

2013 ANNUAL REPORT
FILINVEST LAND, INC.

FILINVEST

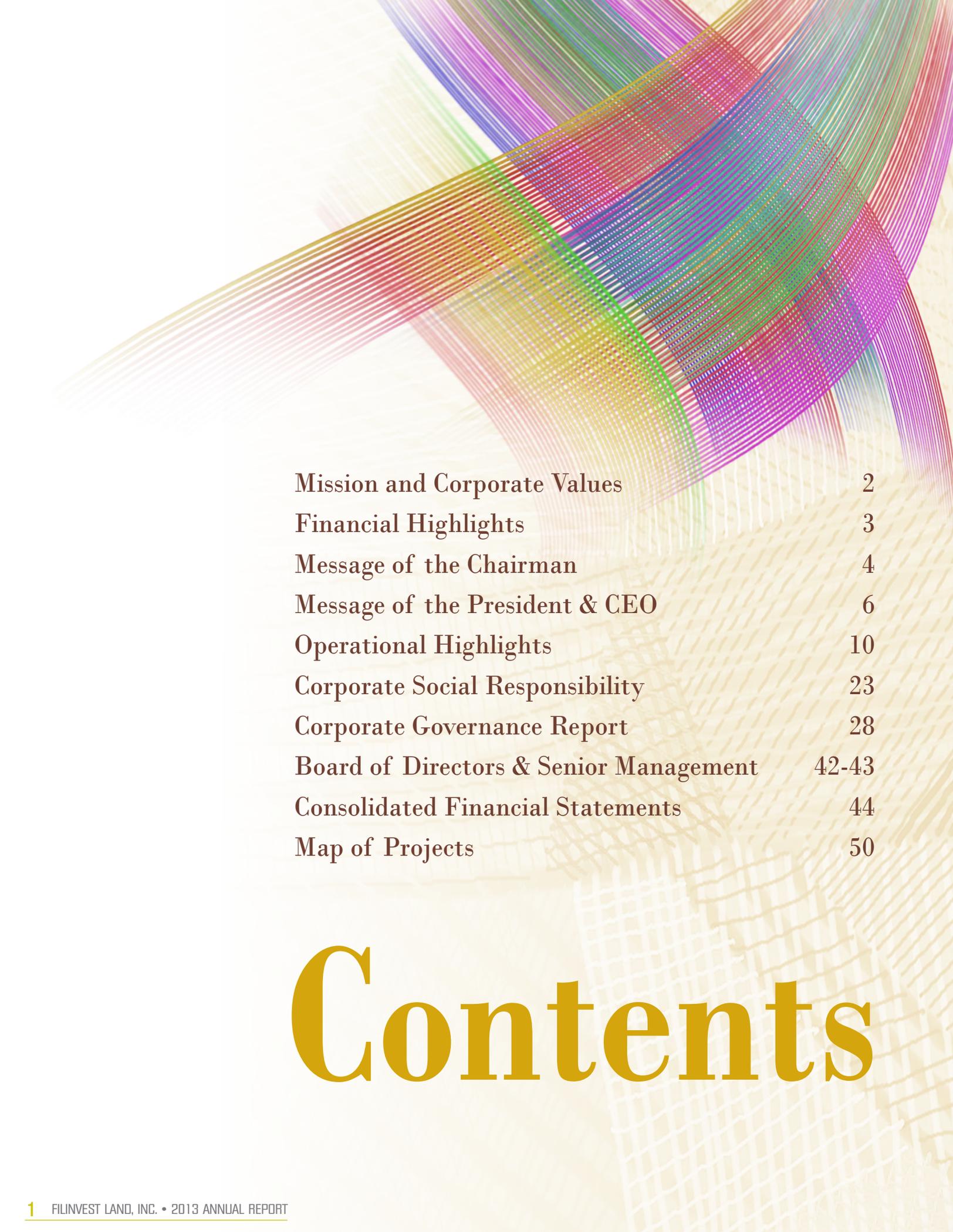


Dream Weaver

**For almost 50 years, Filinvest Land, Inc. (FLI)
has built a reputation for turning
Filipino dreams into reality.**

**With every home built, every lifestyle
created, every new territory conquered,
FLI thoughtfully weaves together strands
of passion and dedication to form a grand
tapestry of dreams fulfilled.**

**As a dream weaver, FLI will continue to
enhance land and lives for generations to come.**



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Mission

The mission of Filinvest Land, Inc. is to fulfill every Filipino's dream of having his own home. The primary responsibility of Filinvest is to the people that inhabit the cities, communities and homes it has created. Filinvest will continually contribute to the economic development of society and will always be a good corporate citizen.

Objectives

Filinvest shall provide its customers with universally competitive products that are valued not only for quality but in terms of affordability for all income levels. Only through research and development, innovation and the use of appropriate technology can high-quality services be provided.

Affordable housing shall always be a high priority in company endeavors. Coupled with safeguarding and maximum utilization of company assets, this long-term view (one of holding permanent the strategic health of Filinvest) should lead to better and sounder returns for stockholders.

The continuous pursuit of this mission can only result in industry leadership.

Shared Values

In the delivery of service to its clients, high quality will be the one and only standard. A singularity of interest exists between the company and its employees. Providing good working conditions, compensation based on performance, opportunity for growth, and employment security are musts.

The core values of integrity, customer service, professionalism, teamwork, innovation and cost-effectiveness are highly valued. The highest standards of business and moral ethics shall be exercised.

The long-term strategic health of Filinvest will always be paramount over short-term financial gains.

FINANCIAL HIGHLIGHTS

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|-----------|-----------|-----------|------------|------------|
| OPERATING RESULTS | | | | | |
| Revenues*, ** | 5,804,569 | 8,791,151 | 9,785,361 | 11,918,813 | 13,817,084 |
| Net Income*, ** | 2,060,896 | 2,984,611 | 3,001,577 | 3,489,544 | 3,975,945 |
| Net Income attributable to equity holders of the parent | 2,018,200 | 2,952,359 | 2,942,086 | 3,431,435 | 3,918,215 |
| Return on Assets (Average) | 3.63% | 4.88% | 4.56% | 4.61% | 4.40% |
| Return on Equity (Average) | 5.24% | 7.30% | 6.97% | 7.73% | 8.35% |

FINANCIAL POSITION

| | | | | | |
|--|------------|------------|------------|------------|------------|
| Total Assets* | 59,700,286 | 62,626,522 | 68,920,972 | 82,629,980 | 98,097,046 |
| Total Long-term Debt* | 12,114,539 | 12,150,408 | 16,774,683 | 25,559,775 | 36,069,225 |
| Stockholders' Equity* | 39,643,502 | 42,132,266 | 44,018,454 | 46,245,954 | 48,985,912 |
| No. of Shares Issued and Outstanding (000's) | 24,249,759 | 24,249,759 | 24,249,759 | 24,249,759 | 24,249,759 |
| Debt to Equity (Average)*** | 30.83% | 28.84% | 38.11% | 55.36% | 73.63% |
| Net Debt to Equity (Average)**** | 16.11% | 13.67% | 23.59% | 41.54% | 60.59% |

PER SHARE DATA

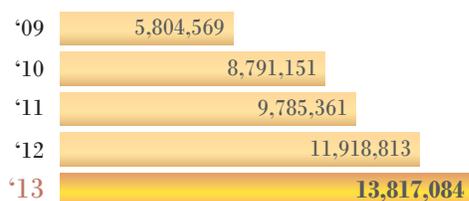
| | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|
| Primary/Fully Diluted Earnings | Php 0.09 | Php 0.12 | Php 0.12 | Php 0.14 | Php 0.16 |
|--------------------------------|----------|----------|----------|----------|----------|

* prior years restated

** includes equity in net earnings of an associate

*** computed as long-term debt divided by stockholders' equity

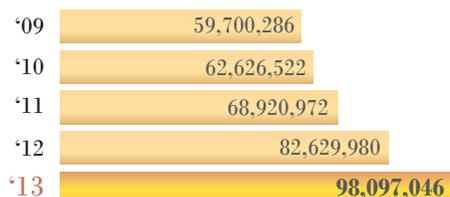
**** computed as long-term debt less cash and cash equivalents divided by stockholders' equity



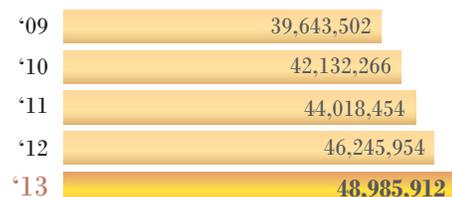
REVENUES*, **



NET INCOME*, **



TOTAL ASSETS*



STOCKHOLDERS' EQUITY*

MESSAGE OF THE Chairman

2013 was an eventful year for the Philippines.

In the last quarter of the year, the country went through tremendous challenges brought about by a man-made disturbance and two successive natural disasters. In September, the Zamboanga City hostage crisis caused the displacement of more than 100,000 people. In October and November, two tragic events—a strong earthquake and a super typhoon—wreaked havoc in eastern and central Philippines, causing multi-billion-peso damage to infrastructure and agriculture in that area, effectively paralyzing the region's economic activity.

In spite of the challenges that strained the economy last year, the Philippine economy still grew by 6.5% in the fourth quarter of 2013 and ended the year with a remarkable annual gross domestic product growth of 7.2%, making the Philippines one of the best-performing economies in the Asian region in the same period, second only to China.

Even with inflation spiking up to 4.2% in December 2013, largely as a result of the devastation of super-typhoon Yolanda, the country still ended the year with a contained full-year inflation rate of 3.0%. Personal remittances from overseas Filipinos in 2013 continued its upward trajectory, reaching an unprecedented level of US\$25.1 billion, 7.6% higher than the previous year.

Despite the devastation brought about by these tragic events, the Bangko Sentral ng Pilipinas (BSP) and economists expect the Philippine economy to maintain its strong momentum in 2014. Post-crisis reconstruction is seen to buoy the already growing economy. Inflation is expected to stay at manageable levels while the BSP is expected to maintain current interest rates for much of 2014. Investments too are expected to continue growing as a result of the Philippines' recent achievement of investment-grade status in the first half of 2013.

Riding this wave of economic growth, your Company attained another record in revenues and earnings in



2013 with a net income of Php3.98 billion, 14% more than in the previous year. We are fortunate enough to enjoy one of the strongest-growing economies in Asia and we expect it to continue along its trajectory of growth.

While the Company remains steadfast to its core affordable and middle-income market, it has in the last few years expanded its product line beyond housing to mid-rise buildings and high-rise buildings to meet the varying and emerging lifestyles of the market. FLI continues as well to expand nationwide to bring the Filinvest dream to more of our countrymen.

We are committed to creating a strong recurring income base to balance our revenue sources. Our aim is to ensure sustainability of our growth through portfolio diversification. We are on track in doubling our rental properties.

As we expand, we remain cognizant of our role as responsible members of the community. FLI continues to be guided by the principles of sustainability and social responsibility while your Company works towards achieving its strategic objectives.

We ensure that our projects preserve or cause the least impact on the environment. Half the total area of Timberland Heights, a 677-hectare township, will remain as open spaces and linear parks, with natural streams and waterfalls highlighted throughout the development. FLI has planted thousands of trees in the area. Your Company continues with its “Keep it Green” tree-planting program now covering six locations. Further, the construction methodology used in our MRBs utilizes reinforced concrete walls using reusable steel forms. Not only does this technique produce a higher-quality finished product but it also saves 3,000 pieces of plywood and 85,000 board feet of lumber per five-storey building.

Most significantly, the entire Filinvest family joined forces to help the victims of Typhoon Yolanda through Filinvest Oplan Yolanda, a company-wide campaign to gather donations and raise funds for affected families in Leyte. Your Company, together with other members of the Filinvest Group and Gotianun family, has donated over P30 million for Leyte with particular emphasis on school building rehabilitation. In solidarity with their countrymen, FLI employees unanimously decided to donate the budget for the annual Christmas party to the typhoon victims, opting for a simpler, more meaningful celebration in the office instead.



Filinvest employees share their time and effort for the Oplan Yolanda relief operations.

Going forward, your Company will continue to support Filipinos not just through CSR efforts but through its mission to weave dreams into reality by providing Filipinos with the opportunity to have their own home not only in Mega Manila but nationwide.

I would like to thank our stakeholders – our shareholders, homeowners, employees and business partners who have stood by the company through the years. We will continue to work together as we drive your Company to the next stage of progress.

