

COVER SHEET

SEC Registration Number

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COMPANY NAME

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D	I	A	R	I	E	S																							

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

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M	a	n	d	a	l	u	y	o	n	g		C	i	t	y														

Form Type

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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

--

Company's Telephone Number

7918-8188

Mobile Number

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No. of Stockholders

5,621

Annual Meeting (Month / Day)

Every 2nd to the last Friday
of April Each Year

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Venus A. Mejia

Email Address

venus.mejia@filinvestgrou
p.com

Telephone Number/s

7918-8188

Mobile Number

--

CONTACT PERSON'S ADDRESS

79 EDSA, Brgy. Highway Hills, Mandaluyong City

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

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

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATIONS CODE AND SRC RULE 17(2) (b) THEREUNDER**

1. For the quarterly period ended **September 30, 2022**
2. SEC Identification Number **170957**
3. BIR Tax ID **000-533-224**
4. Exact name of issuer as specified in its charter **FILINVEST LAND, INC.**
5. Province, Country or other jurisdiction of incorporation or organization **Philippines**
6. Industry Classification Code: _____ (SEC Use Only)
- Filinvest Building, #79 EDSA, Brgy. Highway Hills, Mandaluyong City** **1550**
7. Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code **02-7918-8188 / 02-7588-1678**

Not Applicable

9. Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Section 8 and 12 of the SRC

<u>Title of Each Class</u>	<u>Number of shares issued and outstanding</u>
Common Shares, 1.00 par value	24,249,759,506
Preferred Shares, 0.01 par value	8,000,000,000

<u>Amount of Debt Outstanding</u>	<u>In Php thousands</u>
	72,663,604

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes ☒ No ☐

12. Indicate by check mark whether the issuer:

- (a) has filed reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA Rule 1(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒ No ☐

- (b) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

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PART 1 – FINANCIAL INFORMATION

FILINVEST LAND, INC. AND SUBSIDIARIES

Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2022

and

For the nine months ended September 30, 2022 and 2021

FILINVEST LAND, INC. AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Financial Position

As at September 30, 2022

(Amounts in thousands)

	Notes	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Current Assets			
Cash And Cash Equivalents	6	P7,436,402	P9,658,260
Contracts Receivable	7	5,655,572	5,337,931
Contract Assets	5	4,521,154	4,177,819
Other Receivables	8	2,914,086	2,710,463
Real Estate Inventories	9	71,038,320	68,726,921
Other Current Assets	10	5,715,449	4,933,311
Total Current Assets		97,280,984	95,544,705
Noncurrent Assets			
Contract Asset - net of current portion	5	P4,467,224	4,152,756
Investment In Associates	11	5,091,776	5,045,090
Investment Properties	13	75,308,818	72,077,989
Property And Equipment	14	5,515,158	4,794,021
Deferred Income Tax Assets		87,306	95,553
Goodwill	3	4,567,242	4,567,242
Other Noncurrent Assets	15	6,867,254	6,946,175
Total Noncurrent Assets		101,904,778	97,678,826
TOTAL ASSETS		P199,185,762	P193,223,531
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts Payable and Accrued Expenses	16	P11,864,741	P11,738,491
Contract Liabilities		1,214,659	1,171,384
Lease Liabilities - Current Portion	12	246,051	248,590
Due To Related Parties	26	154,484	204,317
Income Tax Payable		8,966	8,522
Loans Payable - Current Portion	17	5,651,099	4,912,198
Bonds Payable - Current Portion	18	5,957,178	6,991,749
Total Current Liabilities		25,097,178	25,275,251
Noncurrent Liabilities			
Loans Payable - net of current portion	17	P25,907,978	P27,270,545
Bonds Payable - net of current portion	18	35,147,349	29,297,173
Contract Liabilities - net of current portion		743,923	774,212
Lease Liabilities - net of current portion	12	6,222,598	6,099,428
Net Retirement Liabilities		502,289	459,630
Deferred Income Tax Liabilities - net	23	5,261,372	5,317,269
Accounts Payable and Accrued Expenses - net of current portion	16	9,383,390	8,939,799
Total Noncurrent Liabilities		83,168,898	78,158,056
Total Liabilities		P108,266,076	103,433,307

