applicable as there are no non-current indebtedness which exceed 5% of total assets as of December 31, 2021 and 2020.

SCHEDULE F

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2021

The Group does not have guarantees of securities of other issuers as of December 31, 2021.

SCHEDULE G

FILINVEST LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
DECEMBER 31, 2021

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
			(In Thousands)			
Common Shares	33,000,000	24,470,708	−	16,147,682	51,071	8,051,007
Preferred Shares	8,000,000	8,000,000	−	8,000,000	−	None

SCHEDULE H

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF BOND ISSUANCES - SECURITIES OFFERED TO THE PUBLIC
DECEMBER 31, 2020

	2013	2014	2015	2017	2020	2021
	7.0 Billion Bond	7.0 Billion Bond	8.0 Billion Bond	6.0 Billion Bond	8.1 Billion Bond	10.0 Billion Bond
Expected gross and net proceeds as disclosed in the prospectus						
Gross Proceeds	₱7,000,000,000	₱7,000,000,000	₱8,000,000,000	₱6,000,000,000	₱9,000,000,000	₱10,000,000,000
Less: Expenses	67,594,379	82,327,087	85,330,750	68,308,996	118,003	131,785,030
Net Proceeds	₱6,932,405,621	₱6,917,672,913	₱7,914,669,250	₱5,931,691,004	₱8,999,881,997	₱9,868,214,970
Actual gross and net proceeds						
Gross Proceeds	₱7,000,000,000	₱7,000,000,000	₱8,000,000,000	₱6,000,000,000	₱8,100,000,000	₱10,000,000,000
Less: Expenses	82,906,997	77,906,937	86,811,468	96,582,653	165,450,548	137,330,244
Net Proceeds	₱6,917,093,003	₱6,922,093,063	₱7,913,188,532	₱5,903,417,347	₱7,934,549,452	₱9,862,669,756
Expenditure items where the proceeds were used						
Land Acquisition	₱2,965,648,318	₱-	₱88,961,000	₱-	₱595,776,352	₱0
Project Development	1,185,554,209	2,422,093,063	2,888,760,022	-	693,494,229	-
Investment Property	2,765,890,476	-	4,935,467,510	5,903,417,347	2,104,200,033	-
Debt refinancing	-	4,500,000,000	-	-	4,356,621,959	5,308,627,083
General Corporate	-	-	-	-	184,456,880	-
Net Proceeds	₱6,917,093,003	₱6,922,093,063	₱7,913,188,532	₱5,903,417,347	₱7,934,549,452	₱5,308,627,083
Balance of the proceeds as of December 31, 2021						
Net Proceeds	₱6,917,093,003	₱6,922,093,063	₱7,913,188,532	₱5,903,417,347	₱7,934,549,452	₱9,862,669,756
Capital Expenses	6,917,093,003	2,422,093,063	7,913,188,532	5,903,417,347	3,577,927,493	-
Debt refinancing	-	4,500,000,000	-	-	4,356,621,959	5,308,627,083
Net Proceeds	₱-	₱-	₱-	₱-	₱-	₱4,554,042,673

FILINVEST LAND, INC. AND SUBSIDIARIES
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2021
(Amounts in Thousands of Pesos)

Ratio	Formula	2021	2020
Current Ratio [(1)]	Total Current Assets divided by Total Current Liabilities Total Current Assets ₱95,553,757 Divide by: Total Current Liabilities 25,275,251 Current Ratio 3.78	**3.78**	3.10
Interest-bearing Debt-to-Equity ratio	Interest-bearing Debt (*Sum of Consolidated Loans Payable and Consolidated Bonds Payable)* divided by Total Equity Interest-bearing Debt ₱68,471,666 Divide by: Equity 89,790,225 Long-term Debt-to-Equity Ratio 0.76	**0.76**	0.94
Debt Ratio	Total Liabilities divided by Total Assets Total Liabilities ₱103,433,307 Divide by: Total Assets 193,232,583 Debt Ratio 0.54	**0.54**	0.59
EBITDA to Total Interest Paid	Earnings before Interests and Other Charges, Income Tax, Depreciation and Amortization - EBITDA *(net income plus interest and other finance charges (including interest expense on financial liability on lease contract), provision for income tax, depreciation and amortization)* divided by Total Interest Paid EBITDA ₱7,420,446 Divide by: Total Interest Paid 3,563,316 EBITDA to Total Interest Paid 2.08	**2.08**	2.34
Price Earnings Ratio	Closing price divided by Earnings per share Closing price [(2)] ₱1.10 Divide by: Earnings per share 0.16 Price Earnings Ratio 6.88	**6.88**	7.47
Quick Asset Ratio	Quick Assets *(total current assets less real estate inventories)* divided by Current Liabilities Total Current Assets ₱95,544,705 Less: Inventories 68,726,921 Quick Assets ₱26,817,784 Divide by: Total Current Liabilities 25,275,251 Quick Asset Ratio 1.06	**1.06**	0.84
(Forward)			

Ratio	Formula	2021	2020
Solvency Ratio	Net Income before Depreciation and Amortization *(net income plus depreciation and amortization)* divided by Total Liabilities Net Income ₱4,305,228 Add: Depreciation and Amortization 1,446,779 Net Income before Depreciation and Amortization ₱5,752,007 Divide by: Total Liabilities 103,433,307 Solvency Ratio 0.06	**0.06**	0.05
Interest Coverage Ratio	Earnings before Interest and Other Finance Charges and Income Tax (EBIT) divided by Interest and Other Finance Charges EBIT ₱5,973,667 Divide by: Interest and Other Finance Charges 2,426,791 Interest Coverage Ratio 2.46	**2.46**	2.37
Net Profit Margin	Net Income divided by Revenue Net Income ₱4,305,228 Divide by: Revenue 17,738,919 Net Profit Margin 0.26	**0.24**	0.21
Return on Equity	Net Income divided by Total Equity Net Income ₱4,305,228 Divide by: Total Equity 89,790,225 Return on Equity 0.05	**0.05**	0.05
Asset-to-Equity Ratio	Total Assets divided by Total Equity Total Assets ₱193,223,531 Divide by: Total Equity 89,790,225 Return on Equity 2.15	**2.15**	2.43

(1) In computing for the Group's current ratio, current assets include cash and cash equivalents, contracts receivables, contract assets, other receivables, real estate inventories and other current assets and current liabilities include accounts payable and accrued expenses, due to related parties, income tax payable and current portion of loans payable. Determination of current accounts is based on their maturity profile of relevant assets and liabilities.
(2) Closing price at December 31, 2021 and December 31, 2020 is ₱1.10 and ₱1.12, respectively.

FILINVEST LAND, INC. AND SUBSIDIARIES
INDEX TO SUPPLEMENTARY SCHEDULES

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

ANNEX "D"

MANAGEMENT DISCUSSION AND ANALYSIS AND PLAN OF OPERATION

Plan of Operations for 2022

In terms of real property trading business segment, FLI's business strategy has placed emphasis on the development and sale of residential lots and housing units mainly to lower and middle-income markets which accounts for approximately 50% of total demand throughout the Philippines as its core. This business segment includes landed housing, medium-rise buildings (MRB) and high-rise condominium projects, residential farm estates, entrepreneurial communities, and leisure developments in response to the demands of the Philippine market.

In 2022, FLI intends to retain its dominant position as the leader in MRB projects by launching 5 new projects nationwide and 8 additional buildings of existing projects. Aside from the MRBs, FLI has pipelined 12 horizontal residential projects and 1 HRB project. FLI projects are geographically diversified and can be found in 22 provinces across the country. FLI also focuses on projects that have short construction periods to minimize construction risks. Home buyers are typically first-time home owners and ultimate end-users.

As far as the leasing business is concerned, the Parent Company continues the build-up of its office and retail leasing portfolio to generate recurring revenues. Included in its pipeline expected to be completed in 2022, are 9 office spaces located in Alabang, Makati City, Quezon City, Cebu, Ortigas CBD, Dumaguete and Clark Mimosa. The Company is also expected to start the leasing operations of its first dormitel, "The Crib" in Clark Mimosa and its industrial park in New Clark City.