ANDREW L. GOTIANUN, SR.
Chairman of the Board

MESSAGE OF THE President & CEO



Financial Performance

Despite the challenges faced by the Philippines in 2013, Filinvest Land, Inc.'s (FLI) overall financial performance in 2013 remained robust and well within its target growth trajectory. Net income for 2013 reached Php3.98 billion, 14% more than the Php3.49 billion in 2012. This net income was driven by growth both in Real Estate sales and increased Rental Income. Real Estate revenues grew to Php10.48 billion, or 19% over Php8.80 billion in 2012. Rental Income also contributed to growth, by increasing revenues by 8% to Php2.03 billion from Php1.89 billion generated in 2012. Together, these contributed to the 16% growth in Total Revenues to Php13.82 billion from Php 11.92 billion.

The increase in Real Estate revenues was driven by sustained sales take-up to the core middle-income and affordable segments and project completions in the high-rise building (HRB) and mid-rise building (MRB) category. FLI was the pioneer in constructing MRBs, having launched its first MRB in February 2008. FLI continues its strength in this category and completed the construction of 13 buildings in seven MRB projects in 2013.

On the other hand, the growth in Rental Income was brought about by higher rental income and sustained high occupancy in existing mall and offices spaces coupled with the completion and full occupancy of Filinvest One in Northgate Cyberzone and EDSA Transcom Building. In January 2014, Plaz@E in Northgate Cyberzone was also completed, bringing FLI's total office gross leasable area to 210,000 square meters.

Meanwhile, Equity in Net Earnings from FLI's 20%-owned affiliate, Filinvest Alabang, Inc. (FAI), the developer of the 244-hectare Filinvest City



Steady Growth of FLI Office Leasing Portfolio

in Alabang, Muntinlupa, remained stable at Php186 million. FAI sold lots with a total area of 1.8 hectares to various buyers in 2013. Lot prices at Filinvest City have hit a high of Php186,000 per square meter, significantly higher than the previous highest price achieved during the height of the property boom in 1997, right before the Asian Financial Crisis, and the price of Php115,000 per square meter in 2012. As of the end of 2013, FAI still beneficially owned 84 hectares of developed land in Filinvest City.

Healthy Balance Sheet

FLI maintained a healthy balance sheet at the end of 2013. Stockholders' equity was Php48.99 billion. Total Assets rose 19% to Php98.10 billion at year-end 2013 from Php82.63 billion at year-end 2012.

Your Company declared regular and special cash dividends of Php0.0480 per share in 2013, or a total of

Php1.16 billion, equivalent to a 33% payout rate. This is at the same level paid out in 2012.

The continued low-interest rate environment and FLI's consistent AAA PRS credit rating enabled your Company to issue seven- and ten-year retail bonds in November, at preferential rates of 4.86% p.a. and 5.43% p.a., respectively, for a blended rate of 5.08% p.a. By issuing a bond with 10-year tenor, FLI has been able to keep the maturities of its debts well spread out more evenly over a long period of time, thereby significantly minimizing any strain on cash flow. The proceeds of these bonds were primarily used to finance our expansion plans for recurring-income projects. Debt-to-equity was 0.74 while Net-debt-to-equity was 0.61. The Company has opted to fund growth through increased leverage given the low interest rate environment to minimize dilution of shareholders and improve return on equity. Return on Equity increased to 8.3% from 7.7% a year ago.

Strategic Plans

Portfolio Goals: Geographic Mix

Improved performance of the Company in the future will be driven by the growth strategies that we have initiated recently and are now starting to pay off. In tandem with the growth in FLI's real estate business, we are now aggressively building up our recurring business with a much wider geographic coverage. We expect our leasing assets GLA to grow 2.5 times over the next four years from 2013 levels.



FLI lists Php7 billion bonds due 2020 and 2023 on PDEX.

In line with this, FLI has acquired properties that are strategically located throughout Metro Manila, along or close to transportation lines and hubs. These prime locations will be mixed-use developments that will combine retail and office rental properties with residential HRBs. For some developments, a hotel component will be provided by Filinvest Development Corporation's hotel subsidiary, Filinvest Hotels Corporation.

FLI has also added commercial and office spaces in strategic locations in Cebu and other selected areas. We expect the completion of the first BPO office buildings at Filinvest Cebu Cyberzone, a 1.2-hectare joint-venture project with the Provincial Government of Cebu. Cebu Cyberzone One will have a gross leasable area of 20,000 square meters while commencement of Cebu Cyberzone Two with a GLA of 26,000 square meters is expected in 2014. In Cebu, we plan to complete the 38,000-sqm Il Corso mall in the SRP area by 2015. In Filinvest City, Alabang, FLI is expanding Festival Supermall by 49,000 square meters which is to be completed by the end of 2015. The two other malls will be located near the Princeton Heights residential project in Cavite and Tagaytay. Both are to be completed in 2016. These malls are adjacent to some of our major residential projects to complement existing Filinvest developments.

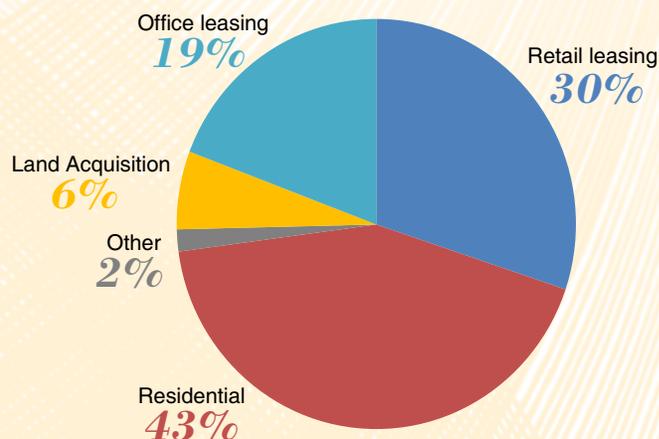
For 2014, FLI is earmarking Php20 billion for capital expenditures. Php10 billion will be allocated to investing in recurring income, Php9 billion will be spent on residential developments and the balance will be used for land acquisition. As such, about half of our capital expenditure program will go to investments in recurring income.

We have diversified our product mix while keeping most of our focus on our core competencies – meeting the needs of majority of the population by providing affordable and middle-income housing. By focusing on MRBs and traditional housing, majority of the Company continues to develop projects with construction cycles of one year or less.

We continue to roll out the Futura brand of affordable homes and the Filinvest low-density housing to maintain the share of horizontal developments in the Company's portfolio.

We are likewise expanding our geographic reach by launching MRB projects, such as Oasis and Spatial, in more regional centers and areas of Metro Manila

Php20B CAPEX



2014 Capital Expenditure Allocation

where we do not have a presence. In 2013, we launched six MRBs, including the first Oasis in Cagayan De Oro City. As part of the 2013 MRBs, we also launched two niche-market MRBs, The Signature and Fortune Hill, which are targeted to the affluent Filipino-Chinese market. Both projects are located close to Chinese schools as well as locations where their businesses are located. In 2014, we will continue the geographic expansion by adding Iloilo to our MRB portfolio.

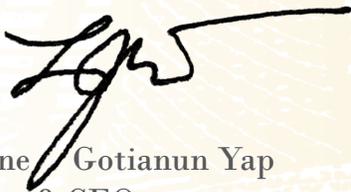
Sustainability

To sustain the future growth of your Company, we maintain a large low-cost land bank. At the end of 2013, FLI had a land bank of 2,356 hectares of land, including 324 hectares under joint venture agreements. FLI has the second largest land bank among the listed property companies. We have enough land to sustain horizontal projects for at least 10 years and mid-rise projects for four to five years. We have land sufficient for another 450,000 square meters of BPO office space. Our retail portfolio accesses its land from the residential land bank as these are meant to complement their development.

Going Forward

As the nation rebuilds itself in the aftermath of recent events, we look forward to continuing our path of growth in 2014. Given the booming economy, we expect challenges from intensifying competition in our industry. Nonetheless, we believe that by implementing the strategic plan with the Filinvest hallmarks of financial prudence and caution, as well as with your Company's competent and hardworking management and staff and support from the board of directors, FLI will reach its goals.

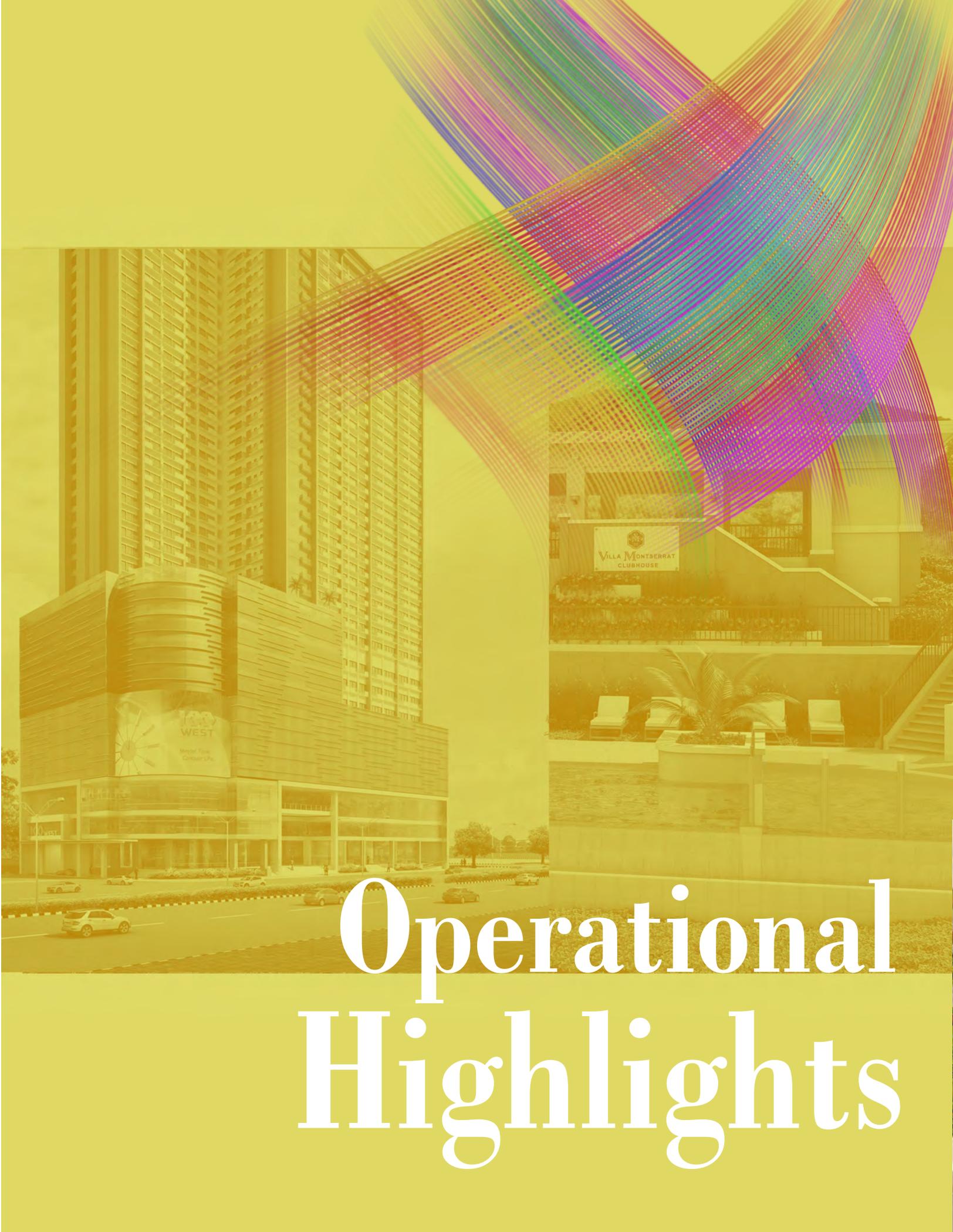
I would like to thank our stakeholders, our shareholders, employees and business partners for your continued trust and support to the Company.



Josephine Gotianun Yap
President & CEO



**FLI has the
2nd largest
land bank
among
the listed
property
companies.**



Operational Highlights

In 2013, Filinvest Land, Inc. (FLI) launched Php7.5 billion worth of projects covering 32.66 hectares of land. This includes six new projects and 11 additional phases in existing projects nationwide. This was in line with the Company's strategy to pursue market diversification while staying focused on its core housing business.