(Forward)

	Notes	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Equity			
Common Stock	19	P24,470,708	P24,470,708
Preferred Stock	19	80,000	80,000
Additional Paid-In Capital		5,612,321	5,612,321
Treasury Stock	19	(221,041)	(221,041)
Retained Earnings	19	58,286,256	57,425,032
Revaluation Reserve on Financial Assets at Fair Value Through Other Comprehensive Income		(2,619)	(2,619)
Remeasurement Losses on Retirement Plan		(14,477)	(16,169)
Share In Other Components of Equity Of An Associate		372,449	372,449
Equity attributable to equity holders of the parent		88,583,598	87,720,681
Noncontrolling Interest		2,336,088	2,069,543
Total Equity		90,919,687	89,790,224
TOTAL LIABILITIES AND EQUITY		P199,185,762	P193,223,531

FILINVEST LAND, INC. AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Profit and Loss

For the nine months ended September 30

(Amounts in thousands; Except Earnings per share figures)

	Notes	Quarter Ended September 30		Nine months Period Ended September 30	
		2022	2021	2022	2021
		(Unaudited)		(Unaudited)	
REVENUE					
Real Estate Sales	4, 5	P3,151,336	P2,873,606	P8,981,848	P8,185,304
Rental Services	4, 5	1,697,038	1,415,741	4,680,224	4,280,987
Total revenue		4,848,374	4,289,348	13,662,072	12,466,291
EQUITY IN NET EARNINGS OF AN ASSOCIATE					
		23,391	12,100	46,686	49,185
OTHER INCOME					
Interest Income	22	87,186	113,704	257,771	317,606
Others		81,895	79,841	220,871	253,321
		5,040,847	4,494,993	14,187,399	13,086,403
COSTS					
Real Estate Sales	4	1,859,482	1,631,264	5,188,704	4,764,300
Rental Services	4	838,960	639,370	2,210,277	1,927,664
OPERATING EXPENSES					
Selling And Marketing Expenses	21	326,057	257,026	856,610	739,752
General And Administrative Expenses	20	508,675	474,975	1,479,293	1,346,780
INTEREST AND OTHER FINANCE CHARGES					
	22	616,862	578,208	1,799,977	1,765,321
		4,150,036	3,580,842	11,534,861	10,543,817
INCOME BEFORE INCOME TAX					
		890,811	914,151	2,652,538	2,542,586
PROVISION FOR INCOME TAX					
Current	23	161,485	23,330	474,707	81,664
Deferred	23	(32,287)	183,906	(92,878)	(916,393)
		129,198	207,236	381,829	(834,728)
NET INCOME					
		761,612	706,915	P2,270,709	P3,377,314
NET INCOME ATTRIBUTABLE TO:					
Equity holders of the parent		P799,415	P569,680	P2,004,163	P3,187,413
Noncontrolling interest		(37,802)	137,236	266,546	189,901
		P761,612	P706,915	P2,270,709	P3,377,314
Earnings Per Share					
Basic		P0.03	P0.02	P0.08	P0.13
Diluted		P0.03	P0.02	P0.08	P0.13

FILINVEST LAND, INC. AND SUBSIDIARIES**Interim Condensed Consolidated Statement of Comprehensive Income****For the nine months ended September 30***(Amounts in thousands)*

	Nine months Period Ended September 30	
	2022	2021
	(Unaudited)	(Unaudited)
NET INCOME FOR THE PERIOD	P2,270,709	P3,377,314
OTHER COMPREHENSIVE INCOME		
Remeasurement gain from an associates investment	-	-
Remeasurement gain (losses) on retirement plan, net of tax	1,692	0
TOTAL COMPREHENSIVE INCOME	P2,272,401	P3,377,314
Total comprehensive income attributable to:		
Equity holders of the parent	P2,005,855	P3,187,413
Noncontrolling interest	266,546	189,901
	P2,272,401	P3,377,314

FILINVEST LAND, INC. AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Changes in Equity For the nine months ended September 30, 2022

(Amounts in thousands)