Results of operations for the year ended December 31, 2021 compared to year ended December 31, 2020

	2021	2020	Change	
	Audited		Increase (Decrease)	
REVENUE				
Real Estate Sales	**11,274.51**	9,837.12	1,437.39	14.61%
Rental Services	**5,591.80**	7,527.96	(1,936.16)	(25.72%)
Total revenue	**16,866.31**	17,365.08	(498.77)	(2.87%)
EQUITY IN NET EARNINGS OF AN ASSOCIATE	**112.02**	516.45	(404.43)	(78.31%)
OTHER INCOME				
Interest Income	**409.61**	404.14	5.47	1.35%
Others	**350.98**	340.71	10.27	3.01%
	17,738.92	18,626.38	(887.46)	(4.76%)
COSTS				
Real Estate Sales	**6,443.69**	5,586.83	856.85	15.34%
Rental Services	**2,430.62**	2,150.07	280.55	13.05%
OPERATING EXPENSES				
General And Administrative Expenses	**1,979.12**	2,243.60	(264.48)	(11.79%)
Selling And Marketing Expenses	**911.82**	1,078.27	(166.46)	(15.44%)
INTEREST AND OTHER FINANCE CHARGES	**2,426.79**	3,189.46	(762.67)	(23.91%)
	14,192.04	14,248.24	(56.20)	(0.39%)
INCOME BEFORE INCOME TAX	**3,546.88**	4,378.14	(831.26)	(18.99%)

	2021	2020	Change	
	Audited		Increase (Decrease)	
PROVISION FOR INCOME TAX				
Current	**350.99**	596.53	(245.54)	(41.16%)
Deferred	**(1,109.34)**	(176.14)	(933.20)	529.80%
	(758.35)	420.39	(1,178.74)	(280.39%)
NET INCOME	**4,305.23**	3,957.75	347.48	8.78%
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the parent	**3,803.38**	3,733.44	69.93	1.87%
Noncontrolling interest	**501.85**	224.31	277.54	123.73%
	4,305.23	3,957.75	347.48	8.78%

For the year ended December 31, 2021, FLI's net income from its business segments registered an increase of ₱347.48 million or 8.78%, from ₱3,957.75 million in 2020 to ₱4,305.23 million in 2021 primarily due to higher real estate sales coupled with lower income tax as a result of tax adjustment brought about by CREATE Act.

Revenues and other income

Total consolidated revenues and other income decreased by ₱887.46 million or 4.76% year-on-year from ₱18,626.38 million in 2020 to ₱17,738.92 million in 2021 due to lower revenues generated from leasing business tempered by increased real estate sales revenues from residential business.

Real estate sales grew by ₱1,437.39 million or by 14.61% compared to prior year, from ₱9,837.12 million in 2020 to ₱11,274.51 million in 2021 primarily attributed to higher construction percentage of completion achieved during the year. Real estate sales booked during the year broken down by product type are as follows: Mediume Income 67.3% (inclusive of MRB and HRB); Affordable and low affordable 22.2%; High-End 7.8%; Socialized 2.8%.

Rental and related services decreased by ₱1,936.16 million or by 25.72% vs. last year, from ₱7,527.96 million in 2020 to ₱5,591.80 million in 2021 mainly due to decline in mall and office revenues as a result of lower occupancy and rental concessions provided primarily to mall and retail tenants. Reduced occupancy was caused by the pre-termination of leases by POGO tenants. Prior year 2020 rental revenues include pre-covid quarantine period for 2.5 months (From January 01, 2020 to March 15, 2020).

Equity in net earnings of an associate decreased by ₱404.43 million or by 78.31% year-on-year from ₱516.45 million in 2020 to ₱112.02 million in 2021 due to lower net income reported by FAI. FAI's 2020 income included gain on sale of Spectrum Alabang Properties, Inc. (SAPI) shares to its joint venture partner, Mitsubishi.

Interest income increased by ₱5.47 million or by 1.35% compared to prior year from ₱404.14 million in 2020 to ₱409.61 million in 2021 due to higher interest income derived from installment contract receivables for in-house financing scheme.

Other income improved by ₱10.26 million or by 3.01% vs. last year from ₱340.71 million in 2020 to ₱350.98 million in 2021 due to higher income generated from processing fees.

Costs and Expenses

Cost of real estate sales increased by ₱856.85 million or by 15.34%, year-on-year from ₱5,586.83 million in 2020 to ₱6,443.69 million in 2021 due to higher real estate revenues realized during the year.

Cost of rental services increased by ₱280.55 million or by 13.05% compared to prior year from ₱2,150.07 million in 2020 to ₱2,430.62 million in 2021 due to higher direct operating expenses during the year.

General and administrative expenses decreased by ₱264.48 million or by 11.79% vs. last year from ₱2,243.60 million in 2020 to ₱1,979.12 million in 2021 primarily due to lower depreciation and taxes tempered by increased repairs and maintenance expenses for the managed projects.

Selling & marketing expenses declined by ₱166.45 million or by 15.44% year-on-year from ₱1,078.27 million in 2020 to ₱911.82 million in 2021 due to lower sales-related advertisement and promotional expenses brought about by reduced physical selling activities during the year.

Interest and other finance charges

Interest and other finance charges decreased by ₱762.67 million or by 23.91% compared to prior year from ₱762.67 million in 2020 to ₱3,189.46 million in 2021 due to lower borrowing costs incurred coupled with higher capitalized interest during the year.

Provision for Income Tax

Total provision for income tax decreased by ₱1,178.74 million or 280.39% vs. last year from a tax expense of ₱420.39 million in 2020 to a tax benefit of ₱758.35 million in 2021 primarily due to lower taxable income, lower tax rate (from 30% to 25%) coupled with necessary adjustments made for prior year's deferred tax assets and deferred tax liabilities as a result of newly enacted CREATE Act.

Pursuant to the adoption of PIC Q&A 2018-12-H, PFRS 15 - Accounting for Common Usage Service (CUSA) Charges, the figures for December 31, 2020 and 2019 were restated for comparability to current period where chargeable collections / reimbursements i.e. CAMC/CUSA and aircon charges are presented as part of the rental services revenues while chargeable expenses are presented as part of the cost of rental services. Figures for December 31, 2018 do not include the effect of the adoption of PIC Q&A 2018-12 for CUSA and aircon charges and may not be comparable to the December 31, 2021, 2020 and 2019 figures.

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

Financial Condition as of December 31, 2021 compared to as of December 31, 2020

	2021 (Audited)	2020	Change Increase (Decrease)	
ASSETS				
Current Assets				
Cash And Cash Equivalents	**9,658.26**	6,693.56	2,964.70	44.29%
Contracts Receivable	**5,337.93**	4,156.94	1,180.99	28.41%
Contract Assets	**4,177.82**	5,400.33	(1,222.51)	(22.64%)
Other Receivables	**2,710.46**	3,362.18	(651.72)	(19.38%)
Real Estate Inventories	**68,726.92**	65,544.57	3,182.35	4.86%
Other Current Assets	**4,933.31**	4,637.14	296.17	6.39%
Total Current Assets	**95,544.70**	89,794.72	5,749.99	6.40%
Noncurrent Assets				
Contract Asset - Net Of Current Portion	**4,152.76**	3,533.73	619.02	17.52%
Investment In Associates	**5,045.09**	4,787.79	257.30	5.37%
Investment Properties	**72,077.99**	69,264.96	2,813.03	4.06%
Property And Equipment	**4,794.02**	3,348.15	1,445.88	43.18%
Deferred Income Tax Assets	**95.55**	82.41	13.15	15.95%
Goodwill	**4,567.24**	4,567.24	0.00	0.00%
Other Noncurrent Assets	**6,946.18**	5,626.16	1,320.01	23.46%
Total Noncurrent Assets	**97,678.83**	91,210.43	6,468.40	7.09%
TOTAL ASSETS	**193,223.53**	181,005.15	12,218.39	6.75%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts Payable And Accrued Expenses	**11,738.49**	13,117.03	(1,378.54)	(10.51%)

	2021 (Audited)	2020	Change Increase (Decrease)	
Contract Liabilities	**1,171.38**	1,249.05	(77.67)	(6.22%)
Lease Liabilities - Current Portion	**248.59**	328.80	(80.21)	(24.39%)
Due To Related Parties	**204.32**	112.02	92.30	82.39%
Income Tax Payable	**8.52**	29.02	(20.50)	(70.64%)
Loans Payable - Current Portion	**4,912.20**	8,866.37	(3,954.17)	(44.60%)
Bonds Payable - Current Portion	**6,991.75**	5,294.52	1,697.23	32.06%
Total Current Liabilities	**25,275.25**	28,996.80	(3,721.55)	(12.83%)
Noncurrent Liabilities				
Loans Payable - Net Of Current Portion	**27,270.55**	29,238.65	(1,968.11)	(6.73%)
Bonds Payable - Net Of Current Portion	**29,297.17**	26,369.01	2,928.16	11.10%
Contract Liabilities - Net Of Current Portion	**774.21**	767.22	6.99	0.91%
Lease Liabilities - Net Of Current Portion	**6,099.43**	5,824.16	275.26	4.73%
Net Retirement Liabilities	**459.63**	580.12	(120.49)	(20.77%)
Deferred Income Tax Liabilities - Net	**5,317.27**	6,513.04	(1,195.77)	(18.36%)
Accounts Payable And Accrued Expenses - Net Of Current Portion	**8,939.80**	8,337.20	602.60	7.23%
Total Noncurrent Liabilities	**78,158.06**	77,629.40	528.65	0.68%
Total Liabilities	**103,433.31**	106,626.20	(3,192.90)	(2.99%)
Equity				
Common Stock	**24,470.71**	24,470.71	-	-
Preferred Stock	**80.00**	80.00	-	-
Additional Paid-In Capital	**5,612.32**	5,612.32	-	-
Treasury Stock	**(221.04)**	(221.04)	-	-
Retained Earnings	**57,425.03**	43,776.19	13,648.85	31.18%
Revaluation Reserve On Financial Assets At Fair Value Through Other Comprehensive Income	**(2.62)**	(2.62)	-	-
Remeasurement Losses On Retirement Plan	**(16.17)**	(15.14)	(1.03)	6.82%
Share In Other Components Of Equity Of An Associate	**372.45**	372.45	-	-
Equity attributable to equity holders of the parent	**87,720.68**	**74,072.87**	13,647.81	18.42%
Noncontrolling Interest	**2,069.54**	306.08	1,763.47	576.16%
Total Equity	**89,790.22**	74,378.94	15,411.28	20.72%
TOTAL LIABILITIES AND EQUITY	**193,223.53**	181,005.15	12,218.39	6.75%