Valle Dulce launch

Maintaining Foothold in Mass Housing

Futura Homes was re-launched in July 2013 with a grand exhibit and media event held at Festival Supermall in Alabang. This was part of the strategic plan to strengthen the Futura Homes brand, which offers value-for-money homes built on quality standards. The event showcased new projects and highlighted the "buhos tibay" construction method for durable homes built with quality materials.

A new Futura Homes project, Valle Dulce, was launched in August 2013. Located within the Pueblo Solana community in Calamba, Laguna, it offers Spanish-themed, modestly priced homes ideal for newlyweds or growing families. Land development for Valle Dulce is now complete and the village amenities will be ready for use by the second quarter of 2014.

FLI also launched Futura Homes San Pedro in Laguna, which offers affordable townhouses and modern amenities in a secure and accessible location. Upcoming developments in 2014 include Meridian Place and Savannah Fields in Cavite.

For the mid-income market, FLI is gearing up for the launch of The Tropics 3 in Cainta, Rizal and Princeton Heights Phase 3 in Bacoor, Cavite. Both are expansion phases of thriving FLI communities.



Valle Dulce
main amenity area

New Generation House Models

Overall housing sales of FLI increased with the launch of the new generation house models. Rolled out in various residential communities in 2013, the houses come in different architectural themes and feature well-planned layouts that make optimal use of the given area. Designed to be both attractive and functional, the new house models give buyers more choices for their dream home.



Amber Modern-Minimalist townhouse



Walnut Spanish-Mediterranean model



Vivaldi Modern-Asian model

Innovating in the High-rise Sector

Development went full blast for the Company's high-rise projects in 2013. Topping-off rites were held for the first towers of The Linear in Makati and The Levels in Alabang while we broke ground for the second tower of Studio City. Development milestones scheduled for 2014 include the topping-off and start of turnover of Studio Zen in Pasay and construction of Studio A in Quezon City.

Having established a strong presence in the high-rise sector, FLI continues to develop its vertical portfolio selectively, choosing locations with distinct advantages and adapting the product to the lifestyle of the target market.

An eagerly anticipated project for 2014 is 100 West, a mixed-use building along Sen. Gil Puyat Avenue in Makati

City. Designed to provide a live-work-play lifestyle under one roof, 100 West incorporates residential, BPO offices and commercial/retail facilities amid Scandinavian-inspired interiors. 2014 will see the launches of Tower 3 of the Studio City series and the Burbank Tower of the Levels series, both in Filinvest City, Alabang.



The Levels topping-off ceremony

Carving a niche in Fil-Chi communities

The year 2013 marked a major milestone for Filinvest Premiere with the launching of two landmark projects, Fortune Hill in San Juan and The Signature in Quezon City. Located in prime areas with established Filipino-Chinese communities, both developments are designed as homes where residents may spend quality time with families and build lasting legacies and communities.

Situated along P. Gomez Street in San Juan, Fortune Hill takes inspiration from the popular Chinese adage, "An inch of time cannot be bought with an inch of gold." Its location near the Ortigas Central Business District and premier schools — such as Xavier School, Immaculate Concepcion Academy, Jubilee Christian Academy, La Salle Green Hills, and Saint Pedro Poveda College — keeps travel time to a minimum to ensure more time with the family.

The Signature (名家“míng jiā” or noble house) shall rise to redefine the landscape of Northern Manila. Set amidst the bustling locale of the New Chinatown of Quezon City, The Signature is a home that will nurture generations of Filipino-Chinese families. A community of lasting ties, it is composed of three residential towers complemented by a neighborhood retail center. Over 7,000 square meters



The Signature

of amenities and green spaces will characterize this one-hectare parcel, reminiscent of traditional Chinese royal gardens.

In 2014, Filinvest Premiere will continue to grow its portfolio of projects for the Filipino-Chinese community through a landmark project in Manila's original Chinatown, Binondo. Designed by acclaimed international architects Benoy and AECOM, the 2.6-hectare mixed-used development consisting of a lifestyle mall, a micro-retail center, offices, hotel and luxury residential units will usher in a new standard of living in the area.



Binondo project



One Oasis Cagayan de Oro groundbreaking ceremony

Offering **Resort-style Living** for **Urbanites**

More people were able to experience a refreshing urban lifestyle as Filinvest continued to cultivate its resort-inspired Oasis communities in 2013.

Additional buildings and amenities were completed and close to a thousand units were turned over to buyers in various Oasis medium-rise building (MRB) projects in Metro Manila such as Bali Oasis 2, Sorrento Oasis, Capri Oasis and Maui Oasis.

Breaking new ground in Northern Mindanao, FLI launched One Oasis Cagayan de Oro, its pioneer venture in one of the fastest-growing cities in the province. Located along Rosario Limketkai Avenue in Cagayan de Oro City, it will feature five MRBs and resort-themed amenities on a 2.7-hectare property.

To bring the resort lifestyle to a broader market, FLI also worked on its line-up of Spatial communities in 2013. Ideal for start-up families, these mid-rise communities are packaged as the affordable counterpart of the Oasis series. In 2013, construction went full blast for the first two



One Oasis Cagayan de Oro clubhouse



8 Spatial, Davao



Alta Spatial, Valenzuela

buildings of One Spatial Pasig, the flagship project under this brand. Scheduled for launch in 2014 are Alta Spatial in Valenzuela, 8 Spatial in Davao and One Spatial Iloilo.

As of end-December 2013, a total of 10 MRBs were in various stages of construction, ranging from basement construction to near completion. Eight of these are scheduled for completion and turnover in 2014.

The year 2014 will see the advent of the second generation of the Oasis product line, set apart from the current Oasis developments by notable enhancements to unit deliverables and the overall development concept. A proposed Oasis project in Taguig, set for launch in the second half of 2014, will be the first to be developed under the second generation Oasis model. More market-responsive Oasis and Spatial projects are being planned in other centrally located and accessible urban locations.

Enhancing townships and mixed-used developments

FLI remains focused on creating master-planned township developments designed with all the elements for a complete live-work-play lifestyle.

Leading MRB developer in the country

With its Oasis and Spatial mid-rise communities, FLI brings resort-style living to a broader market.

Metro Manila

- One Oasis Ortigas, Pasig
- Bali Oasis 1 & 2, Pasig
- Maui Oasis, Manila
- Sorrento Oasis, Pasig
- Capri Oasis, Pasig
- Asiana Oasis, Parañaque
- One Spatial, Pasig

Cebu

- One Oasis Cebu
- Amalfi and Sanremo Oasis

Cagayan de Oro

- One Oasis Cagayan de Oro

Davao

- One Oasis Davao

Launching Soon

- 8 Spatial, Davao
- Alta Spatial, Valenzuela
- One Spatial Iloilo
- Il Mojito, Cebu
- Taguig City (Oasis)



The Glades at Timberland Heights



Agritainment area

In the Quezon City environs, the 677-hectare Timberland Heights township directed its efforts towards land development and construction of its newest projects, The Leaf condotel and The Glades residential community. The Leaf is gearing up to start operations of its first building by the fourth quarter of 2014.

In other developments, Timberland Heights signed a deed of donation for the John Paul II Shrine which will be constructed at the town center area soon. The access road leading to the highest point of the township is under construction. This will lead to the Timberland Outlook Park that will allow residents to experience breathtaking 360-degree views of the township.

Timberland Heights remained a preferred destination for biking and outdoor enthusiasts in 2013. It hosted the Timberland Heights King of the Mountain event in June which drew over 500 mountain bikers from Metro Manila and nearby provinces. To enhance the township's appeal to nature lovers, development of the Agritainment area continued during the year. By the second quarter of 2014, it will be able to host families and students on field trips so that they can learn and enjoy various nature-oriented and farming activities in Timberland Heights.

In 2013, three new communities were launched in Havila, FLI's 300-hectare township that spans Antipolo, Angono and Taytay in Rizal. These were Anila Park Townhomes, The Villas 2,

Timberland Heights: Visionary Master-planning

Advanced infrastructure at Timberland Heights uniformly intermingles with the surrounding lush ecosystems. Plazas, landscape trails, bike loops, and community parks all play important roles in creating the pedestrian-oriented environment which contributes to creating comfortable places that attract a diversity of residents and tourists.



Bike trail at Timberland Heights

and Villa Montserrat 3B, which also started offering the new generation house models of FLI. 2014 is expected to be a busy year for the township which has lined up the launch of The Peak, Anila Park Residences, Amarilyo Crest and Forest Grove.

Meanwhile, at the 60-hectare Laeuna de Taal in Batangas, the focus was on building up the township to make it a more desirable destination for residents and weekenders. The main pavilion of the Lake Club was inaugurated in December 2013. To make the most of the prime location right beside Taal Lake, plans are underway for partnerships with third-party providers for windsurfing, kayaking and other water sports. Bike trails will also be added to enhance Laeuna del Taal's appeal as a nature-oriented getaway.



Villa Montserrat clubhouse

Groundbreaking of Anila Park Townhomes at Havila



Expanding Nationwide Presence

In 2013, FLI executed its well-programmed territorial expansion with a range of projects in high-growth regional areas.

In Northern Luzon, FLI beefed up its sales force and streamlined its operations with the inauguration of its Regional Hub in Pampanga. The Company also broke ground for the communities of Somerset Lane 2 in Tarlac and Verna inside San Rafael Estates, Bulacan. In February 2013, FLI launched operations of the e-trike within San Rafael Estates. The first of its kind in Bulacan, the e-trike provides an environment-friendly, cost-efficient transportation option for residents. In 2014, FLI is set to conquer new territories with projects in San Fernando, Pampanga and Cabanatuan, Nueva Ecija.



Groundbreaking of Somerset Lane Phase 2

A groundbreaking ceremony was held for Futura Homes Palawan in October 2013. The 3.5-hectare community is the second residential project of FLI in Puerto Princesa, Palawan. The event was held simultaneously with the opening of the FLI Palawan Sales and Marketing Office. For 2014, a mid-income residential community called East Bay is slated for launching in the same city.

In the Visayas, FLI introduced new house models in Aldea del Sol, a mid-income community located in Lapu-Lapu City. Buildings and amenities were also constructed in the mid-rise community of One Oasis Cebu and the Amalfi and Sanremo Oasis enclaves at Cebu's South Road Properties.

Further south in Mindanao, newly completed amenity areas enhanced the communities of Ocean Cove in Davao and Villa San Ignacio in Zamboanga.



The pool at Villa San Ignacio, Zamboanga

New Sales Hubs Highlight Filinvest Presence

In 2013, Filinvest made its presence felt in the regions by opening new sales offices and showrooms that showcase the Company's projects in the area.



North Luzon Sales Hub



Cagayan de Oro Showroom



Sanremo Oasis Sales Hub



Palawan Sales Hub

Aggressive build-up of leasing portfolio

In 2013, FLI invested in building up its leasing portfolio to provide a steady flow of recurring income from office and retail developments.

Northgate Cyberzone in Alabang completed the construction of its 13th building, the Filinvest One building in December 2013, adding more than 19,600 square meters of gross leasable area (GLA). Plaz@E was completed in the first quarter of 2014 and, as of this writing, is 46% occupied with Letters of Intent for the remaining space. This year, two more



Plaz@ E Building



Filinvest Cebu Cyberzone

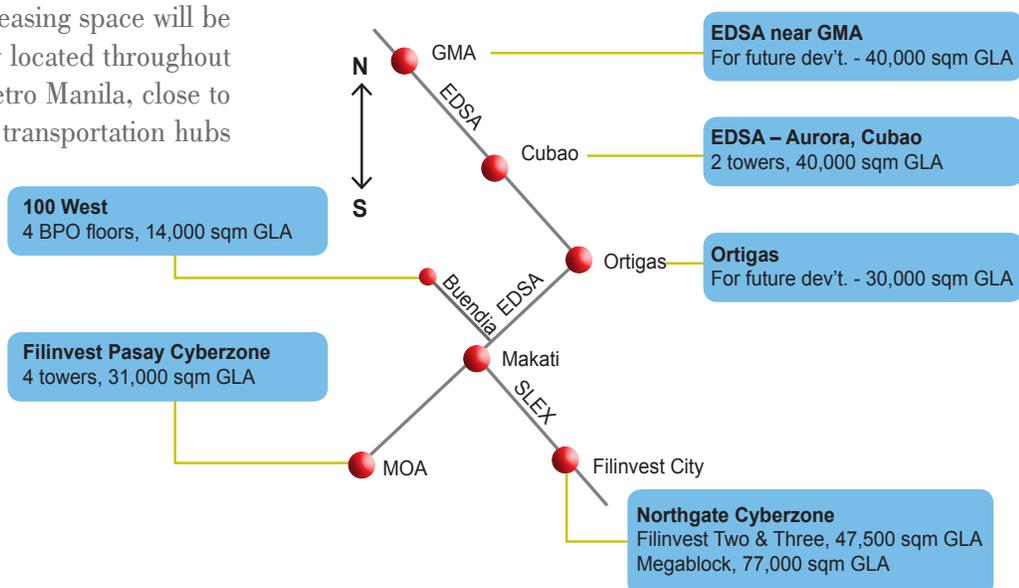
buildings, Filinvest Two and Filinvest Three, are targeted to be completed in the Northgate Cyberzone area with a GLA of more than 47,500 square meters.