Attributable to Equity Holders of the Parent												
	Common Stock	Preferre d Stock	Additional Paid-in Capital	Treasury Stock	Unappropri ated Retained Earnings	Appropriated Retained Earnings	Revaluatio n Reserve on Financial Assets at FVOCI	Remeasurem ent Losses on Retirement Plan	Share in Other Component s of Equity of an Associate	Total	Noncontroll ing Interest	Total Equity
For the nine months ended September 30, 2022												
Balances at the beginning of the year	P24,470,708	P80,000	P5,612,321	(P221,041)	P52,425,032	P5,000,000	(P2,619)	(P16,169)	P372,449	P87,720,682	P2,069,543	P89,790,225
Net income					2,004,163					2,004,163	266,546	2,270,709
Other comprehensive income								1,692		1,692		1,692
Total comprehensive income					2,004,163			1,692		2,005,855	266,546	2,272,401
Dividends declared					(1,142,939)					(1,142,939)		(1,142,939)
Dividend distribution to noncontrolling interest												
Balances as at end of period	P24,470,708	P80,000	P5,612,321	(P221,041)	P53,286,256	P5,000,000	(P2,619)	(P14,477)	P372,449	P88,583,598	P2,336,088	P90,919,687
For the nine months ended September 30, 2021												
Balances at the beginning of the year	P24,470,708	P80,000	P5,612,321	(P221,041)	P38,776,186	P5,000,000	(P2,619)	(P15,136)	P372,449	P74,072,868	P306,075	P74,378,943
Net income					3,187,413					3,187,413	189,901	3,377,314
Changes in noncontrolling interests					9,777,069					9,777,069	2,399,139	12,176,208
Other comprehensive income								9,412		9,412		9,412
Total comprehensive income					12,964,483			9,412		12,973,894	2,589,040	15,562,934
Dividends declared					(754,223)					(754,223)		(754,223)
Dividend distribution to noncontrolling interest												
Balances as at end of the period	P24,470,708	P80,000	P5,612,321	(P221,041)	P50,986,446	P5,000,000	(P2,619)	(P5,724)	P372,449	P86,292,540	P2,895,115	P89,187,654

FILINVEST LAND, INC. AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Cash Flows For the nine months ended September 30

(Amounts in thousands)

	Nine Months Period Ended September 30	
	2022	2021
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P2,652,538	P2,542,586
Adjustments for:		
Interest income	(257,771)	(317,606)
Interest expense and amortization of transaction costs	1,872,015	1,765,321
Depreciation and amortization	1,182,126	960,206
Equity in net earnings of associates	(46,686)	(49,185)
Net pension expense, net of contribution and benefits paid	31,123	36,489
Operating income before changes in operating assets and liabilities	5,433,345	4,937,811
Changes in operating assets and liabilities		
Decrease (increase) in:		
Contracts receivables	(317,641)	(1,104,684)
Contract Assets	(657,803)	1,391,765
Other receivables	(13,040)	440,610
Real estate inventories	(2,823,880)	(3,256,600)
Other assets	(818,795)	(671,773)
Increase (decrease) in:		
Accounts payable and accrued expenses	980,431	(505,338)
Contracts liabilities	12,986	11,024
Net cash generated from operations	1,795,603	1,242,815
Income taxes paid, including creditable withholding taxes	(415,809)	7,548
Interest received	257,771	317,606
Net cash provided by operating activities	1,637,565	1,567,969
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investment properties and property and equipment	(5,030,495)	(3,807,742)
Decrease (increase) in BTO rights	(95,239)	(116,838)
Cash used in investing activities	(5,125,734)	(3,924,580)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availments of :		
Loans payable	10,129,900	4,545,000
Bonds payable	11,900,000	-
Real Estate Investment Trust (REIT) initial public offering, net of expenses	-	12,176,208
Payments of:		
Loans payable	(10,997,976)	(7,053,684)
Bonds payable	(7,000,000)	-
Cash dividend	(1,121,526)	(357,048)
Interest and transaction costs	(1,319,594)	(2,658,350)
Lease liability	(274,659)	(300,880)
Proceeds of advances from FDC	-	1,500,000
Changes in amounts due to related parties	(49,834)	(18,914)
Net cash used in financing activities	1,266,311	7,832,332
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,221,858)	5,475,721
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	9,658,260	6,693,557
CASH AND CASH EQUIVALENTS, END OF PERIOD	P7,436,402	P12,169,278