As of December 31, 2021, FLI's total consolidated assets stood at ₱193.23 billion from the ₱181.00 billion balance as of December 31, 2020, increased by ₱12.23 billion or by 6.75%. The following are the material changes in account balances:

44.29% Increase in Cash and cash equivalents

Primarily due to higher net cash provided by investing activities due to REIT IPO proceeds tempered by accelerated resumption of construction activities, lower net cash provided by financing activities due to principal and interests payments tempered by increased net cash provided by operating activities on account of increased collections.

4.41% Overall Increase in Contract Receivables and Contract Assets

- *28.41% increase in contract receivables*
  - Mainly due to completion of residential projects where the receivables become due and demandable. These include customers granted with extended payments in 2020 in support to "Bayanihan" Act.
- *6.75% decrease in contract assets (22.64% decrease in contract assets – current portion; 17.52% increase in contract assets – net of current portion)*
  - Mainly due to increased collections for a mixed of ongoing and completed residential developments

19.38% Decrease in Other receivables
Mainly due to decline in receivables from mall and office tenants.

15.75% Overall increase in Other assets
Mainly due to increase in BTO rights, input VAT and creditable withholding taxes

15.95% Increase in Deferred Tax Assets
Mainly due to increased advance rentals.

5.37% Increase in Investments in Associates
Mainly due to decline in share in equity in net earnings mitigated by share in revaluation increment on land in FAI

3.62% Overall Decrease in Accounts Payable and Accrued Expenses
10.51% decrease in Accounts Payable and Accrued Expenses – current portion; 7.23% increase in Accounts Payable and Accrued Expenses – net of current portion
Mainly due to the increased payments to contractors, vendors and suppliers

3.51% Overall Decrease in Contract Liabilities
24.39% decrease in contract liabilities – current portion; 0.91% increase in contract liabilities – net of current portion
Mainly due to the accounts already qualified for revenue recognition.

82.39% Increase in Due to related parties
Mostly due to unpaid service fees and shared operational expenses to SPI.

70.64% Decrease in Income tax payable
Primarily due to the lower taxable income for the year and lower tax rate due to CREATE Act.

18.36% Decrease in Deferred Tax Liabilities
Mainly due to adjustments made the as of January 1, 2021 beginning balance as a result of CREATE Act

18.42% Increase in Total equity attributable to equity holders
Mainly due to the increase in retained earnings as a result of REIT IPO and net income during the year

576.16% Increase in Non-controlling interests
Largely due to net income after tax share of minority interests and sale of noncontrolling interests of FILRT

Performance Indicators	**2021**	**2020**
Earnings per Share - Basic[1]	0.16	0.15
Earnings per Share - Diluted[2]	0.16	0.15
Price Earnings Ratio[3]	6.88	7.47
Interest-bearing Debt to Equity Ratio[4]	0.76	0.94
Debt Ratio[5]	0.54	0.59
EBITDA to Total Interest Paid [6]	2.08	2.34

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

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

[3] Price Earnings Ratio is computed as closing price of the Parent Company's shares of stock divided by actual earnings per share for the years ended December 31, 2021 and 2020

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

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

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

Seasonality

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

Results of operations for the year ended December 31, 2020 compared to the year ended December 31, 2019

	2020	2019	Change	
	Audited		Increase (Decrease)	
REVENUE				
Real Estate Sales	9,837.12	17,013.12	(7,176.00)	(42.18%)
Rental Services	7,527.96	8,296.47	(768.52)	(9.26%)
Total revenue	17,365.08	25,309.59	(7,944.51)	(31.39%)
EQUITY IN NET EARNINGS OF AN ASSOCIATE	516.45	401.53	114.93	28.62%
OTHER INCOME				
Interest Income	404.14	571.70	(167.56)	(29.31%)
Others	340.71	678.22	(337.51)	(49.76%)
	18,626.38	26,961.04	(8,334.66)	(30.91%)
COSTS				
Real Estate Sales	5,586.83	9,853.87	(4,267.04)	(43.30%)
Rental Services	2,150.07	2,416.14	(266.07)	(11.01%)
OPERATING EXPENSES				
General And Administrative Expenses	2,243.60	2,474.72	(231.12)	(9.34%)
Selling And Marketing Expenses	1,078.27	1,448.57	(370.30)	(25.56%)
INTEREST AND OTHER FINANCE CHARGES	3,189.46	2,492.97	696.50	27.94%
	14,248.24	18,686.27	(4,438.03)	(23.75%)
INCOME BEFORE INCOME TAX	4,378.14	8,274.77	(3,896.63)	(47.09%)
PROVISION FOR INCOME TAX				
Current	596.53	1,273.75	(677.22)	(53.17%)
Deferred	(176.14)	481.21	(657.36)	(136.60%)
	420.39	1,754.97	(1,334.58)	(76.05%)
NET INCOME	3,957.75	6,519.80	(2,562.05)	(39.30%)
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the parent	3,733.44	6,283.63	(2,550.19)	(40.58%)
Noncontrolling interest	224.31	236.17	(11.86)	(5.02%)
	3,957.75	6,519.80	(2,562.05)	(39.30%)

For the year ended December 31, 2020, FLI's net income registered a year-on-year decline of 39.30% or ₱2,562.05 million from ₱6,519.80 million in 2019 to ₱3,957.75 million in 2020 due to lower revenues from real estate sales and malls operations which were primarily hit by the Covid-19 pandemic.

Revenues and other income

Total consolidated revenues and other income went down by ₱8,334.66 million or 30.91%, from ₱26,961.04 million in 2019 to ₱18,626.38 million in 2020 due to lower revenues generated from both business segments of real estate sales and rental and related services.

Real estate sales decreased by ₱7,176.00 million or by 42.18%, from ₱17,013.12 million in 2019 to ₱9,837.12 million in 2020. Real estate sales booked during the current period broken down by product type are as follows: Medium Income 76.7% (inclusive of MRB and HRB); Affordable and low affordable 14.0%; High-End 8.3%; Socialized 1.0%. The lower real estate sales can be attributed to lower construction percentage of completion primarily due to temporary suspension of construction activities and decreased collections reaching the required threshold for revenue recognition, as a result of extension of payment due dates, respectively in compliance to "Bayanihan Act" in response to Covid-19 pandemic.

Rental and related services decreased by ₱768.51 million or by 9.26%, from ₱8,296.47 million in 2019 to ₱7,527.96 million in 2020 due to lower revenues from mall and other commercial centers as a result of their closure and limited operations during quarantine period imposed to control the spread of COVID-19 pandemic. This is partially offset by 8% increase in office leasing revenue which continued to be 100% operational during the quarantine period.

Interest income decreased by ₱167.56 million or by 29.31%, from ₱571.70 million in 2019 to ₱404.14 million in 2020. The decrease was due to lower interest income derived from contract receivables as more buyers opt to avail of bank financing schemes instead of in-house payment schemes.

Other income decreased by ₱337.51 million or by 49.76% from ₱678.22 million in 2019 to ₱340.71 million in 2020. The decrease was due to lower income generated from service fees, processing fees, and management, leasing and other related fees.

Costs and Expenses

Cost of real estate sales decreased by ₱4,267.04 million or by 43.30%, from ₱9,853.87 million in 2019 to ₱5,586.83 million in 2020 due to lower real estate revenues booked during the period.

Cost of rental services decreased by ₱266.07 million or by 11.01%, from ₱2,416.14 million to ₱2,150.07 million due to lower direct expenses for the period.

General and administrative expenses decreased by ₱231.11 million or by 9.34% to ₱2,243.61 million in 2020 from ₱2,474.72 million in 2019. The decrease was mainly due to the lower spending during the year as a consequence of Covid-19 pandemic i.e., limited economic activities due to quarantine restrictions.