With 99% overall occupancy for its 13 operational buildings, Northgate Cyberzone maintained a stable recurring income stream for the Company in 2013. New and renewed leases in the 18.7-hectare property reached more than 33,000 square meters. Also in the planning pipeline is the Megablock with four office towers totaling more than 77,000 square meters of GLA.

To tap lucrative opportunities in the BPO sector, FLI is expanding its office portfolio in more areas to meet the demands of the industry. In Cebu, Filinvest Cebu Cyberzone is targeting completion of its first tower by the last quarter of 2014. Future leasing space will be strategically located throughout Metro Manila, close to transportation hubs. Areas identified for development include Pasay, Makati and Quezon City.

Upcoming BPO Office Developments

Future leasing space will be strategically located throughout Metro Manila, close to transportation hubs



In line with the thrust to more than double FLI's leasing portfolio over the next four years, the Company is also aggressively increasing its retail GLA.

With the ongoing expansion of Festival Supermall, it embarked on a major renovation program for its existing wings in 2013, which included tiling, ceiling and railing works. Ease of mobility was addressed through improved carts and kiosks and zoning of bazaars and exhibits. To create a refreshed look for the mall, new full-glass storefronts were rolled out along with guidelines for tenants. A four-level steel parking facility was also installed to accommodate the growing number of Festival Supermall shoppers. 2013 also saw the entry of big food chains and fashion brands such as Burger King, Uncle Cheffy, Vans and Complex.

The River Park, the initial phase of Festival Supermall's expansion, added a GLA of 2,200 square meters. It is all set to introduce a row of dining concepts, starting with the recently opened Market Basket.

River Park at Festival Supermall

Dining by the River Park

The River Park is FLI's dramatic introduction to the grand expansion of Festival Supermall, adding a new dimension to the mall experience.

- It offers 11 unique dining concepts – from coffee shops to casual dining and post-dinner options in an al fresco setting.
- Anchoring on the natural river, it enhances the ambiance with fresh and green landscaping.
- Features an amphitheater, boardwalk and a biking/jogging path



In Cebu, FLI broke ground for the Il Corso Mall at the South Road Properties in July 2013. To build excitement and sustain interest, FLI partnered with Lantaw, a Cebu-based native restaurant, to open their third branch in Il Corso-SRP, taking advantage of the breathtaking view of the sea.

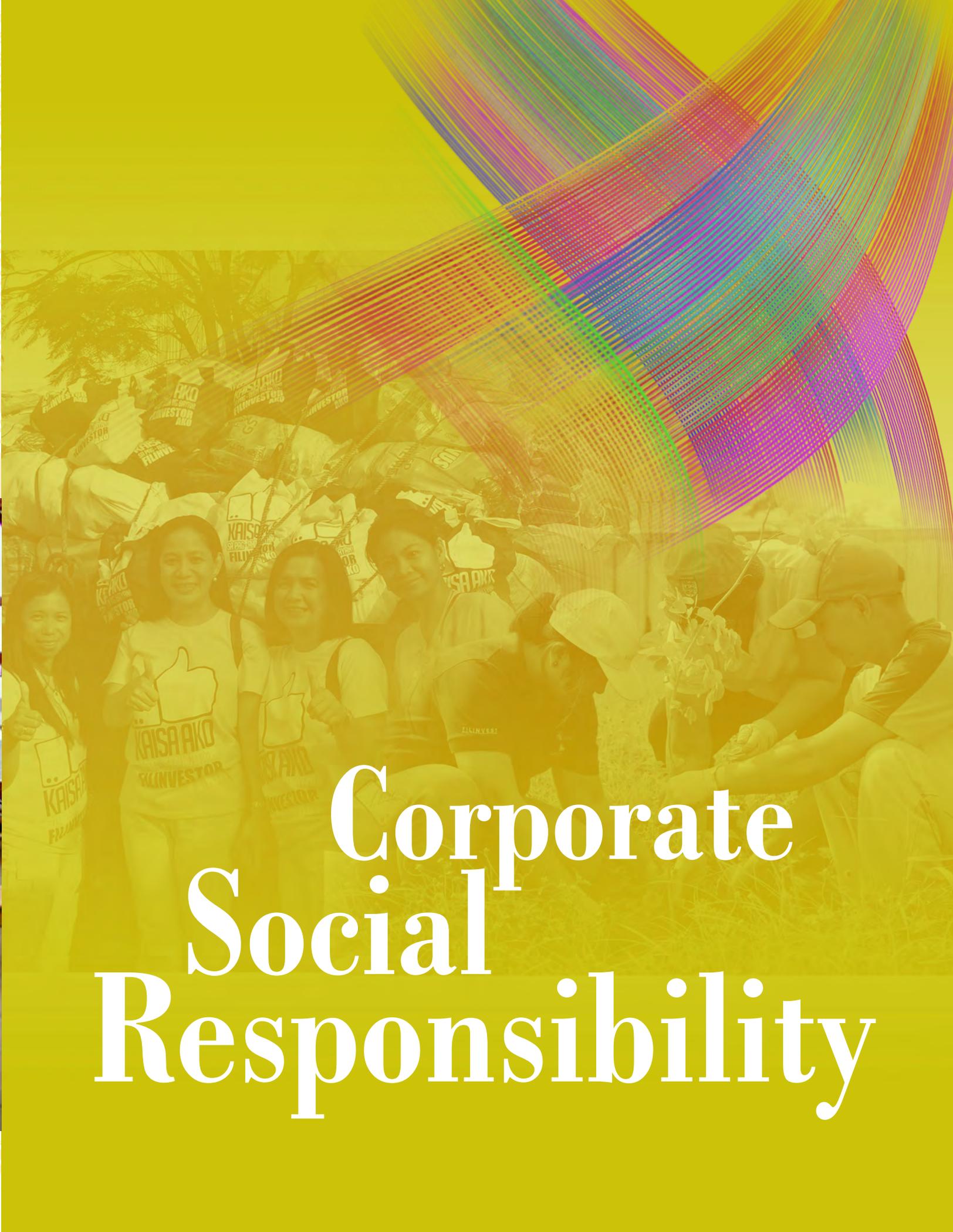
By the second quarter of 2014, FLI will break ground for Fora at the Tagaytay Rotunda, a lifestyle hub that will feature a shopping and cinema complex, restaurants and nightspots, event venues and condotel units. Construction of the mall will start by July 2014 followed by the condotel building in October of the same year.



Fora at Tagaytay Rotunda



Lantaw Restaurant at Il Corso



Corporate Social Responsibility

In the spirit of service and social responsibility, Filinvest Land, Inc. (FLI) and its employees engaged in outreach activities and various forms of community service in 2013. This is a commitment to build not just homes, but better lives and a brighter future for Filipinos.

Educational Advocacy

The Filinvest Group, together with its former brand ambassador Kris Aquino, turned over two Silid Pangarap units to beneficiary schools in Tagudin, Ilocos Sur and Ternate, Cavite in 2013. The classroom project is spearheaded by Kris' sister Pinky Aquino-Abellada's Aklat Gabay Aruga tungo sa Pag-angat at Pag-asa Foundation (AGAPP).

A Silid Pangarap building is a one-story, two-room school-library facility that serves as a pre-school classroom for public schools in depressed and disadvantaged communities. The Ilocos and Cavite buildings are the third and fourth Silid Pangarap units completed under the Kris-Filinvest partnership. The first two units were turned over to elementary schools in Muntinlupa and Davao in 2012. The funds allocated for these units also covered the cost of training the kindergarten teachers assigned to teach the pupils in these classrooms.



Silid Pangarap in Ternate, Cavite



Former Filinvest brand ambassador Kris Aquino graces the Cavite turnover ceremony



Silid Pangarap in Tagudin, Ilocos Sur

Concern for the Environment

In keeping with its commitment to develop environmentally sustainable communities, FLI held “Keep it Green,” a major tree-planting activity for a cause. The event was held simultaneously in six key project locations: Havila and Timberland Heights in Rizal, Tamara Lane in Caloocan, Claremont in Pampanga, Filinvest City in Alabang, and Futura Homes Palawan. The endeavor was aimed at greening the sites for future generations and enabled FLI to do its share in climate change adaptation and mitigation of its catastrophic effects. Close to 800 trees were planted in all six locations.

The tree-planting at Havila was graced by the presence of Ms. Philippines-Earth 2013 Angelee Claudette de los Reyes, who also unveiled the marker for the township’s “Garden of Native Trees.” This garden supports FLI’s advocacy to preserve the country’s natural heritage by promoting the use of Philippine native trees. Native tree species such as bani, alibangbang, botong and bagras were planted at Havila.



Ms. Philippines-Earth 2013 Angelee Claudette de los Reyes launches the Garden of Native Trees at Havila.



Planting trees at Claremont, Pampanga



Filinvest employees support the company's Clean and Green Program.



Outreach

Activities

In November 2013, the entire Filinvest family joined forces to help the victims of Typhoon Yolanda through Filinvest Oplan Yolanda, a company-wide campaign to gather donations and raise funds for affected families in Leyte.

The company released Php2 million, which was able to help over 8,000 families affected by the calamity.

The first phase involved setting up a relief operations center in One Oasis

Cebu, where employees actively took part in preparing relief packs. Partner institution CBCP Caritas Filipinas Foundation, Inc. handled the distribution of the relief packs to the Yolanda survivors.

The relief packs were brought to the Archdiocese of Maasin in the towns of Maasin and Bato, Leyte, which in turn distributed the goods to the areas of Abuyog, La



Filinvest International Sales Group donates relief goods to Kris TV.

Filinvest relief operations center at One Oasis Cebu



Working together to prepare relief packs for Leyte

Paz, Burauen, Tabon-Tabon, Dagangi, Pastrana, Santa Fe, Alang-alang, and Jaro.

The FLI International Sales Group separately repacked and distributed over 3,000 relief packs in partnership with different church organizations and private groups, including ABS-CBN's Sagip Kapamilya and KrisTV.

Showing solidarity with their countrymen, FLI employees unanimously decided to donate the budget for the annual Christmas party to the typhoon victims, opting for a simple but more meaningful celebration in the office instead.

Personnel Development

Recognizing that employees are its most valued resource, FLI continues to conduct training programs aimed at enhancing skills, improving productivity and developing leadership potential.

In 2013, the Human Resources Department organized seminars such as Work, Attitude and Value Enhancement (WAVE), I Love My Job, Effective Business Writing, Personality Development, Basic Financial Planning, Open Office Training and more. These were attended by employees across the organization.

To foster camaraderie and teamwork, the company held its annual sportsfest which featured basketball and bowling tournaments in 2013. To keep employees inspired and motivated, fun activities and seasonal contests were held throughout the year. Among these were Yearbook Day, I Love My Boss, It's More Fun in Filinvest and Spooktacular Halloween.

FLI also awarded the winners of its Service Idol campaign for 2013 which recognized employees who displayed exemplary internal and external customer service. The campaign will be extended to 2014 to foster a culture of service throughout the company.



I Love My Job seminar



Spooktacular Halloween contest



Employees participated actively in the bowling and basketball tournaments during the annual sportsfest.



Honing business writing skills for the workplace



Corporate Governance Report

Your Company has always been a firm believer in good Corporate Governance and has always abided by the core values of its founder, Mr. Andrew L. Gotianun, Sr., of integrity, fairness and financial responsibility. These principles have been incorporated in the Company's Code of Ethics as well as in its Corporate Governance Manual. Today, Filinvest Land, Inc. (FLI) continues to operate guided by its corporate core values of Integrity, Team Work, Professionalism, Innovation, Customer Service and Cost Effectiveness.