FILINVEST LAND, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Filinvest Land, Inc. (the “Parent Company” or “FLI”) is a property developer engaged mainly in the development of residential subdivisions, construction of housing units and leasing activities. It was incorporated and is domiciled in the Philippines where its shares are publicly traded. Formerly Citation Homes, Inc., the Parent Company was incorporated on November 24, 1989, after the expiration of its corporate life of 50 years, and later changed to its present name on July 12, 1993. The Parent Company and its subsidiaries (collectively referred to as “the Group”) offer a range of real estate products from socialized and affordable housing to middle-income and high-end housing, various types of subdivision lots, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, condotels, and condominium buildings. The Group also leases out commercial and office spaces in Muntinlupa City, Makati City, Pasay City, Cebu City, Tagaytay City, Cavite, and Clark Mimosa, as its major locations for leasing.

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

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

On October 19, 2022, the Board of Directors (BOD) approved and authorized the release of the accompanying unaudited interim condensed consolidated financial statements of Filinvest Land, Inc., and Subsidiaries.

2. Summary of Significant Accounting Policies

Basis of Preparation

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

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

Statement of Compliance

The unaudited interim consolidated financial statements of the Group for the nine months ended September 30, 2022 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting, as modified by the application of the following reporting reliefs issued and approved by the SEC under Memorandum Circular No. 34-2021 in response to the COVID-19 pandemic.

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

The unaudited interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at December 31, 2021, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the following reporting reliefs issued and approved by the SEC under Memorandum Circular No. 34-2020 in response to the COVID-19 pandemic.

Basis of Consolidation

The unaudited interim consolidated financial statements include the accounts of the Parent Company and the following subsidiaries. The nature of business and the corresponding percentages of ownership over these entities as of September 30, 2022 and December 31, 2021 are as follows. The voting rights held by the Group in these subsidiaries are in proportion to its ownership interest.

Subsidiaries	Nature of Business	2022	2021
Filinvest AII Philippines, Inc. (FAPI)	Real estate developer	100%	100%
FCGC Corporation (FCGCC)	Real estate developer	100%	100%
Filinvest BCDA Clark, Inc. (FBCI) ¹	Real estate developer	55%	55%
Gintong Parisukat Realty and Development Inc. (GPRDI)	Real estate developer	100%	100%
Homepro Realty Marketing, Inc. (Homepro)	Real estate developer	100%	100%
Filinvest REIT Corp. (FILRT) ²	Leasing	63%	63%
Filinvest Asia Corporation (FAC)	Leasing	60%	60%
Filinvest Cyberparks, Inc. (FCI)	Leasing	100%	100%
Filinvest Clark Mimosa, Inc. (FCMI) ³	Leasing	100%	100%
Festival Supermall, Inc. (FSI)	Property management	100%	100%
Filinvest Lifemalls Corporation (FLC)	Property management	100%	100%
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Property management	100%	100%
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Property management	100%	100%
ProOffice Works Services, Inc. (ProOffice) ⁴	Property management	100%	100%
Property Specialist Resources, Inc. (Prosper)	Property management	100%	100%
FSM Cinemas, Inc. (FSM Cinemas) ⁵	Theater operator	60%	60%
Philippine DCS Development Corporation (PDDC)	District cooling systems, builder and operator	60%	60%
Timberland Sports and Nature Club, Inc. (TSNC)	Recreational Sports and Natures Club	98%	98%
Leisurepro, Inc. (Leisurepro)	Marketing	100%	100%
Proleads Philippines, Inc. (PPI)	Marketing	100%	100%
Property Leaders International Limited (PLIL)	Marketing	100%	100%
Property Maximizer Professional Corp. (Promax)	Marketing	100%	100%
Realpros Philippines, Inc. (RPI)	Marketing	100%	100%
Nature Specialists, Inc. (NSI)	Recreational Sports and Natures Club	75%	75%
FREIT Fund Managers, Inc. ⁶	Fund Manager	100%	100%
Co-Living Pro Managers Corp. (CPMC) ⁷	Real estate developer	100%	100%
OurSpace Solutions, Inc. (OSI)	Real estate developer	100%	-