Selling and marketing expenses decreased by ₱370.30 million or by 25.56%, from ₱1,448.57 million in 2019 to ₱1,078.27 million in 2020 due to lower broker's commission, service fees and direct costs of sales offices as a result of limited selling activities brought about by quarantine measures.
Interest and other finance charges

Interest and other finance charges increased by ₱696.49 million or by 27.94%, from ₱2,492.97 million in 2019 to ₱3,189.46 million in 2020 due to the increase in loan and bonds payables as of December 31, 2020

Provision for Income Tax

Total provision for income tax decreased by ₱1,334.58 million or by 76.05% from ₱1,754.97 million in 2019 to ₱420.39 million in 2020. The provision for current income tax decreased by ₱ 677.22 million or by 53.17 %, from ₱ 1,273.75 million in 2019 to ₱596.53 million in 2020 due to lower taxable income as a result of lower income before taxes. Provision for deferred income tax was transformed to a tax benefit of ₱176.14 million or movement of ₱657.36 million or by 136.60%, from ₱481.22 million tax expense in 2019. This is a result of temporary differences between financial and taxable income.

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, 2020 compared to as of December 31, 2019

	2020 (Audited)	2019	Change Increase (Decrease)	
ASSETS				
Current Assets				
Cash And Cash Equivalents	6,693.56	4,773.62	1,919.94	40.22%
Contracts Receivable	4,156.94	1,446.19	2,710.75	187.44%
Contract Assets	5,400.33	5,998.42	(598.09)	(9.97%)
Other Receivables	3,362.18	3,175.05	187.14	5.89%
Real Estate Inventories	65,544.57	63,018.44	2,526.13	4.01%
Other Current Assets	4,637.14	4,388.48	248.66	5.67%
Total Current Assets	89,794.72	82,800.20	6,994.52	8.45%
Noncurrent Assets				
Contract Asset - Net Of Current Portion	3,533.73	7,117.32	(3,583.59)	(50.35%)
Investment In Associates	4,787.79	4,170.68	617.11	14.80%
Investment Properties	69,264.96	66,461.06	2,803.90	4.22%
Property And Equipment	3,348.15	3,288.72	59.43	1.81%
Deferred Income Tax Assets	82.41	52.44	29.97	57.16%
Goodwill	4,567.24	4,567.24	-	-
Other Noncurrent Assets	5,626.16	5,238.77	387.39	7.39%
Total Noncurrent Assets	91,210.43	90,896.23	314.20	0.35%
TOTAL ASSETS	181,005.15	173,696.43	7,308.72	4.21%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts Payable And Accrued Expenses	13,117.03	13,164.86	(47.84)	(0.36%)
Contract Liabilities	1,249.05	972.76	276.29	28.40%
Lease Liabilities - Current Portion	328.80	318.12	10.68	3.36%
Due To Related Parties	112.02	100.78	11.24	11.16%
Income Tax Payable	29.02	142.74	(113.71)	(79.67%)
Loans Payable - Current Portion	8,866.37	6,887.48	1,978.89	28.73%
Bonds Payable - Current Portion	5,294.52	4,294.64	999.87	23.28%
Total Current Liabilities	28,996.80	25,881.38	3,115.42	12.04%
Noncurrent Liabilities				
Loans Payable - Net Of Current Portion	29,238.65	28,640.75	597.90	2.09%
Bonds Payable - Net Of Current Portion	26,369.01	23,590.04	2,778.97	11.78%
Contract Liabilities - Net Of Current Portion	767.22	779.65	(12.43)	(1.59%)
Lease Liabilities - Net Of Current Portion	5,824.16	5,551.95	272.22	4.90%
Net Retirement Liabilities	580.12	512.44	67.68	13.21%
Deferred Income Tax Liabilities - Net	6,513.04	6,512.61	0.42	0.01%
Accounts Payable And Accrued Expenses - Net Of Current Portion	8,337.20	10,063.31	(1,726.12)	(17.15%)

	2020	2019	Change	
	(Audited)		Increase (Decrease)	
Total Noncurrent Liabilities	77,629.40	75,650.76	1,978.64	2.62%
Total Liabilities	106,626.20	101,532.14	5,094.07	5.02%
Equity				
Common Stock	24,470.71	24,470.71	-	-
Preferred Stock	80.00	80.00	-	-
Additional Paid-In Capital	5,612.32	5,612.32	-	-
Treasury Stock	(221.04)	(221.04)	-	-
Retained Earnings	43,776.19	41,661.65	2,114.54	5.08%
Revaluation Reserve On Financial Assets At Fair Value Through Other Comprehensive Income	(2.62)	(2.62)	-	-
Remeasurement Losses On Retirement Plan	(15.14)	(24.29)	9.15	(37.67%)
Share In Other Components Of Equity Of An Associate	372.45	361.79	10.66	2.95%
Equity attributable to equity holders of the parent	**74,072.87**	**71,938.53**	2,134.34	2.97%
Noncontrolling Interest	306.08	225.77	80.31	35.57%
Total Equity	74,378.94	72,164.29	2,214.65	3.07%
TOTAL LIABILITIES AND EQUITY	181,005.15	173,696.43	7,308.72	4.21%

As of December 31, 2020, FLI's total consolidated assets increased to ₱181.00 billion from the ₱173.70 billion balance as of December 31, 2019, an increase by ₱7.31 billion or by 4.21%. The following are the material changes in account balances:

40.22% Increase in Cash and cash equivalents
Primarily due to lower net cash used in investing activities as a result of suspension of construction activities and higher net cash provided by financing activities for the P8.1 billion bond issuance last November 2020 despite decline in net cash provided by operating activities on account of extension of payment due dates.

10.10% Decrease in Contract assets and contract receivables
Primarily due to lower realized real estate revenues during the year owing to lower percentage-of-completion as a result of suspension of construction activities brought about by restrictions implemented by the IATF to mitigate the impact of Covid-19 pandemic

5.89% Increase in Other receivables
Mainly due to higher receivables from mall and office tenants.

4.01% Increase in Real estate inventories
Due to lower cost of real estate sales as a result of lower sales revenues recognized during the period, and additional spending for project development costs

5.67% Increase in Other current assets
Primarily due to higher prepayments and cost to obtain contract. The increase in cost to obtain contract was mitigated by decreased input taxes, advances to contractors / suppliers and short-term deposits.

14.80% Increase in Investment in Associates
On December 21, 2020, FDC subscribed to 110,000,000 common shares of Dreambuilders Pro, Inc. (DPI) with par value of Php1.00 per share amounting ₱110.0 million and equivalent to 55% of DPI's outstanding shares. This resulted in the dilution of FLI's interest in DPI to 45% and deconsolidation by the Company. As a result of the dilution, the investment in DPI amounting to ₱90 million is accounted as investment in associate under the equity method under FLI's books. This also includes the share of FLI in the associates' net income. During the year 2020, no dividends were recorded from the investments.

4.22% Increase in Investment propertyMainly due to the additional construction costs of new buildings for office and commercial lease. These are primarily located in Northgate Cyberzone in Alabang, Filinvest Mimosa, Makati City, Quezon City and Ortigas City.

57.13% Increase in Deferred tax assets
The increase was mainly from accrued retirement benefits, advance rentals and NOLCO.

7.39% Increase in Other noncurrent assets
Primarily due to additional construction costs of Filinvest Cebu Cyberzone (known as "BTO rights") covered by the BTO agreement with the Government of Cebu.

15.06% Increase in Contract liability
Principally due to the increased contracts with buyers whose purchased units had lower percentage-of-completion due to suspension of construction activities during quarantine periods.

11.15% Increase in Due to related parties
Mostly due to increase in unpaid shared expenses among related parties which includes share in salaries charged by the Parent Company (FDC). The remaining unpaid charges are expected to be paid or liquidated within the year 2021.

79.67% Decrease in Income tax payable
Primarily due to the lower taxable income for the year.

7.25% Increase in Loans payable
Mainly due to the ₱10.68 billion newly availed loans offset by ₱8.22 billion repayments of existing loans.

13.55% Increase in Bonds payable
Largely due to additional issuance amounted to P8.1billion in November 2020, netted by ₱4.3 billion matured bond on the same month of November 2020.

4.82% Increase in Lease liabilities
Largely due to additional parcel of land in Alabang, leased from Filinvest Alabang, Inc. and sublet by FLI to a third party.

13.21% Increase in Retirement liabilities
The increase was due to actuarial valuation adjustment on the present value of defined benefit obligation.

7.64% Decrease in Accounts payable and accrued expenses
The decrease was due to decline in deposits from tenants and reduction in payables to contractors and suppliers

2.97% Increase in Total equity attributable to equity holders
Mainly due to the increase in retained earnings as a result of net income during the year.

35.57% Increase in Non-controlling interests
Largely due to net income after tax share of minority interests.