COMPLIANCE WITH BEST PRACTICES ON CORPORATE GOVERNANCE

For the year 2012, FLI fully complied with the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC) regulatory requirements. It is also in compliance with its Manual for Corporate Governance. In particular, your Company wishes to highlight the following: (a) the election of two (2) independent directors to the Board; (b) the appointment of members of the audit, nomination and compensation committees; (c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (d) the submission to the SEC of reports and disclosures required under the Securities Regulation Code; (e) FLI's adherence to national and local laws pertaining to its operations; and (f) the observance of applicable accounting standards by FLI.

On February 28, 2011, your Company filed a Revised Manual on Corporate Governance to reflect current best practices.

In order to keep abreast of best practices in Corporate Governance, the members of the Board and top management have attended seminars on corporate governance initiated by duly accredited institutions.

FLI constantly reviews its Corporate Governance practices and welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors.

On July 1, 2013, FLI filed its Annual Corporate Governance Report pursuant to SEC Memorandum Circular No. 18.

On January 16, 2014, FLI submitted its Certification of Compliance with the Manual of Corporate Governance to the SEC. The same was submitted to the PSE on January 24, 2014.

On March 26, 2014, FLI submitted to the PSE its Corporate Governance Disclosure for 2013.

BOARD OF DIRECTORS

Leading the practice of good Corporate Governance is the Board of Directors. Your Board of Directors is firmly committed to the adoption of and compliance with the best practices in Corporate Governance as well as the observance of all relevant laws, regulations and ethical business practices.

Nominations and Voting for the Board of Directors

The members of the Board are elected during the annual stockholders' meeting. The stockholders of FLI may nominate individuals to be members of the Board of Directors.

The Nomination Committee receives nominations for independent directors as may be submitted by the stockholders. After the deadline for the submission thereof, the Nomination Committee meets to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in FLI's Revised Manual on Corporate Governance and the Securities Regulation Code. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Nomination Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening. The name of the person or group of persons who recommends nominees as independent directors shall be disclosed along with his or their relationship with such nominees.

Only nominees whose names appear on 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 Manual on Corporate Governance. In 2008, FLI filed with the SEC its application for the amendment of the by-laws to include the procedure that will govern the nomination and election of independent directors. This procedure is consistent with FLI's Revised Manual on Corporate Governance and Rule 38 of the Securities Regulation Code. The approval by the Commission on said application was issued on April 8, 2009. The power of the Board to amend the By-Laws has been delegated by the stockholders representing two-thirds (2/3) of FLI's outstanding capital stock in an annual meeting of said stockholders on May 27, 1994.

It shall be the responsibility of the Chairman 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 Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

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, 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 directors of FLI are elected at the annual stockholders' meeting, to hold office until their respective successors have been duly appointed or elected and qualified. Vacancies in the Board occurring mid-term are filled as provided in the Corporation Code and FLI's Revised Manual on Corporate Governance. 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.

Independent Directors

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

- A. "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 judgement in carrying out his responsibilities as director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
 - i. 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);
 - ii. Is not a relative of any director, officer or substantial stockholder 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;
 - iii. 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;
 - iv. Has not been employed in an executive capacity by FLI, any of its related companies or any of its substantial shareholders within the last two (2) years;
 - v. Is not related as a 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;
 - vi. Has not engaged and does not engage in any transaction with FLI or any of its related companies or 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.
- B. When used in relation to FLI subject to the requirements above:
 - i. "Related company" means another company which is: (a) its holding company; (b) its subsidiary; or (c) a subsidiary of its holding company; and

- ii. “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.

C. An independent director of FLI shall have the following qualifications:

- i. He shall have at least one (1) share of stock of FLI;
- ii. 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;
- iii. He shall possess integrity/probity; and
- iv. He shall be assiduous.

D. No person enumerated under Section II (5) of the Revised Manual of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:

- i. He becomes an officer or employee of FLI, or becomes any of the persons enumerated under items (A) hereof;
- ii. His beneficial security ownership exceeds 10% of the outstanding capital stock of FLI;
- iii. 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;
- iv. If he becomes disqualified under any of the grounds stated in FLI’s Revised Manual on Corporate Governance.

E. Pursuant to SEC Memorandum Circular No. 09, Series of 2011, which took effect on January 2, 2012, the following additional guidelines shall be observed in the qualification of individuals to serve as independent directors:

- i. 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 independent director can be elected to only five (5) companies of its conglomerate, i.e., parent company, subsidiary or affiliate;
- ii. Independent directors can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the independent director position was relinquished or terminated;
- iii. After completion of the five-year service period, an independent director shall be ineligible for election as such in the same company unless the independent director has undergone a “cooling off” period of two (2) years, provided, that during such period, the independent director concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as independent director in the same company;
- iv. An independent director re-elected as such in the same company after the “cooling off” period can serve for another five (5) consecutive years under the conditions mentioned in paragraph (ii) above;
- v. After serving as independent director for ten (10) years, the independent director shall be perpetually barred from being elected as such in the same company, without prejudice to being elected as an independent director in other companies outside the business conglomerate;
- vi. All previous terms served by existing independent directors shall not be included in the application of the term limits.

On May 10, 2013, FLI submitted the Certificates of Qualifications of Independent Directors to the SEC. The same was submitted to the PSE on May 27, 2013.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings during 2013:

| Name of Director | Number of Meetings Attended | Percentage of Meetings Attended |
|--|-----------------------------|---------------------------------|
| Andrew L. Gotianun, Sr. | 7 of 7 | 100% |
| Mercedes T. Gotianun | 7 of 7 | 100% |
| Lourdes Josephine G. Yap | 7 of 7 | 100% |
| Andrew T. Gotianun, Jr. | 6 of 7 | 86% |
| Jonathan T. Gotianun | 6 of 7 | 86% |
| Joseph M. Yap | 5 of 7 | 71% |
| Efren C. Gutierrez | 6 of 6 | 100% |
| Cirilo T. Tolosa (<i>Independent Director</i>) | 7 of 7 | 100% |
| Lamberto U. Ocampo (<i>Independent Director</i>) | 6 of 7 | 86% |

The following table lists down the attendance of the Board of Directors during the May 10, 2013 Annual Stockholders' Meeting and their memberships in the different Committees:

| Name of Director | Attended May 10, 2013 Annual Stockholders' Meeting | Member of the Following Committees |
|--|--|---|
| Andrew L. Gotianun, Sr. | Yes | Nomination Committee (Chair) |
| Mercedes T. Gotianun | Yes | Executive Committee, Compensation Committee (Chair), Nomination Committee |
| Andrew T. Gotianun, Jr. | Yes | Executive Committee |
| Joseph M. Yap | Yes | Executive Committee, Technical Committee (Chair) |
| Lourdes Josephine G. Yap | Yes | Executive Committee (Chair), Compensation Committee, Nomination Committee |
| Jonathan T. Gotianun | Yes | Executive Committee, Audit Committee, Compensation Committee |
| Efren C. Gutierrez | Yes | Audit Committee |
| Cirilio T. Tolosa (<i>Independent Director</i>) | Yes | Audit Committee (Chair) |
| Lamberto U. Ocampo (<i>Independent Director</i>) | Yes | Compensation Committee, Nomination Committee, Technical Committee |

Duties and Responsibilities of the Different Board Committees

EXECUTIVE COMMITTEE

The functions, duties and responsibilities of the Board of Directors may be delegated, to the fullest extent permitted by law, to an Executive Committee to be established by the Board of Directors. The Executive Committee shall consist of five (5) members, and least three (3) of whom shall be members of the Board of Directors. All members of the Executive Committee shall be appointed by and under the control of the Board of Directors.

The Executive Committee may act on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority vote of the Board of Directors, except with respect to: (i) approval of any action for which shareholders' approval is also required; (ii) the filing of vacancies in the Board of Directors; (iii) the amendment or repeal of these By-Laws or the adoption of new By-Laws; (iv) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and (v) the distribution of cash dividends to shareholders.

The act of the Executive Committee on any matter within its competence shall be valid if: (i) it is approved by the majority vote of all its members in attendance at a meeting duly called where a quorum is present and acting throughout; or (ii) it bears the written approval or conformity of all its incumbent members without necessity for a formal meeting.

The Executive Committee shall hold its regular meeting at least once a month or as often as it may determine, in the principal office of the Corporation or at such other place as may be designated in the notice. Any member of the Executive Committee may, likewise, call a meeting of the Executive Committee at any time. Notice of any meeting of the Executive Committee shall be given at least seven (7)

business days prior to the meeting or such shorter notice period as may be mutually agreed. The notice shall be accompanied by: (i) a proposed agenda or statement of purpose; and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.

AUDIT COMMITTEE

The Board shall constitute an Audit Committee to be composed of at least three (3) Director-members, preferably with accounting and financial background, one of whom shall be an independent director and another should have related audit experience.

The Chairman of this Committee should be an independent director. He should be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

Duties and Responsibilities:

- Provide oversight financial management functions specifically in areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;
- Provide oversight of the Corporation's internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;
- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner, in addressing control and compliance functions with regulatory agencies;
- Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
- Coordinate, monitor and facilitate compliance with existing laws, rules and regulations;
- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report.
- Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit Committee functionally. The Audit Committee shall ensure that the internal auditors shall have free and full access to the Corporation's records, properties and personnel relevant to the internal audit activity, and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.

COMPENSATION COMMITTEE

The Board may constitute a Compensation Committee composed of at least three (3) Director-members, one of whom shall be an independent director.

Duties and Responsibilities:

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment;
- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully;
- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers;
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
- Disallow any director to decide his or her own remuneration;
- Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuing year;
- Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

NOMINATION COMMITTEE

The Board may constitute a Nomination Committee consisting of at least three (3) Director-members, one of whom shall be an independent director. The Head of the Human Resources Department shall be a non-voting ex-officio member.

The Nomination Committee may review and evaluate the qualifications of all persons nominated to the Board, as well as those nominated to other positions requiring appointment by the Board, and provide assessment on the Board's effectiveness in directing the process of renewing and replacing the Board's members.

The Nomination Committee may consider the following guidelines in the determination of the number of directorships for the Board:

- The nature of the business of the Corporations in which he is a director;
- Age of the director;
- Number of directorships/active memberships and officerships in other corporations or organizations; and
- Possible conflict of interest.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

The Nomination Committee may pre-screen and shortlist all candidates nominated to become a member of the Board of Directors, taking into account the qualifications and the grounds for disqualifications as set forth in FLI's Manual of Corporate Governance and the Securities Regulation Code.

The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination for members of the Board of Directors. The same shall be properly disclosed in the Company's information or proxy statement or such other reports required to be submitted to the Securities and Exchange Commission (SEC).

The Nomination of independent directors shall be conducted by the Committee before the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors as set forth in the Company's Manual on Corporate Governance.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, which shall be made available to the SEC and all stockholders through the filing and distribution of the Information Statement, or in such reports the Company is required to submit to the SEC. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

Compensation of the Board of Directors and Officers:

Except for per diem of Php50,000 being paid to non-executive directors of the Filinvest Group for every meeting attended, there are no other arrangements to which directors are compensated, for any services provided as director, including any amounts payable for committee participation or special assignments.

Meanwhile, the aggregate compensation paid or incurred during the last two fiscal years to the non-independent Directors and top officers of FLI are as follows:

| Name and Principal Position | 2013 | | | 2012 | | |
|---|-----------|----------|-----------|----------|---------|----------|
| | Salaries | Bonus | Total | Salaries | Bonus | Total |
| Lourdes Josephine G. Yap <i>President/CEO</i> | | | | | | |
| Nelson M. Bona <i>Chief Finance Officer/SVP</i> | | | | | | |
| Francis V. Ceballos <i>Senior Vice President</i> | | | | | | |
| Steve Chien Liang Ta <i>Senior Vice President</i> | | | | | | |
| Ana Venus A. Mejia <i>Senior Vice President</i> | | | | | | |
| Total for the Chief Executive Officer and the five (5) highest paid officials | Php19.07M | Php4.33M | Php23.4M | Php21.0M | Php4.1M | Php25.1M |
| Total of all officers and directors as a group | Php38.02M | Php7.39M | Php45.41M | Php43.5M | Php7.9M | Php51.4M |

Family Relationships

Mr. Andrew L. Gotianun, Sr. is the spouse of Mercedes T. Gotianun and the father of Mr. Andrew T. Gotianun, Jr., Mr. Jonathan T. Gotianun, Mr. Michael Edward T. Gotianun and Ms. Lourdes Josephine G. Yap. Ms. Yap is married to Mr. Joseph M. Yap.