Notes:

- FBCI is owned indirectly through FCGCC.*
- On August 12, 2021, FILRT shares were listed at the PSE. FLI previously owned 100% of FILRT and sold 36.7% or 1,797.61 million shares in its initial public offering.*
- Filinvest Cyberzone Mimosa, Inc. (FCMI) was renamed Filinvest Clark Mimosa Inc. on February 15, 2021.*
- 40% interest is owned by FCI. Effectively, FLI owns 100% of ProOffice.*
- FSM Cinemas is owned indirectly through FSI.*
- FFMI was incorporated on April 13, 2021 to engage in business of providing fund management services to REIT companies.*
- CPMC was incorporated on August 2, 2021 in to engage in business of developing, operating, managing, and maintaining dormitels, lots and buildings whether owned or leased, to make such dormitels available for all clients for temporary stay as well as any and all services and facilities incidental thereto. CPMC has not started commercial operations as of September 30, 2022.*
- OurSpace Solutions, Inc. (OSI) was incorporated on May 26, 2022 with primary purpose of developing, operating, managing and maintaining commercial buildings to be used as coworking spaces. OSI has not started commercial operations as of September 30, 2022.*

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

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

Changes in Accounting Policies and Disclosures

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

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

The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before September 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

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

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

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

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

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

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

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

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

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

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

- *Adoption of Q&A 2018-12-E (as amended by PIC Q&A 2021-02) - Treatment of Uninstalled Materials in the Calculation of the POC*

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

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

- *Adoption of PIC Q&A 2018-14, Accounting for Cancellation of Real Estate Sales (as amended by PIC Q&A 2021-05)*

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

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

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

Deferred Effectivity

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

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as

defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Goodwill

Goodwill arising from business combinations in the Group's consolidated statements of financial position as of September 30, 2022 and December 31, 2021 consists of (amounts in thousands):

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

As of September 30, 2022 and December 31, 2021, the recoverable value of the cash generating units to which the goodwill pertains is in excess of the carrying value of the cash generating units, thus, no impairment has been recognized. There are no events that have occurred and circumstances that have changed since December 31, 2021 which would indicate that an impairment indicator exists as of September 30, 2022.

4. Segment Reporting

For management purposes, the Group is organized into the following segments:

Real Estate

This involves the acquisition of land, planning and development of large-scale, fully integrated residential communities, as well as the development and sale of residential lots, housing units, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings. This also includes corporate-related business operations not classified as leasing activities.

Leasing

This involves the operations of Festival Supermall, Fora Tagaytay, Centro Square and Il Corso, including its management and theater operations, and the leasing of commercial and office spaces in Makati City, Muntinlupa City, Pasay City, Bacoar City, Tagaytay City, Cebu City and Clark.

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

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

No operating segments have been aggregated to form the above reportable segments. Transfer prices between segments are based on rates agreed upon by the parties and have terms equivalent to transactions entered with third parties.

For the period ended September 30, 2022 and 2021, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

The information about the financial position and result of operations of these business segments for the period ended September 30, 2022 and 2021 are summarized below.