Performance Indicators	**2020**	**2019**
Earnings per Share - Basic[1]	0.15	0.26
Earnings per Share - Diluted[2]	0.15	0.26
Price Earnings Ratio[3]	7.47	5.77
Interest-bearing Debt to Equity Ratio[4]	0.94	0.88
Debt Ratio[5]	0.59	0.58
EBITDA to Total Interest Paid [6]	2.34	3.71

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

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

[3] *Price Earnings Ratio is computed as closing price of the Parent Company's shares of stock divided by actual earnings per share for the years ended December 31, 2020 and 2019*

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

[5] *Debt Ratio is computed as total liabilities divided by total assets*

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

Seasonality

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

Results of operations for the year ended December 31, 2019 compared to the year ended December 31, 2018

	2019	2018	Change	
	Audited		Increase (Decrease)	
REVENUE				
Real Estate Sales	17,013.12	14,404.20	2,608.92	18.11%
Rental Services	8,296.47	5,608.26	2,688.21	47.93%
Total revenue	25,309.59	20,012.46	5,297.13	26.47%
EQUITY IN NET EARNINGS OF AN ASSOCIATE	401.53	537.02	(135.49)	(25.23%)
OTHER INCOME				
Interest Income	571.70	977.29	(405.59)	(41.50%)
Others	678.22	678.42	(0.20)	(0.03%)
	26,961.04	22,205.19	4,755.86	21.42%
COSTS				
Real Estate Sales	9,853.87	8,339.21	1,514.66	18.16%
Rental Services	2,416.14	1,130.51	1,285.63	113.72%
OPERATING EXPENSES				
General And Administrative Expenses	2,474.72	2,322.06	152.66	6.57%
Selling And Marketing Expenses	1,448.57	1,442.59	5.99	0.41%
INTEREST AND OTHER FINANCE CHARGES	2,492.97	1,192.44	1,300.52	109.06%
	18,686.27	14,426.80	4,259.47	29.52%
INCOME BEFORE INCOME TAX	8,274.77	7,778.38	496.39	6.38%
PROVISION FOR INCOME TAX				
Current	1,273.75	1,029.49	244.26	23.73%
Deferred	481.21	673.02	(191.80)	(28.50%)
	1,754.97	1,702.51	52.46	3.08%
NET INCOME	6,519.80	6,075.87	443.93	7.31%

NET INCOME ATTRIBUTABLE TO:				
Equity holders of the parent	6,283.63	5,894.41	389.23	6.60%
Noncontrolling interest	236.17	181.47	54.70	30.14%
	6,519.80	6,075.87	443.93	7.31%

For the year ended December 31, 2019, the Company's net income registered a year-on-year growth of 7.31% or ₱443.93 million from ₱6,075.87 million in 2018 to ₱6,519.80 million in 2019.

Revenues and other income

Total consolidated revenues and other income went up by ₱4,755.86 million or 21.42%, from ₱22,205.19 million in 2018 to ₱26,961.04 million in 2019 due to higher rental and related services, and real estate sales.

Real estate sales increased by ₱2,608.92 million or by 18.11%, from ₱14,404.20 million in 2018 to ₱17,013.12 million in 2019. Real estate sales booked during the current period broken down by product type are as follows: Medium Income 71.5% (inclusive of MRB and HRB); Low affordable and Affordable 19.1%; High-End 7.4%; Socialized 2.0%. The higher real estate sales can be attributed to higher percentage of completion for MRB and HRB, and higher completion of down payments from 2018 sales.

Rental and related services increased by ₱2,688.21 million or by 47.93%, from ₱5,608.26 million in 2018 to ₱8,296.47 million in 2019. Filinvest Axis Tower 2, located in Northgate Cyberzone Alabang, was completed in 2019 adding 39,341 sq.m. of GLA to the office portfolio.

Interest income decreased by ₱405.59 million or by 41.50%, from ₱977.29 million in 2018 to ₱571.70 million in 2019. The decrease was due to lower interest income derived from cash and cash equivalents and contract receivables as more buyers opt to avail of bank financing schemes instead of in-house payment schemes.

Other income decreased by ₱0.20 million or by 0.03% from ₱678.42 million in 2018 to ₱678.22 million in 2019. The decrease was due to lower income generated from service fees, processing fees, and management, leasing and other related fees.

Costs and Expenses

Cost of real estate sales increased by ₱1,514.66 million or by 18.16%, from ₱8,339.21 million in 2018 to ₱9,853.87 million in 2019 as a result of higher realized real estate revenues.

Cost of rental and related services increased from ₱1,130.51 million in 2018 to ₱2,416.14 million in 2019 due to the adoption of PFRS 16, Leases that resulted to the capitalization of right of use assets and recognition of related amortization expense with lower amount as compared to the supposed rent expense before the adoption.

General and administrative expenses increased by ₱152.66 million or by 6.57% to ₱2,474.72 million in 2019 from ₱2,322.06 million in 2018. The increase was mainly due to the higher depreciation of property, plant and equipment, repairs and maintenance, insurance and other expenses.

Selling and marketing expenses increased by ₱5.98 million or by 0.41%, from ₱1,442.59 million in 2018 to ₱1,448.57 million in 2019 due to higher broker's commission, service fees and direct costs of sales offices.

Interest and other finance charges

Interest and other finance charges increased by ₱1,300.53 million or by 109.06%, from ₱1,192.44 million in 2018 to ₱2,492.97 million in 2019 due to the increase in loan payables as of December 31, 2019, lower capitalization of borrowing costs to real estate inventories and recognition of interest expenses related to the accretion of lease liability resulting from the adoption of PFRS 16, Leases.

Provision for Income Tax

Total provision for income tax increased by ₱52.46 million or by 3.08% from ₱1,702.51 million in 2018 to ₱1,754.97 million in 2019. The provision for current income tax increased by ₱244.26 million or by 23.73%, from ₱1,029.49 million in 2018 to ₱1,273.75 million in 2019 due to higher taxable income as a result of increased revenues. Provision for deferred income tax decreased by ₱191.80 million or by 28.50%, from ₱673.02 million in 2018 to ₱481.21 million in 2019 due to temporary differences between financial and taxable income.

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, 2019 compared to as of December 31, 2018

As of December 31, 2019, the Company's total consolidated assets increased to ₱173.70 billion from the ₱158.86 billionbalance as of December 31, 2018, an increase by ₱14.84 billion or by 9.34%. The following are the material changesin account balances:

25.64% Decrease in Cash and cash equivalents
Although the Company's operations yielded higher operating net cash inflows directly attributable to higher net revenue,the total cash and cash equivalents declined as of December 31, 2019. The decline was due to higher net cash outflowsin investing activities related to the investment properties under construction.

34.30% Increase in Contract assets and contract receivables
The increase was due to higher realized revenues during the year brought about by increased qualified accounts for revenue recognition as a result of increased cash sales.

35.20% Increase in Other receivables
Increase is mainly due to higher receivables from the leasing segment particularly Filinvest REIT Corp. Also,there was an overall increase in occupancy of FSI Mall Expansion, Fora Mall and Main Square for the year.

7.13% Decrease in Real estate inventories
The decrease is mainly due to the reclassification of some portion of land and land development costs related to the land located in Mandaluyong City and Cebu to investment property, pursuant to its current plan for the project whichis intended to be for leasing.

13.27% Increase in Other current assets
The increase is mainly due to the increase in input taxes, creditable withholding taxes and cost to obtain contract in 2019. The increase in cost to obtain contract was due to the higher commission payments to brokers over what is due,as valued based on PFRS 15, Revenue from Contracts with Customers, adopted in 2018.

2.83% Increase in Investment in Associates

On December 26, 2019, Filinvest REIT Corp. and FCI, wholly owned subsidiaries of FLI, entered into a Deed of Assignment to sellits ownership in Pro-Excel to Filinvest Alabang, Inc. The sale resulted in a loss of control in Pro-Excel and deconsolidation by the Company. The disposal resulted to the accounting for FLI's investment of ₱17.49 million in Pro-excel from an investment in subsidiary to an associate.

As of December 31, 2018, investment in CTI amounting to ₱51.30 million was reported under "Other noncurrent assets" due to pending SEC approval and issuance of amended articles of incorporation. In 2019, the 30% interest in CTI of FLI was classified as an investment in associate.

The investment in associate balance for FMI was also increased by ₱48.35 million upon adoption of PFRS 16, Leases.The above increases were partly netted off by the lower equity in net earnings and dividend declared for the year amounting to ₱401.53 million and ₱404.00 million, respectively, as compared to 2018's equity in net earnings and dividend declared amounting to ₱537.02 million and ₱678 million, respectively.

32.87% Increase in Investment property

The increase was mainly due to the additional construction costs of new buildings for office and commercial lease. These are primarily located in Northgate Cyberzone in Alabang, Filinvest Mimosa, MakatiCity, Quezon City and Ortigas City.

14.20% Decrease in Property, plant and equipment
Apart from the annual depreciation of this asset, decrease is also attributable to the reclassification of TSNC's assets amounting to ₱0.78 billion to investment property after TSNC's change in business purpose from an exclusive recreational sports club to a profit commercial facility that accordingly changes the use of the asset from an owner- occupied property to a property for lease.