EXTERNAL AUDITOR

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 five-year rotation requirement of its external auditors, has designated Ms. Cyril Jasmin B. Valencia its engagement partner in CY2012 and Ms. Dhonabee B. Seneres its engagement partner in CY2013. The representatives of SGV were present at the annual meeting held last May 10, 2013 where they had the opportunity to make a statement

if they desired to do so. They were also expected to have been available to respond to appropriate questions at the meeting.

A. Audit and Audit-Related Fees

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

- 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;
- 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 fees totalling Php525,000 and Php550,000 for fiscal years 2012 and 2013, respectively.

B. Tax Fees

For each of the last two fiscal years, SGV did not render services for tax accounting, compliance, advice and planning for which it billed FLI the corresponding professional fees.

C. All Other Fees

For each of the last two years, SGV did not render services in addition to the services described above for which it billed FLI the corresponding professional fees.

D. Approval Policies and Procedures for Independent Accountant's Services of Management/Audit Committee

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 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.

SHAREHOLDERS' RIGHTS

The Corporation recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Corporation and all its investors:

The Board shall be committed to respect the following rights of the stockholders:

A. Voting Right

1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
2. Cumulative voting is mandatory in the election of directors.
3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

B. Power of Inspection

All Shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code, during business hours and upon prior written notice to the Corporation and for good reason.

All Shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

C. Right to Information

1. The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares,

dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.

2. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
3. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes."

D. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. The Commission may direct the Corporation to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or programs approved by the Board; or ii) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

E. Appraisal Right

The Shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under the Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- 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 Corporation Code; and
- In case of merger or consolidation.

- F. The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the corporation.

The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.

- G. It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

DIVIDEND POLICY AND DIVIDENDS PAID

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.

On June 30, 2008, FLI paid cash dividends of Php0.02 per share or a total of Php485.72 million to all shareholders on record as of June 15, 2008. This is equivalent to 28.0% pay-out ratio.

On June 9, 2009, FLI paid a cash dividend of Php0.033 per share or a total of Php800.242 million to all shareholders on record as of May 14, 2009. This is equivalent to 42.0% pay-out ratio.

On June 9, 2010, FLI paid a regular cash dividend of Php0.017 and special cash dividend of Php0.016 per share or a total of Php800.242 million to all shareholders on record as of May 18, 2010. This is equivalent to 38.8% pay-out ratio.

On June 7, 2011, FLI paid a regular cash dividend of Php0.0196 and a special cash dividend of Php0.0196 per share or a total of Php950.59 million to all shareholders on record as of May 13, 2011. This is equivalent to 31.8% pay-out ratio.

On June 21, 2012, FLI paid a regular cash dividend of Php0.0237 and a special cash dividend of Php0.0237 per share, or a total of Php0.0475 per share. This was equivalent to Php1,151,864 million, and paid to all shareholders on record as of May 25, 2012. This is equivalent to 38.4% pay-out ratio.

On July 3, 2013, FLI paid a regular cash dividend of Php0.0237 and a special cash dividend of Php0.0237 per share, or a total of Php0.0480 per share. This was equivalent to Php 1,163,987 million, and paid to all shareholders on record as of June 7, 2013. This is equivalent to 33.4% pay-out ratio.

ANNUAL STOCKHOLDERS' MEETING AND PROCEDURES

Notice of Annual Stockholders' Meeting

Stockholders on record as of April 12, 2013 were entitled to attend and vote at the May 10, 2013 Annual Stockholders' Meeting.

Stockholders were informed that the Annual Stockholders' Meeting for 2013 would be held at 9:00 a.m. at Ballrooms 1 & 2, Mandarin Oriental, Makati Avenue, Makati City, Metro Manila.

On January 23, 2013, FLI disclosed to the Philippine Stock Exchange that its Board of Directors had fixed the date of the Annual Stockholders' Meeting for May 10, 2013 with the record date for those entitled to attend set for April 12, 2013.

On April 5, 2013, FLI disclosed to the Philippine Stock Exchange the Notice of Annual Stockholders' Meeting. Notices of the Annual Stockholders' Meeting and Audited Financial Statements were delivered to stockholders on record as of April 12, 2013 starting April 18, 2013.

Procedures During the Annual Stockholders' Meeting

The following was the agenda of the Annual Stockholders' Meeting last May 10, 2013:

1. Call to order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on April 27, 2012
5. Presentation of the President's Report
6. Approval of the Audited Financial Statements for the Year Ending December 31, 2012
7. Ratification of the Acts and Resolutions of the Board of Directors and Management for 2012
8. Election of the Members of the Board of Directors including two independent directors to serve for the year 2013-2014
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

Only stockholders of record as of April 12, 2013 were entitled to attend and vote in the said meeting.

The following are the minutes of the Annual Stockholders' Meeting of FLI held on May 10, 2013:

i. Call to order, certification of quorum

The Acting Chairman of the Board, Mr. Jonathan T. Gotianun, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Pablito A. Perez, certified that out of the 32,249,759,506 shares outstanding, 24,941,564,665 shares representing 77.34% thereof are present, in person or by proxy, and that therefore, there is a quorum present for the transaction of business by the stockholders.

ii. Approval of the minutes of the Annual Meeting held on April 27, 2012

Upon motion duly made and seconded, and in the absence of any objection, the stockholders unanimously APPROVED the Minutes of the Stockholders' Meeting held on April 27, 2012 as presented in the Information Statement distributed to the stockholders prior to the meeting.

iii. Presentation of the President's report and approval of the Audited Financial Statements as of and for the year ended December 31, 2012 / Declaration of Cash Dividends

The President, Mrs. L. Josephine Gotianun Yap, presented her report on the Company's Operations for the year ended December 31, 2012, copies of which were distributed to the stockholders prior to the meeting, together with the Company's Audited Financial Statements for the same period. The President's report was supplemented by a PowerPoint presentation on the operational and financial highlights of the Company for 2012. The President also announced to the stockholders that the Board of Directors approved during its meeting on May 10, 2013 the declaration of cash dividend of P0.0480 per share payable on July 3, 2013 with record date on June 7, 2013. After the presentation, the Company's President and Corporate Secretary responded to various queries and clarifications raised by some stockholders who attended the meeting.

Thereafter, and upon proper motion duly made and seconded, the stockholders, in the absence of any objection, NOTED the President's Report and APPROVED the Company's Audited Financial Statements as of and for the year ended December 31, 2012.

iv. Ratification of all Acts and the Resolutions of Directors and Management for the Year 2012 to date

The next item in the agenda was the ratification by the stockholders of all acts, resolutions and proceedings of the outgoing Board of Directors and Officers of the Company for the year 2012 to date. On motion duly made and seconded, in the absence of any objection, the stockholders APPROVED, RATIFIED AND CONFIRMED all acts, transactions, resolutions and proceedings of the Board of Directors and Officers of the Company for the year 2012 to date.

v. Election of Members of the Board of Directors for the year 2013-2014

The Acting Chairman proceeded to the next item in the agenda, which is the election of the members of the Board of Directors of the Company for the year 2013-2014. The Corporate Secretary announced the names of the candidates pre-screened by the Nominations Committee, including Messrs. Lamberto U. Ocampo and Cirilo T. Tolosa as the nominees for the board seats allotted for the independent directors of the Company. The Secretary confirmed that there were no other nominations submitted within the period allowed under the Company's By-laws.

On the motion duly made and seconded, the stockholders elected the following as members of the Board of Directors for the ensuing year:

| | |
|--------------------------|--|
| Andrew L. Gotianun, Sr. | Andrew T. Gotianun, Jr. |
| Jonathan T. Gotianun | Mercedes T. Gotianun |
| Lourdes Josephine G. Yap | Cirilo T. Tolosa (as independent director) |
| Efren C. Gutierrez | Lamberto U. Ocampo (as independent director) |
| Joseph M. Yap | |

vi. Appointment of External Auditors

On motion duly made and seconded, and in the absence of any objection, the stockholders APPROVED the appointment of SGV & Co. as the external auditor for the year 2013.

vii. Adjournment

There being no other matters to discuss, the meeting was adjourned at 10:30 a.m.

On the same day, right after the stockholders' meeting, FLI disclosed to the Philippine Stock Exchange the results of the annual stockholders' meeting which included the following:

- a. Approval of the Minutes of the Annual Stockholders' Meeting held on April 27, 2012;
- b. Approval of the Audited Financial statements for the year ended 2012;
- c. Ratification of the acts and resolutions of the Board of Directors and corporate officers for the year 2012;
- d. Appointment of SGV & Co. as the Corporation's external auditor for the year 2013;
- e. Election of the Board of Directors

FLI also made another disclosure to the Philippine Stock Exchange regarding the declaration of the Board of Directors of a cash dividend for all stockholders on record as of June 7, 2013 in the amount of Php0.0480 per share broken down as Regular Cash Dividend of Php0.0280 per share and Special Cash Dividend of Php0.0200 per share. Payment date was set for July 3, 2013.

STATUTORY COMPLIANCE

FLI fully complied with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) regulatory requirements. Below is the Company's Reportorial Compliance Report:

| Type of Report | Number of Filings |
|--|-------------------|
| Financials | |
| Annual Report (17-A) | 1 |
| Quarterly Report (17-Q) | 3 |
| 2012 Audited Financial Statements | 1 |
| Request for extension in filing 17-A, 17-Q | 2 |
| Ownership | |
| Annual List of Stockholders – for Annual Stockholders' Meeting | 1 |
| Foreign Ownership Monitoring Report | 15 |
| Public Ownership Report | 4 |
| Report on Number of Shareholders and Board Lot | 12 |
| Statement of Changes in Beneficial Ownership of Securities (23-B) | 11 |
| Top 100 Stockholders' List | 4 |
| Notices – Stockholders' Meetings/Briefings/Dividends | |
| Notice of Annual/Special Stockholders' Meeting | 1 |
| Dividend Notice (part of disclosure on Results of Stockholders' Meeting) | 1 |
| Notice of Analysts' Briefing | 4 |
| Other Disclosures | |
| Certification – Qualifications of Independent Directors | 1 |
| Certification – Attendance of Directors in Board Meetings | 1 |
| Certification – Compliance with Manual on Corporate Governance | 1 |
| Clarifications of News Articles | 6 |
| Definitive Information Statement (20-IS) | 1 |
| General Information Sheet | 1 |
| Preliminary Information Statement (20-IS) | 1 |
| SEC Form 17-C (Current Report) Which includes the following: a) Results of Annual Stockholders' Meeting/Board Meetings (5) b) Press Releases (8) c) Other Matters (5) i. Resignation of Teresita Abad Santos ii. Resignation of Atty. Paulette S. De Jesus, Corporate Information Officer iii. PDEX approved FLI's Php7.0B bonds iv. Appointment of New Corporate Information Officer v. Completion of the Offering of FLI's Php7.0B bonds | 22 |

INVESTOR RELATIONS

FLI's website, www.filinvestland.com, makes available to the public, current information on the Company, including details of its operations.

The Investor Relations section of the website provides information on financial statements, press releases, declaration of dividends, ownership structure and any changes in the ownership of major shareholders and officers, notice of analysts' briefings, other reportorial requirements by the Philippine Stock Exchange.

The contact details of the Investor Relations Department are available in the website and are as follows:

E-mail address: ir@filinvestland.com

Telephone numbers: (+632) 918-8111

(+632) 918-8188 local 5188

(+632) 588-1678 local 5188

To meet the requirements of FLI's investors, the Company conducted four (4) Analysts' Briefings in 2013:

1. On March 21, 2013 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for Full Year 2012 results
2. On May 15, 2013 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Quarter 2013 results;
3. On August 13, 2013 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Half 2013 results; and
4. On November 22, 2013 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Nine Months of 2013 results

In 2013, FLI also participated in six (6) conferences organized by different stock brokerages in Hong Kong, Japan, Singapore and the Philippines.

On April 8, 2014, FLI conducted an analysts' briefing at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for Full Year 2013 results.