	September 30, 2022 (Unaudited)				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of associates:					
External	P8,981,848	P4,680,224	P13,662,072	P0	P13,662,072
Inter-segment	252,923	-	252,923	(252,923)	
	9,234,771	4,680,224	13,914,995	(252,923)	13,662,072
Equity in net earnings of associates	46,686		46,686		46,686
Other income	1,420,724	765,989	2,186,714	(1,708,072)	478,641
	1,467,410	765,989	2,233,399	(1,708,072)	525,327
Net income	2,407,240	1,168,732	3,575,972	(1,305,263)	2,270,709
Adjusted EBITDA	3,460,984	3,325,045	6,786,028	(1,198,073)	5,587,955
Segment assets	121,378,005	90,208,966	221,586,971	(11,743,621)	199,843,349
Less net deferred income tax assets	-	87,306	87,306	-	87,306
Net segment assets	P121,378,005	P90,121,660	P221,586,971	(11,743,621)	P199,756,043
Segment liabilities	69,012,342	45,160,816	114,173,157	(5,249,522)	108,923,635
Less net deferred income tax liabilities	5,216,770	(29,410)	5,187,360	74,012	5,261,372
Net segment liabilities	P63,795,572	P45,190,226	P108,985,797	(5,323,534)	P103,662,263
Cash flows provided by (used in):					
Operating activities	248,279	P2,744,391	P2,992,670	(P1,355,105)	P1,637,565
Investing activities	(3,231,152)	(1,894,582)	(5,125,734)	-	(5,125,734)
Financing activities	453,570	(86,441)	367,130	899,181	1,266,311

	December 31, 2021 (Audited)				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Segment Assets	P114,176,209	P83,223,266	P197,399,475	(4,175,944)	P193,223,531
Less net deferred tax assets	–	95,553	95,553		95,553
Net segment assets	P114,176,209	P83,127,713	P197,303,922	(4,175,944)	P193,127,978
Segment Liabilities	67,170,101	29,599,056	96,769,157	6,664,150	103,433,307
Less net deferred tax liabilities	5,416,353	(136,114)	5,280,239	37,031	5,317,270
Net segment liabilities	P61,753,748	P29,735,170	P91,488,918	P6,627,119	P98,116,037

	September 30, 2021 (Unaudited)				
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of associates:					
External	P8,185,304	P4,280,987	P12,466,291	P0	P12,466,291
Inter-segment	258,279	-	258,279	(258,279)	-
	8,443,583	4,280,987	12,724,569	(258,279)	12,466,291
Equity in net earnings of associates	49,185	-	49,185	-	49,185
Other income	8,541,691	660,227	9,201,918	(8,630,991)	570,927
	17,034,459	4,941,213	21,975,673	(8,889,270)	13,086,403
Net income	10,609,424	1,154,284	11,763,708	(8,386,394)	3,377,314
Adjusted EBITDA	10,718,655	2,906,852	13,625,508	(8,406,580)	5,218,928
Cash flows provided by (used in):					
Operating activities	P1,005,148	P1,824,524	P2,829,672	(P1,261,703)	P1,567,969
Investing activities	-	(3,924,580)	(3,924,580)	-	(3,924,580)
Financing activities	(3,504,939)	11,702,608	8,197,669	(365,337)	7,832,332

Seasonality

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

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

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
	(In Thousands)	
Adjusted EBITDA	P5,587,955	P5,218,928
Depreciation and amortization	(1,182,126)	(960,206)
Operating profit	4,405,829	4,258,722
Interest and other finance charges	(1,799,977)	(1,765,321)
Equity in net earnings of associates	46,686	49,185
Income before income tax	P2,652,538	P2,542,586

5. Revenue from Contracts with Customers

Disaggregated Revenue Information

The Group's disaggregation of each source of revenue from contracts with customers are presented below:

	September 30 2022 (Unaudited)	September 30 2021 (Unaudited)
	(In Thousands)	
Real estate sales by market segment		
Medium income	P6,021,218	P5,295,444
Low affordable and affordable	1,884,303	1,823,953
High-end and others	897,247	805,620
Socialized	179,080	260,287
	8,981,848	8,185,304
Cinema operations by type of goods or services (included as part of rental and related services)		
Theater, snack bar, parking and amusement sales	117,637	37,925
	117,637	37,925
Tenant dues		
Office leasing	867,352	908,410
Mall operations	258,104	207,947
	1,125,456	1,116,358
Total revenue from contracts with customers	10,224,941	9,339,587
Rental and related services		
Office leasing	2,668,500	2,683,057
Mall operations	768,631	443,647
	3,437,130	3,126,704
Total Revenue	P13,662,072	P12,466,291

The Group's real estate sales are revenue from contracts with customers which are recognized over time while revenues from theater, snack bar, parking and amusement are recognized at a point in time. Market segments classification of projects in 2021 were updated to conform with the 2022 presentation.