Right-of-use assets and Lease liabilities
Effective January 1, 2019, the Company adopted PFRS 16 Leases, under the modified retrospective approach which resulted in significant changes in the Company's accounting policy for leases. This resulted in the recognition of right ofuse assets amounting ₱5.40 billion and lease liability amounting to ₱5.68 billion for the Company, as of January 1, 2019,and the recognition of depreciation expense of ₱0.14 billion and interest expense of ₱0.49 billion for the Company, for the year ended December 31, 2019.

39.01% Decrease in Deferred income tax assets
The decrease is mainly attributed to the decrease in deferred income tax assets on NOLCO by some of FLI subsidiaries by ₱41.78 million.

5.59% Increase in Other noncurrent assets
The increase was mainly due to the ₱0.18 billion, net of depreciation, additional construction costs of Filinvest Cebu Cyberzone (known as "BTO rights") covered by the BTO agreement with the Government of Cebu.

7.06% Increase in Accounts payable and accrued expenses
The increase is mainly due to increase in payables to contractors and suppliers for the construction activities.

45.41% Decrease in Contract liability
The decrease is mainly due to the higher contracts with buyers that qualified for revenue recognition for the year consistent with the higher real estate sales.

44.40% Decrease in Due to related parties
The decrease was due to payments of liabilities to affiliates for the Company's share in expenses incurred in the regular course of business. The remaining unpaid charges are expected to be paid or liquidated within the following year.

30.95% Increase in Income tax payable
The increase was due to the higher taxable income for the year.

42.41% Increase in Loans payable
The increase in mainly due to the ₱15.4 billion newly availed loans offset by ₱4.84 billion repayments.

19.95% Decrease in Bonds payable
Decrease in Bonds payable is mainly due to payment of ₱7.0 billion bond that matured in June 2019.

14.36% Decrease in Retirement liabilities
The decrease was due to the ₱0.18 billion experience adjustment on the present value of defined benefit obligation.

8.33% Increase in Deferred income tax liabilities
The increase is mainly attributed to the increased excess of real estate revenue based on financial accounting policyover real estate revenue based on tax rules.

7.31% Increase in Total equity attributable to equity holders
Mainly due to the increase in retained earnings as a result of net income during the year.

4.62% Decrease in Non-controlling interests
Largely due to net loss after tax share of minority interests.

Performance Indicators	2019	2018
Earnings per Share - Basic[1]	0.26	0.24
Earnings per Share - Diluted[2]	0.26	0.24
Price Earnings Ratio[3]	5.77	5.80
Interest-bearing Debt to Equity Ratio[4]	0.88	0.89
Debt Ratio[5]	0.58	0.58
EBITDA to Total Interest Paid [6]	3.71	3.12

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

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

[3] Price Earnings Ratio is computed as closing price of the Parent Company's shares of stock divided by actual earnings per share for the years ended December 31, 2019 and 2018

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

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

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

Seasonality

There were no other trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from operations.

Significant Subsidiaries

1. Filinvest REIT Corp. (FILRT) *(formerly Cyberzone Properties, Inc. – CPI)*

   The table below presents FILRT's information on revenues, net income and financial soundnesss indicators, all before elimination of intercompany transactions, as of and for the years ended December 31, 2021, 2020, and 2019:

	FILRT *(formerly CPI)*		
	For the years ended December 31,		
	2019	**2020**	**2021**
	(millions)		
Gross Revenues	3,739.2	3,882.0	3,442.0
Net Income	1,634.4	1,859.8	1,855.1
As a % of FLI Group's			
Gross Revenues	14.56%	22.20%	19.40%
Net Income	25.07%	46.99%	43.09%

	For the years ended December 31,		
	2019	2020	2021
Current Ratio[1]	0.59	1.06	2.58
Debt Ratio, [2]	0.64	0.80	0.57
Net Profit Margin[3]	0.56	0.60	0.54
Retun on Equity[4]	0.21	0.36	0.31
Asset-to-Equity Ratio[5]	2.79	4.94	2.34

1. Current Ratio = Current Assets divided by Current Liabilities
2. Debt Ratio = Total Liabilities divided by Total Assets
3. Net Profit Margin = Net Income divided by Revenue
4. Retun on Equity = Annualized Net Income divided by Total Equity.
5. Asset-to-Equity Ratio = Total Assets divided by Total Equity

2. Filinvest Asia Corporation (FAC)
   The table below presents FAC's information on revenues, net income and financial soundnesss indicators, all before elimination of intercompany transactions, as of and for the years ended December 31, 2021, 2020, and 2019:

	FAC		
	For the years ended December 31,		
	2019	2020	2021
		(millions)	
Gross Revenues	770.1	753.8	448.7
Net Income	548.2	548.2	261.0
As a % of FLI Group's			
Gross Revenues	3.00%	4.31%	2.53%
Net Income	8.41%	13.85%	6.06%

	For the years ended December 31,		
	2019	2020	2021
Current Ratio[1]	0.58	0.50	0.63
Debt Ratio, [2]	0.82	0.68	0.57
Net Profit Margin[3]	0.71	0.73	0.58
Retun on Equity[4]	2.60	1.37	0.49
Asset-to-Equity Ratio[5]	5.63	3.15	2.31

1. Current Ratio = Current Assets divided by Current Liabilities
2. Debt Ratio = Total Liabilities divided by Total Assets
3. Net Profit Margin = Net Income divided by Revenue
4. Retun on Equity = Annualized Net Income divided by Total Equity.
5. Asset-to-Equity Ratio = Total Assets divided by Total Equity

Other Disclosures

On known trends, events or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations of FLI, the COVID-19 global pandemic whichstarted to occur in the Philippines in January of 2020 and accelerated by March has caused disruptions in the Company's operations. On March 15, the Philippine government implemented a "Community Quarantine" in Metro Manila. On March 17, 2020, the government expanded the scope with an "Enhanced Community Quarantine (ECQ)" "Modified Enhanced Community Quarantine (MECQ)"and "General Community Quarantine (GCQ)", in several regions of the country which effectively restricted movement and mandated the temporary closure of non-essential shops and businesses. Since June 1, 2020 until the present, the Philippine government has routinely been downgrading, upgrading, or extending quarantine measures of varying severity in response to the number of daily COVID-19 cases for each province and major city of the country. On July 30, 2021, due to rising cases brought about by the COVID-19 Delta variant, the Office of the President announced that Metro Manila would be reverting back to ECQ from GCQ beginning on August 6 to August 24. As of July 31, 2021, the Philippine Department of Health reported 1,588,965 total cases of the novel coronavirus nationwide with 27,889 deaths attributed to COVID-19. The Philippines continues to add thousands of cases reported per day with 8,147 new cases on July 31, 2021.

The Company expects that these developments are unfavorable to the Company's overall financial performance as follows:

a. Decline in pre-sales for both the domestic and OFW markets
b. Decline in revenues from our retail operations as a result of decline in foot traffic and temporary suspension of malloperations except for outlets offering basic services like supermarkets, banks and healthcare centers, as mandated bythe government
c. Delay in the completion of housing, office and retail buildings
d. Pre-leasing and occupancy of new buildings will be lower than expected
e. Some tenants might reduce or in worst case, pre-terminate space to adopt a work-from-home scheme or other flexible working arrangements
f. Possible cancellation of lease negotiations for either new space or expansion due to internal business decision of theclient

Aside from any probable material increase in interest rates on the outstanding long-term debt with floating rates, thereare no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidityproblems of the Company within the next 12 months. The Company is not in default or breach of any note, loan, leaseor other indebtedness or financing arrangement requiring it to make payments, or any significant amount of the Company's payables that have not been paid within the stated trade terms.

There are no known events that will trigger the settlement of a direct or contingent financial obligation that is materialto the Company.

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period other than those that were previously reported.

For approval by the stockholders at their annual meeting in 2022

FILINVEST LAND, INC.

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

Held on 23 April 2021, at 10:30 a.m.