BOARD OF DIRECTORS



Andrew L. Gotianun, Sr.
Chairman



Mercedes T. Gotianun
Director



Josephine Gotianun Yap
Co-Vice Chairman
President & CEO



Andrew T. Gotianun, Jr.
Co-Vice Chairman



Joseph M. Yap
Director



Jonathan T. Gotianun
Director



Efren C. Gutierrez
Director



Cirilo T. Tolosa
Independent Director



Lamberto U. Ocampo
Independent Director

SENIOR MANAGEMENT

Francis V. Ceballos
SVP-North East Cluster

Jimmy S. Roque
VP-Planning

Rizalangela L. Reyes
VP-HR & Customer Care

Michael Edward T. Gotianun
VP-Supply Chain

Winnifred H. Lim
FVP- Chief Technical
Planning Officer



Janette C. Manlangit
FVP-Metro Manila Cluster

Luis T. Fernandez
FVP-HOA & Water Systems

Grace Marie M. Bada
VP-Information Technology

Bernadette M. Ramos
VP-Group Real Estate Marketing

Antonio E. Cenon
FVP-Permits & Licenses

Reynaldo Juanito S. Nieva
VP-Operations

Steve C. Chien
SVP-International & Special
Projects

Tristaneil L. Las Marias
FVP-VisMin Cluster

Reynaldo A. Ascaño
FVP- South West Cluster

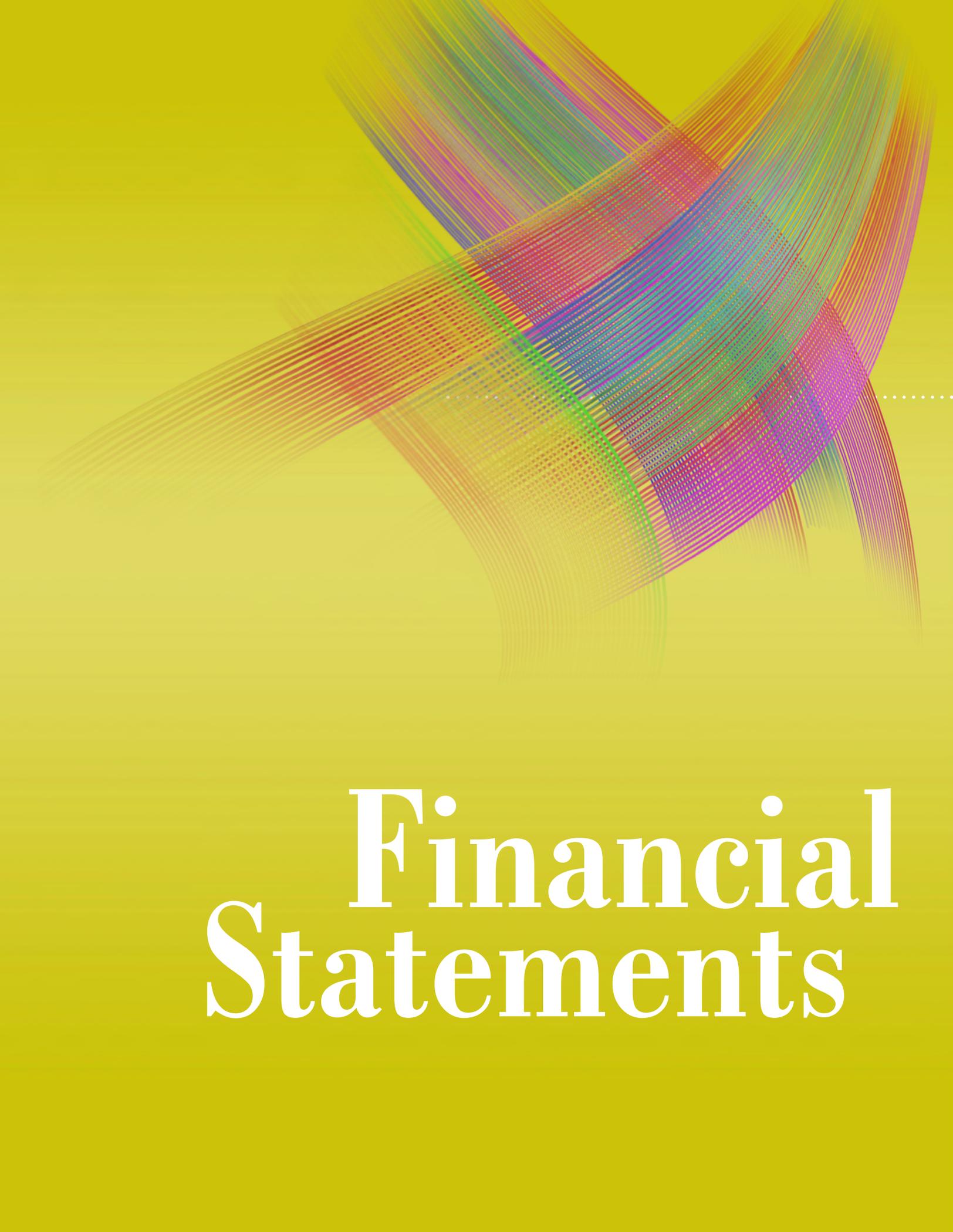


Harriet C. Ducepec
VP-Market Research

Nelson M. Bona
SVP-Chief Finance Officer

Ana Venus A. Mejia
SVP-Deputy Chief Finance Officer

Gilberto B. Abanto
VP-Security Services



Financial Statements

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

| | December 31, 2013 | December 31, 2012 (As restated, | January 1, 2012 (As restated, |
|--|----------------------|---------------------------------------|-------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | ₱6,390,732 | ₱2,165,456 | ₱1,196,147 |
| Contracts receivable | 13,083,775 | 10,597,950 | 8,452,908 |
| Due from related parties | 204,538 | 194,243 | 246,757 |
| Other receivables | 3,136,739 | 3,100,287 | 2,495,651 |
| Financial assets at fair value through other comprehensive income | 17,852 | 24,626 | 24,626 |
| Real estate inventories | 24,426,958 | 23,677,456 | 19,064,138 |
| Land and land development | 18,794,686 | 15,368,369 | 14,091,543 |
| Investment in an associate | 4,018,058 | 3,912,092 | 3,799,798 |
| Investment properties | 19,592,830 | 15,978,511 | 12,837,230 |
| Property and equipment | 1,150,822 | 1,327,943 | 1,289,870 |
| Deferred income tax assets - net | 12,320 | 22,427 | 23,715 |
| Goodwill | 4,567,242 | 4,567,242 | 4,567,242 |
| Other assets | 2,700,494 | 1,693,378 | 831,347 |
| | ₱98,097,046 | ₱82,629,980 | ₱68,920,972 |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Accounts payable and accrued expenses | ₱10,441,412 | ₱8,511,287 | ₱6,230,491 |
| Income tax payable | 17,235 | 24,141 | 66,988 |
| Loans payable | 14,751,209 | 11,234,851 | 8,797,674 |
| Bonds payable | 21,318,016 | 14,364,924 | 7,977,009 |
| Due to related parties | 209,201 | 183,485 | 48,748 |
| Retirement liabilities | 186,817 | 159,756 | 95,726 |
| Deferred income tax liabilities - net | 2,187,244 | 1,905,582 | 1,685,882 |
| Total Liabilities | 49,111,134 | 36,384,026 | 24,902,518 |
| Equity | | | |
| Common stock | 24,470,708 | 24,470,708 | 24,470,708 |
| Preferred stock | 80,000 | 80,000 | 80,000 |
| Additional paid-in capital | 5,612,321 | 5,612,321 | 5,612,321 |
| Treasury stock | (221,041) | (221,041) | (221,041) |
| Retained earnings | 18,437,398 | 15,683,170 | 13,403,599 |
| Revaluation reserve on financial assets at fair value through other comprehensive income | (2,619) | (2,619) | (2,619) |
| Remeasurement losses on retirement plan | (105,686) | (105,686) | (49,364) |
| Share in other components of equity of an associate | 361,794 | 361,794 | 361,794 |
| Equity attributable to equity holders of the parent | 48,632,875 | 45,878,647 | 43,655,398 |
| Noncontrolling interest | 353,037 | 367,307 | 363,056 |
| Total Equity | 48,985,912 | 46,245,954 | 44,018,454 |
| TOTAL LIABILITIES AND EQUITY | ₱98,097,046 | ₱82,629,980 | ₱68,920,972 |

CONSOLIDATED STATEMENTS OF INCOME

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

| | Years Ended December 31 | | |
|---|--------------------------------|-----------------------|-----------------------|
| | 2013 | 2012 (As restated, | 2011 (As restated, |
| REVENUE | | | |
| Real estate sales | ₱10,478,477 | ₱8,798,358 | ₱6,953,469 |
| Rental services | 2,034,078 | 1,887,094 | 1,637,338 |
| EQUITY IN NET EARNINGS OF AN ASSOCIATE | 186,366 | 187,295 | 63,407 |
| OTHER INCOME | | | |
| Interest income | 549,398 | 516,541 | 543,226 |
| Others - net | 568,765 | 529,525 | 587,921 |
| | 13,817,084 | 11,918,813 | 9,785,361 |
| COSTS | | | |
| Real estate sales | 6,036,080 | 4,927,456 | 3,612,285 |
| Rental services | 491,398 | 473,619 | 456,368 |
| OPERATING EXPENSES | | | |
| General and administrative expenses | 1,178,588 | 1,096,902 | 911,315 |
| Selling and marketing expenses | 892,482 | 872,245 | 764,813 |
| INTEREST AND OTHER FINANCE CHARGES | 474,446 | 412,961 | 478,821 |
| | 9,072,994 | 7,783,183 | 6,223,602 |
| INCOME BEFORE INCOME TAX | 4,744,090 | 4,135,630 | 3,561,759 |
| PROVISION FOR INCOME TAX | | | |
| Current | 481,993 | 397,474 | 505,417 |
| Deferred | 286,152 | 248,612 | 54,765 |
| | 768,145 | 646,086 | 560,182 |
| NET INCOME | ₱3,975,945 | ₱3,489,544 | ₱3,001,577 |
| Attributable to: | | | |
| Equity holders of the parent | ₱3,918,215 | ₱3,431,435 | ₱2,942,086 |
| Noncontrolling interest | 57,730 | 58,109 | 59,491 |
| | ₱3,975,945 | ₱3,489,544 | ₱3,001,577 |
| Basic/Diluted Earnings Per Share | ₱0.16 | ₱0.14 | ₱0.12 |

*FILINVEST LAND, INC. AND SUBSIDIARIES***CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands of Pesos)

| | Years Ended December 31 | | |
|--|--------------------------------|-----------------------|-----------------------|
| | 2013 | 2012 (As restated, | 2011 (As restated, |
| NET INCOME | ₱3,975,945 | ₱3,489,544 | ₱3,001,577 |
| OTHER COMPREHENSIVE LOSS | | | |
| Other comprehensive income not to be reclassified to profit or loss, net of tax | | | |
| Remeasurement losses on retirement plan, net of tax | – | (56,322) | (4,559) |
| | – | (56,322) | (4,559) |
| TOTAL COMPREHENSIVE INCOME | ₱3,975,945 | ₱3,433,222 | ₱2,997,018 |
| Attributable to: | | | |
| Equity holders of the parent | ₱3,918,215 | ₱3,375,113 | ₱2,937,527 |
| Noncontrolling interest | 57,730 | 58,109 | 59,491 |
| | ₱3,975,945 | ₱3,433,222 | ₱2,997,018 |