Conducted virtually *via* Microsoft Teams

I. ATTENDANCE

STOCKHOLDERS PRESENT/REPRESENTED:

Present by proxies	27,186,240,151	84.2990 %
Present by remote communication and voting *in absentia*	92,543	0.0003%
Total Attendance	27,186,332,694	**84.30%**

ALSO PRESENT:

Board of Directors

Name	Position / Board Committees
Ms. Mercedes T. Gotianun	Chairperson Emerita
Mr. Jonathan T. Gotianun	Chairman of the Board Member – Executive Committee Member – Audit and Risk Management Oversight Committee Member – Compensation Committee Member- Corporate Governance Committee
Ms. Lourdes Josephine Gotianun-Yap	President and Chief Executive Officer Chairperson – Executive Committee Member – Compensation Committee
Mr. Nelson M. Bona	Director
Mr. Michael Edward T. Gotianun	Member – Executive Committee Member – Technical Committee
Atty. Efren C. Gutierrez	Member – Related-Party Transaction Committee Member – Audit and Risk Management Oversight Committee
Mr. Francis Nathaniel C. Gotianun	Member – Executive Committee
Dr. Ernesto S. De Castro	Chairman – Technical Committee Member – Corporate Governance Committee
Mr. Gemilo J. San Pedro	Chairman – Audit and Risk Management Oversight Committee Member – Compensation Committee Member – Related-Party Transaction Committee Member - Corporate Governance Committee

Atty. Val Antonio B. Suarez	Chairman – Compensation Committee Chairman – Corporate Governance Committee Chairman – Related-Party Transaction Committee Member – Audit and Risk Management Oversight Committee

Filinvest Land, Inc. Officers

Name	Position
Mr. Tristaneil D. Las Marias	Executive Vice President and Chief Strategy Officer
Ms. Ana Venus A. Mejia	First Senior Vice President, Chief Finance Officer, Treasurer and Compliance Officer
Mr. Vince Lawrence Abejo	First Senior Vice President and Chief Sales and Marketing Officer
Mr. Francis V. Ceballos	Senior Vice President - Head of the Industrial/Logistics Business
Mr. Winnifred H. Lim	Senior Vice President and Chief Technical Planning Officer
Mr. Joselito F. Santos	Senior Vice President - Head of Retail and Mixed Use Business
Mr. Alexis Avalone Ojeda	First Vice President - Sales Channel Development Head
Ms. Harriet C. Ducepec	First Vice President- Chief Risk Officer and Chief of Staff
Ms. Janette Cesarine B. Cordero	First Vice President – Co-living Spaces Business
Atty. Romeo L. Magtanong	Vice President- Litigation Division
Atty. Sharon P. Pagaling-Refuerzo	Corporate Secretary and Corporate Information Officer, Vice President – Corporate and Tax Advisory Division
Ms. Rizalangela L. Reyes	VP-HRAD & Head, Customer Care
Mr. Sean Imperial	Vice President – Business Planning
Ms. Averose Valderrama	Vice President
Mr. Allan Barquila	Vice President
Ms. Melissa C. Ortiz	Investor Relations Head

BUSINESS GROUP HEADS

Ms. Catherine Ilagan	President & COO, Filinvest Alabang, Inc.
Ms. Maricel Brion-Lirio	President & CEO, Cyberzone Properties, Inc.
Mr. Arnulfo Delos Reyes	President, Dreambuilders Pro, Inc.

Independent External Auditor – Sycip Gorres Velayo & Co.

Name	Position
Mr. Michael C. Sabado	Partner-In-Charge for Filinvest Development Corporation
Ms. Wanessa Salvador	Partner-in-charge
Ms. Maria Vivian G. Cruz-Ruiz	Vice Chair and Deputy Managing Partner
Ms. Jane Carol U. Chiu	Senior Manager
Mr. John Cedric R. Palconit	Manager

Stock Transfer Agent – Stock Transfer Service, Inc.

Name	Position
Mr. Michael C. Capoy	Assistant Manager
Mr. John Kristofer Paulo L. Herrera	Securities Processor

II. NATIONAL ANTHEM

The meeting started with the singing of the Philippine National Anthem.

III. PRESIDING OFFICER AND SECRETARY

The Chairman of the Board of Directors of Filinvest Land, Inc. (the "Company"), Mr. Jonathan T. Gotianun, presided over the meeting, while the Corporate Secretary, Ms. Sharon P. Pagaling-Refuerzo, recorded the minutes thereof.

IV. CALL TO ORDER

The Chairman called the meeting to order and requested the Corporate Secretary to report on the service of notice of the meeting, and whether there was a quorum at the meeting.

V. CERTIFICATION OF SERVICE OF NOTICE AND QUORUM

The Corporate Secretary reported that the notice of the meeting, together with copies of the Information Statement and the Audited Financial Statements of the Company, were posted on the Company's website and disclosed through PSE EDGE, as well as published in the business sections of the Philippine Star and Business Mirror, both in print and online, on 29 March 2021, and in the business sections of the Philippine Daily Inquirer and Business World on 30 March 2021, in accordance with the requirements of SEC Notice dated 16 March 2021.

Based on the online registration and report on proxies received by the Office of the Corporate Secretary, with the assistance of the Company's stock and transfer agent, Stock Transfer Service, Inc., the Corporate Secretary certified that out of the

32,249,759,506 total issued and outstanding shares of the Company as of the record date or on 17 March 2021, **27,186,332,694** shares representing **84.30%** of the total issued and outstanding shares of the Company were present at the meeting.

There being a quorum, the Chairman declared the meeting duly convened and open for business.

VI. INSTRUCTIONS ON THE RULES AND CONDUCT OF VOTING PROCEDURES

The Chairman noted that the Company is holding the meeting in virtual format because of the health crisis; however, the Company endeavored to provide the shareholders the same opportunity to participate in the meeting. He then asked the Corporate Secretary to share the rules of conduct and voting procedures for the meeting.

The Corporate Secretary explained that the rules of conduct and voting procedures were set forth in the Definitive Information Statement and in the Explanation of Agenda Items, which form part of the Notice of the Annual Stockholders' meeting. She highlighted the following points:

1. Stockholders who successfully registered under the shareholder registration system were provided the instructions to access our digital voting ballot as well as the virtual meeting.
2. The deadline for voting *in absentia* and through proxy was on 15 April 2021.
3. After the voting, the Office of the Corporate Secretary, together with our stock transfer agent, tabulated all the votes cast *in absentia* as well as *via* proxy.
4. The results of the voting will be reported after each item is taken up during this meeting.
5. The stockholders were also given up to 15 April 2021 to submit any questions or comments they may have

She further informed all the participants of the meeting that there would be a visual and audio recording of the entire proceedings.

VII. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON 11 JUNE 2020

The Chairman inquired if copies of the minutes of the annual meeting of the stockholders held on 11 June 2020 were furnished to the stockholders.

The Corporate Secretary certified that an electronic copy of the minutes was included in the notice of this year's annual stockholders' meeting and were made available on the Company's website. She reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting based on the following tabulation of votes:

> **"RESOLVED,** That the minutes of the annual meeting of the stockholders of the Company held on 11 June 2020 is hereby approved."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	27,186,241,613	-	-
Percentage of Votes	100.00%	-	-

VIII. PRESENTATION OF THE PRESIDENT'S REPORT AND RATIFICATION OF THE AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2020

The President and Chief Executive Officer of the Company, Ms. Lourdes Josephine Gotianun-Yap, presented her pre-recorded report on the Company's operations for the year ended 31 December 2020 based on the Company's Audited Financial Statements for the same period, copy of which were made available to all the stockholders of record, together with the Information Statement. The President's report included the operational and financial highlights of the Company for the year 2020 and the outlook for 2021.

The President also announced to the stockholders that the Board of Directors approved during its special meeting held before the Annual Stockholders' Meeting on 23 April 2021 the declaration of cash dividends from the unrestricted retained earnings of the Company as of 31 December 2020. For common shares, the total regular cash dividends is Php0.031 per share representing a dividend payout ratio of 20%.

On the other hand, preferred shares shall receive a total cash dividend of Php0.00031 per share.

This year, the cash dividends will be paid in two tranches and with different record dates.

The first tranche will have a record date fixed on 21 May 2021 and payment date on 15 June 2021. For the first tranche, the common shareholders will receive Php0.0155 per share; while the preferred shareholder will receive Php0.000155 per share.

The second tranche will have a record date fixed on 15 November 2021 and payment date on 09 December 2021. For the second tranche, the common shareholders will receive Php0.0155 per share; while the preferred shareholder will receive Php0.000155 per share.

The Chairman thanked the President for her report, then proceeded to the next item in the agenda which was the ratification of the 2020 Audited Financial Statements. He asked the Corporate Secretary if the stockholders were furnished a copy of the 2020 Audited Financial Statements.

The Corporate Secretary responded that an electronic copy of the 2020 Audited Financial Statements was made available on the Company's website as well as attached to the Information Statement. She reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting based on the following tabulation of votes:

> **"RESOLVED,** That the Company's Audited Financial Statements as of and for the year ended 31 December 2020 be approved, confirmed and ratified."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	27,171,672,863	-	14,568,750
Percentage of Votes	99.95%	-	0.05%

VIII. RATIFICATION OF ALL THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OTHER BOARD COMMITTEES AND MANAGEMENT UP TO 11 JUNE 2020

The next item in the agenda was the ratification of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee, other Board Committees and Management from the date of the last annual stockholders' meeting until 23 April 2021, a summary of which was included as an annex in the Information Statement sent to all the stockholders of record prior to the annual stockholders' meeting.

The Corporate Secretary reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting based on the following tabulation of votes:

> **"RESOLVED,** That all the acts, resolutions and proceedings of the Board of Directors, Executive Committee, other Board Committees and Management from the date of the last annual stockholders' meeting until 23 April 2021 are hereby approved, confirmed and ratified."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	27,171,672,863	-	14,568,750
Percentage of Votes	99.95%	-	0.05%

IX. ELECTION OF DIRECTORS

The Chairman announced that the next item in the Agenda was the election of nine (9) directors, including three (3) independent directors of the Company for the year 2021 to 2022.

As requested by the Chairman, the Corporate Secretary announced the names of the persons nominated for election as directors and/or independent directors of the Company and who were pre-screened by the Corporate Governance Committee, acting as the Nominations Committee, in accordance with the Company's Revised Manual on Corporate Governance and By-Laws, as follows:

Directors:

1. Mr. Jonathan T. Gotianun
2. Ms. Lourdes Josephine Gotianun-Yap
3. Mr. Nelson M. Bona
4. Mr. Francis Nathaniel C. Gotianun
5. Mr. Michael Edward T. Gotianun
6. Atty. Efren C. Gutierrez

Independent Directors:

1. Dr. Ernesto S. De Castro
2. Mr. Gemilo J. San Pedro
3. Atty. Val Antonio B. Suarez

The Corporate Secretary reported that the resolution below was approved by at least a majority of the stockholders or total voting shares represented in the meeting based on the following tabulation of votes:

> **"RESOLVED,** That the following persons are hereby declared as duly elected directors of the Company, to serve for a term of one (1) year or until their successors shall have been elected and qualified in accordance with the By-Laws of the Company:
>
> 1. Mr. Jonathan T. Gotianun
> 2. Ms. Lourdes Josephine Gotianun-Yap
> 3. Mr. Nelson M. Bona
> 4. Mr. Francis Nathaniel C. Gotianun
> 5. Mr. Michael Edward T. Gotianun
> 6. Atty. Efren C. Gutierrez
>
> Independent Directors:
>
> 7. Dr. Ernesto S. De Castro
> 8. Mr. Gemilo J. San Pedro
> 9. Atty. Val Antonio B. Suarez

DIRECTOR	FOR	AGAINST	ABSTAIN	Percentage
Jonathan T. Gotianun	25,106,787,949	2,079,463,664	-	92.35%
Lourdes Josephine Gotianun-Yap	26,803,757,974	382,483,639	-	98.59%
Nelson M. Bona	27,133,908,012	52,333,601	-	99.81%
Francis Nathaniel C. Gotianun	26,129,184,979	1,057,056,634	-	96.11%
Michael Edward T. Gotianun	26,129,184,979	1,057,056,634	-	96.11%
Efren C. Gutierrez	25,770,838,949	1,415,402,664	-	94.79%
Ernesto S. De Castro	26,160,981,979	1,025,259,634	-	96.23%
Gemilo J. San Pedro	26,160,981,979	1,025,259,634	-	96.23%
Val Antonio B. Suarez	26,160,981,979	1,025,259,634	-	96.23%

X. APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR

Upon the recommendation of the Company's Audit and Risk Management Oversight Committee and confirmed by the Board of Directors, the stockholders approved the reappointment of the accounting firm of Sycip Gorres Velayo and Co. ("SGV") as the Company's external auditor for the year 2021, as follows:

> "**RESOLVED**, That the accounting firm of Sycip Gorres Velayo and Co. (SGV) be approved for reappointment as the Company's external auditor for the year 2021."

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	27,186,241,613	-	-
Percentage of Votes	100.00%	-	-

XI. OTHER MATTERS

After confirming with the Secretary that there were no other matters that require consideration by the stockholders, the Chairman inquired with the Secretary whether there were questions or comments raised by the shareholders. The Secretary confirmed that the office of the Corporate Secretary and Management did not receive any questions from the shareholders.

The Chairman then informed the stockholders that Management would like to share a short video on the efforts and activities undertaken by the Company to support the affected communities during the COVID-19 pandemic.

XIII. ADJOURNMENT

After the video ended, there being no further business to transact, the Chairman declared the meeting adjourned. He conveyed his gratitude to the stockholders for attending the meeting and for their continued trust and confidence in the Company and the Management.

CERTIFIED CORRECT:

SHARON P. PAGALING-REFUERZO
Corporate Secretary

ATTESTED BY:

JONATHAN T. GOTIANUN
Chairman of the Board

ANNEX "F"

2022 ANNUAL STOCKHOLDERS MEETING

FILINVEST LAND, INC.

REQUIREMENTS AND PROCEDURE FOR ELECTRONIC VOTING *IN ABSENTIA* AND PARTICIPATION BY REMOTE COMMUNICATION

I. REGISTRATION

Filinvest Land, Inc. (the "Company") established a designated website in order to facilitate the registration of and voting *in absentia* by the stockholders at the annual meeting, as provided under Sections 23 and 57 of the Revised Corporation Code.

a. Stockholders as of March 11, 2022 may access the stockholder registration system at the web address: https://shareholders.filinvest.com.ph/FLI_SHAREHOLDERSYSTEM. The deadline for registration is April 7, 2022.

b. To register, the stockholders are required to provide the following supporting documents:

i. For Individual Stockholders:

1. A scanned copy of the stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
2. A valid and active e-mail address; and
3. A valid and active contact number.

ii. For Individual Stockholders with Joint Accounts:

1. A scanned copy of an authorization letter signed by all stockholders, identifying who among them is authorized to cast the vote for the account;
2. A scanned copy of the authorized stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
3. A valid and active e-mail address; and
4. A valid and active contact number.

iii. For Individual Stockholders under Broker Accounts –

1. A broker's certification on the stockholder's number of shareholdings.
2. A scanned copy of the stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
3. A valid and active e-mail address; and
4. A valid and active contact number.

iv. For Corporate Stockholders

a. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the corporation;

b. A scanned copy of a valid government-issued ID of the stockholder's representative showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;

c. A valid and active e-mail address of the stockholder's representative; and

d. A valid and active contact number of the stockholder's representative.

Important Note: Incomplete or inconsistent information may result in an unsuccessful registration. As a result, stockholders will not be able to access to vote electronically in absentia, but may still vote through a proxy, by submitting a duly accomplished proxy form on or before April 12, 2022.

c. After registration, the Company, together with its stock transfer agent, Stock Transfer Service, Inc. (STSI) will conduct the validation process. Upon validation, the Company will send an email to the stockholder, which shall be sent to the email address of the stockholder indicated in the registration form, containing instructions for voting *in absentia* and remote attendance for the meeting.

II. ELECTRONIC VOTING IN ABSENTIA

a. Registered stockholders have until April 12, 2022, 11:59 PM (Philippine time) to cast their votes *in absentia*.

b. All agenda items indicated in the Notice of Meeting will be set out in the digital absentee ballot and the registered stockholder may vote as follows:

i. For items other than the election of directors, the registered stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the stockholder's shares.

ii. For the election of directors, the registered stockholder has the option to:

a. Distribute his votes equally among all the candidates;
b. Abstain;
c. Cast such number of votes for each nominee as preferred by the stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. Should the votes cast by the stockholder exceed the number of votes he is entitled to, the votes for each nominee shall be reduced in equal proportion, rounded down to the nearest whole number. Any balance shall be considered abstained.

Once voting on the agenda items is finished, the registered stockholder can proceed to submit the accomplished ballot by clicking the "Submit" button.

The Office of the Corporate Secretary of the Company, with the assistance of representatives of the Company's stock transfer agent, Stock Transfer Service, Inc. (STSI), will count and tabulate the votes cast *in absentia* together with the votes cast by proxy.

During the meeting, the Corporate Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried or disapproved. The total number of votes cast for each item for approval and/or ratification under the agenda will be shown on the screen.

III. PARTICIPATION BY REMOTE COMMUNICATION

a. Prior to the meeting, the Company will send email instructions to those stockholders who have successfully registered, which shall be sent to the email address of the stockholder indicated in the registration form, on how they can attend the meeting through remote communication and have access to the livestream of the meeting.

b. Only those stockholders who successfully registered in the stockholder registration system, together with the stockholders who voted *in absentia* or by proxy, will be included in determining the existence of a quorum.

c. Stockholders may send any questions and/or comments relating to the agenda on or before April 12, 2022 to FLIASM@filinvestland.com. Questions or comments received on or before April 12, 2022 may be responded to during the meeting. Any questions not answered during the meeting may be answered *via* email.

d. Stockholders who register and vote on the website for voting in absentia are hereby deemed to have given their consent to the collection, use, storing, disclosure, transfer, sharing and general processing of their personal data by the Company and by any other relevant third party for the purpose of electronic voting *in absentia* for the Annual Stockholders' Meeting and for all other purposes for which the stockholder can cast his/her/its vote as a stockholder of the Company.

For any clarifications, please contact us through FLIASM@filinvestland.com.