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands of Pesos)

| | Attributable to Equity Holders of the Parent | | | | | | | | | Noncontrolling Interest | Total Equity |
|---|--|-----------------|----------------------------|-------------------|--------------------|---|---|---|--------------------|-------------------------|--------------------|
| | Common Stock | Preferred Stock | Additional Paid-in Capital | Treasury Stock | Retained Earnings | Revaluation Reserve on Financial Assets at FVTOCI | Remeasurement Losses on Retirement Plan | Share in Other Components of Equity of an Associate | Total | | |
| For the Year Ended December 31, 2013 | | | | | | | | | | | |
| Balances as of December 31, 2012, as previously stated | ₱24,470,708 | ₱80,000 | ₱5,612,321 | (₱221,041) | ₱15,683,170 | (₱2,619) | (₱105,686) | ₱361,794 | ₱45,878,647 | ₱- | ₱45,878,647 |
| Effect of initial adoption of PFRS 10 | - | - | - | - | - | - | - | - | - | 367,307 | 367,307 |
| Balances as of December 31, 2012, as restated | 24,470,708 | 80,000 | 5,612,321 | (221,041) | 15,683,170 | (2,619) | (105,686) | 361,794 | 45,878,647 | 367,307 | 46,245,954 |
| Total comprehensive income | - | - | - | - | 3,918,215 | - | - | - | 3,918,215 | 57,730 | 3,975,945 |
| Dividends declared | - | - | - | - | (1,163,987) | - | - | - | (1,163,987) | - | (1,163,987) |
| Dividend distribution to noncontrolling interest | - | - | - | - | - | - | - | - | - | (72,000) | (72,000) |
| Balances as of December 31, 2013 | ₱24,470,708 | ₱80,000 | ₱5,612,321 | (₱221,041) | ₱18,437,398 | (₱2,619) | (₱105,686) | ₱361,794 | ₱48,632,875 | ₱353,037 | ₱48,985,912 |

| | Attributable to Equity Holders of the Parent | | | | | | | | | Noncontrolling Interest | Total Equity |
|---|--|-----------------|----------------------------|-------------------|--------------------|---|---|---|--------------------|-------------------------|--------------------|
| | Common Stock | Preferred Stock | Additional Paid-in Capital | Treasury Stock | Retained Earnings | Revaluation Reserve on Financial Assets at FVTOCI | Remeasurement Losses on Retirement Plan | Share in Other Components of Equity of an Associate | Total | | |
| For the Year Ended December 31, 2012 | | | | | | | | | | | |
| Balances as of January 1, 2012, as previously stated | ₱24,470,708 | ₱80,000 | ₱5,612,321 | (₱221,041) | ₱13,403,599 | (₱2,619) | (₱49,364) | ₱361,794 | ₱43,655,398 | ₱- | ₱43,655,398 |
| Effect of initial adoption of PFRS 10 | - | - | - | - | - | - | - | - | - | 363,056 | 363,056 |
| Balances as of January 1, 2012, as restated | 24,470,708 | 80,000 | 5,612,321 | (221,041) | 13,403,599 | (2,619) | (49,364) | 361,794 | 43,655,398 | 363,056 | 44,018,454 |
| Net income, as previously stated | - | - | - | - | 3,431,435 | - | - | - | 3,431,435 | - | 3,431,435 |
| Effect of initial adoption of PFRS 10 | - | - | - | - | - | - | - | - | - | 58,109 | 58,109 |
| Net income, as restated | - | - | - | - | 3,431,435 | - | - | - | 3,431,435 | 58,109 | 3,489,544 |
| Other comprehensive income | - | - | - | - | - | - | (56,322) | - | (56,322) | - | (56,322) |
| Total comprehensive income | - | - | - | - | 3,431,435 | - | (56,322) | - | 3,375,113 | 58,109 | 3,433,222 |
| Dividends declared | - | - | - | - | (1,151,864) | - | - | - | (1,151,864) | - | (1,151,864) |
| Dividend distribution to noncontrolling interest | - | - | - | - | - | - | - | - | - | (53,858) | (53,858) |
| Balances as of December 31, 2012, as restated | ₱24,470,708 | ₱80,000 | ₱5,612,321 | (₱221,041) | ₱15,683,170 | (₱2,619) | (₱105,686) | ₱361,794 | ₱45,878,647 | ₱367,307 | ₱46,245,954 |

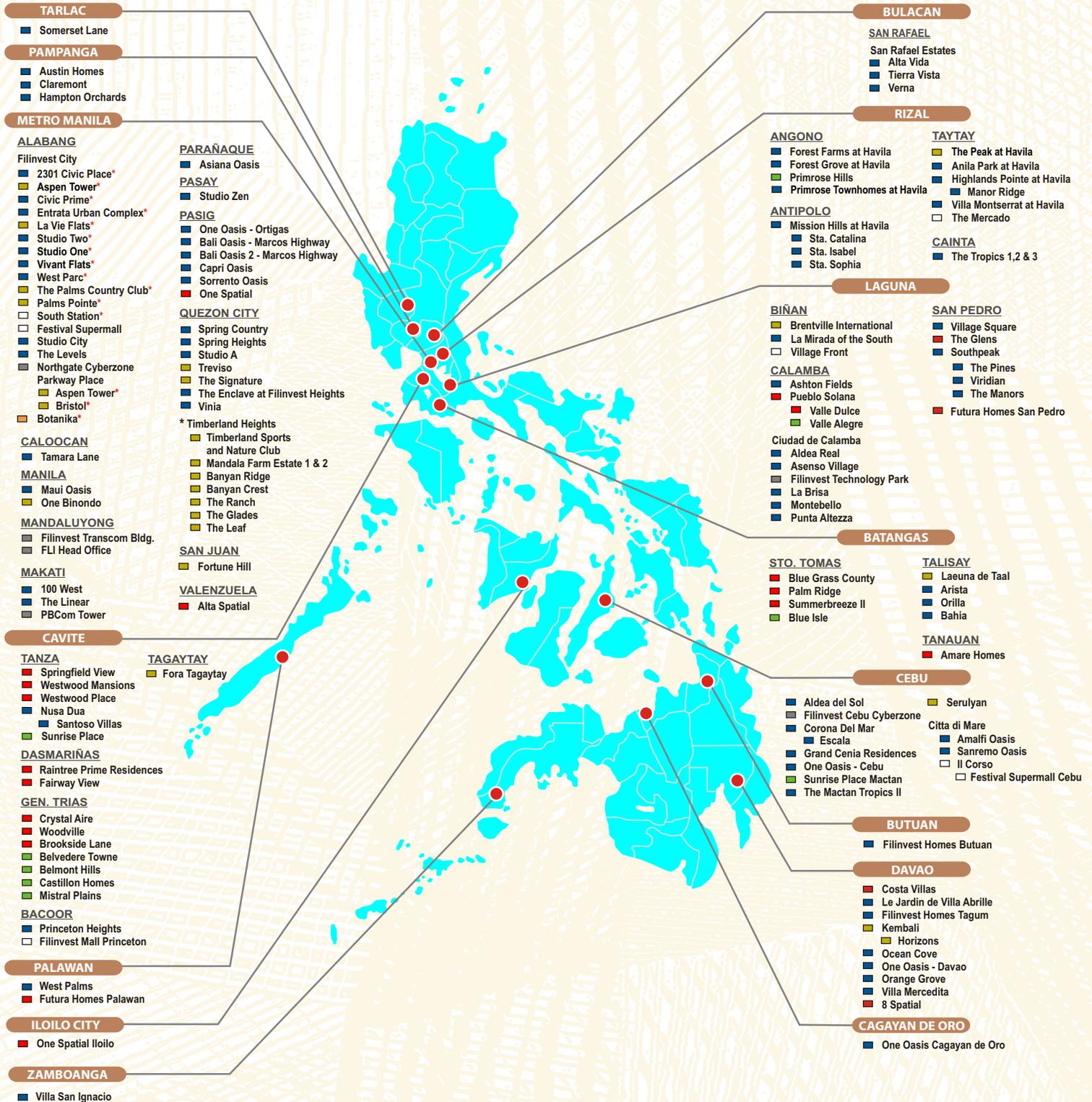
| | Attributable to Equity Holders of the Parent | | | | | | | | | Noncontrolling Interest | Total Equity |
|---|--|-----------------|----------------------------|-------------------|--------------------|---|---|---|--------------------|-------------------------|--------------------|
| | Common Stock | Preferred Stock | Additional Paid-in Capital | Treasury Stock | Retained Earnings | Revaluation Reserve on Financial Assets at FVTOCI | Remeasurement Losses on Retirement Plan | Share in Other Components of Equity of an Associate | Total | | |
| For the Year Ended December 31, 2011 | | | | | | | | | | | |
| Balances as of January 1, 2011, as previously stated | ₱24,470,708 | ₱80,000 | ₱5,612,321 | (₱221,041) | ₱11,412,105 | (₱2,619) | (₱44,805) | ₱361,794 | ₱41,668,463 | ₱- | ₱41,668,463 |
| Effect of initial adoption of PFRS 10 | - | - | - | - | - | - | - | - | - | 348,693 | 348,693 |
| Balances as of January 1, 2011, as restated | 24,470,708 | 80,000 | 5,612,321 | (221,041) | 11,412,105 | (2,619) | (44,805) | 361,794 | 41,668,463 | 348,693 | 42,017,156 |
| Net income, as previously stated | - | - | - | - | 2,942,086 | - | - | - | - | - | 2,942,086 |
| Effect of initial adoption of PFRS 10 | - | - | - | - | - | - | - | - | - | 59,491 | 59,491 |
| Net income, as restated | - | - | - | - | 2,942,086 | - | - | - | 2,942,086 | 59,491 | 3,001,577 |
| Other comprehensive income (loss) | - | - | - | - | - | - | (4,559) | - | (4,559) | - | (4,559) |
| Total comprehensive income | - | - | - | - | 2,942,086 | - | (4,559) | - | 2,937,527 | 59,491 | 2,997,018 |
| Dividends declared | - | - | - | - | (950,592) | - | - | - | (950,592) | - | (950,592) |
| Dividend distribution to noncontrolling interest | - | - | - | - | - | - | - | - | - | (45,128) | (45,128) |
| Balances as of December 31, 2011, as restated | ₱24,470,708 | ₱80,000 | ₱5,612,321 | (₱221,041) | ₱13,403,599 | (₱2,619) | (₱49,364) | ₱361,794 | ₱43,655,398 | ₱363,056 | ₱44,018,454 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of Pesos)

| | Years Ended December 31 | | |
|---|--------------------------------|-----------------------|-----------------------|
| | 2013 | 2012 (As restated, | 2011 (As restated, |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Income before income tax | ₱4,744,090 | ₱4,135,630 | ₱3,561,759 |
| Adjustments for: | | | |
| Interest income | (549,398) | (516,541) | (543,226) |
| Interest expense | 384,491 | 348,108 | 454,903 |
| Depreciation and amortization | 365,384 | 322,727 | 317,835 |
| Equity in net earnings of an associate | (186,366) | (187,294) | (63,407) |
| Dividend income | (3,757) | (3) | (51) |
| Net pension expense (contribution) | 27,061 | (17,181) | 8,271 |
| Operating income before changes in operating assets and liabilities | 4,781,505 | 4,085,446 | 3,736,084 |
| Changes in operating assets and liabilities | | | |
| Decrease (increase) in: | | | |
| Contracts receivable | (2,485,825) | (2,145,042) | (607,037) |
| Due from related parties | (10,295) | 52,514 | (60,835) |
| Other receivables | (36,452) | (604,636) | (882,320) |
| Real estate inventories | 262,579 | (3,884,972) | (4,153,392) |
| Other assets | (967,029) | (781,596) | (277,197) |
| Increase (decrease) in: | | | |
| Accounts payable and accrued expenses | 900,463 | 1,693,292 | 104,965 |
| Net cash generated from (used for) operations | 2,444,946 | (1,584,994) | (2,139,732) |
| Income taxes paid | (523,369) | (516,434) | (539,069) |
| Interest received | 549,398 | 516,541 | 545,893 |
| Dividends received | 3,757 | 3 | 51 |
| Net cash provided by (used in) operating activities | 2,474,732 | (1,584,884) | (2,132,857) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisitions of raw land | (2,901,861) | (2,488,561) | (1,053,473) |
| Acquisitions of investment properties and property and equipment | (2,971,951) | (1,457,348) | (804,171) |
| Dividends received from associate | 80,400 | 75,000 | 540,000 |
| Proceeds from maturity of financial assets at fair value through other comprehensive income | 6,774 | - | 93,662 |
| Net cash used in investing activities | (5,786,638) | (3,870,909) | (1,223,982) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from availment of: | | | |
| Loans payable | 7,199,000 | 4,950,000 | 4,220,000 |
| Bond payable | 7,000,000 | 7,000,000 | 3,000,000 |
| Payments of: | | | |
| Loans payable | (3,669,167) | (2,504,750) | (2,606,000) |
| Bonds payable | - | (500,000) | - |
| Cash dividend | (1,163,987) | (1,151,864) | (950,592) |
| Interest and transaction costs | (1,782,380) | (1,449,163) | (826,233) |
| Dividends paid to noncontrolling interest | (72,000) | (53,858) | (45,128) |
| Increase (decrease) in amounts due to related parties | 25,716 | 134,737 | (34,207) |
| Net cash provided by financing activities | 7,537,182 | 6,425,102 | 2,757,840 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 4,225,276 | 969,309 | (598,999) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 2,165,456 | 1,196,147 | 1,795,146 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | ₱6,390,732 | ₱2,165,456 | ₱1,196,147 |

MAP OF PROJECTS



LEGEND:

EXCLUSIVE COLLECTION

PREMIERE (LEISURE & RESIDENTIAL / COUNTRY CLUB)

FILINVEST

FUTURA

SOCIALIZED

RETAIL / COMMERCIAL

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