As of September 30, 2022 contract balances are as follows:

	Current	Noncurrent	Total
	(In Thousands)		
Contract receivable	P5,655,572	P-	P5,655,572
Contract assets	4,521,154	4,467,224	8,988,378
Contract liabilities	1,214,659	743,923	1,958,582

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

	Current	Noncurrent	Total
	(In Thousands)		
Contract receivable	P5,337,931	P-	P5,337,931
Contract assets	4,177,819	4,152,756	8,330,575
Contract liabilities	1,171,384	774,212	1,945,596

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

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

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

Rental agreements

The Group entered into lease agreements for its mall retail spaces and office spaces with the following identified performance obligations: (a) lease of space (b) provisioning of water and electricity and (c) provision of air conditioning and CUSA services (d) administration fee.

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

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

6. Cash and Cash Equivalents

This account consists of:

	September 30 2022 (Unaudited)	December 31 2021 (Audited)
	(In Thousands)	
Cash	P5,952,955	P6,443,411
Cash equivalents	1,483,447	3,214,849
	P7,436,402	P9,658,260

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

Interest income earned on the Group's cash and cash equivalents amounted to P43.92 million and P15.18 million as at September 30, 2022 and 2021, respectively (see Note 22).

There is no restriction on the Group's cash and cash equivalents as at September 30, 2022 and December 31, 2021.

7. Contracts Receivable

This account consists of:

	September 30 2022 (Unaudited)	December 31 2021 (Audited)
	(In Thousands)	
Contracts receivable	₱5,438,604	₱5,133,740
Receivables from government and financial institutions	216,968	204,191
	₱5,655,572	₱5,337,931

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

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

Interest income recognized on contracts receivable amounted to ₱199.15 million and 260.41 ₱million for the nine months ended September 30, 2022 and 2021, respectively (see Note 22). Interest rates per annum on contracts receivable range from 11.5% to 19.0% for these periods.

The Group has a mortgage insurance contract with Philippine Guaranty Corporation (then, Home Guaranty Corporation), a government insurance company for a retail guaranty line. As of September 30, 2022 and December 31, 2021, the contracts (comprise of both contract receivables and contract assets) covered by the guaranty line amounted to ₱545.9 million and ₱796.7 million, respectively. As of September 30, 2022 and December 31, 2021, the remaining unutilized guaranty line amounted to ₱1.43 billion and ₱1.57 billion, respectively.

As of September 30, 2022 and December 31, 2021, no impairment losses were recognized from contracts receivables.

8. Other Receivables

This account consists of:	September 30 2022 (Unaudited)	December 31 2021 (Audited)
		(In Thousands)
Receivables from tenants	₱1,858,445	₱1,623,286
Due from related parties (Notes 12 and 20)	505,837	472,233
Advances to officers and employees	312,167	310,616
Receivables from homeowners' associations	266,595	261,127
Receivables from buyers	9	1,003
Others	81,203	89,884
	3,024,256	2,758,149
Less: Allowance for expected credit losses	110,170	47,686
	₱2,914,086	₱2,710,463

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

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

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

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

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

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

9. Real Estate Inventories

This account consists of:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	(In Thousands)	
Real estate inventories - at cost		
Lots, condominium and residential units for sale	P44,571,960	P42,808,627
Land and land development	26,466,360	25,918,294
	P71,038,320	P68,726,921

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	(In Thousands)	
Balance at beginning of year	P42,808,627	P41,659,064
Land costs transferred from land and land development	1,295,997	3,894
Net transfer to investment properties and property and equipment	-	-
Construction/development costs incurred	5,283,406	7,093,538
Capitalized borrowing costs	372,635	495,820
Cost of real estate sales	(5,188,704)	(6,443,688)
	P44,571,960	P42,808,627

Capitalization rate for the capitalized borrowing costs is 2.08% and 4.6% for the nine months ended September 30, 2022 and for the year ended December 31, 2021, respectively.

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	(In Thousands)	
Balance at beginning of year	P25,918,294	P23,885,503
Land acquisitions	701,225	653,310
Land costs transferred to lots, condominium and residential units for sale	(1,295,997)	(3,894)
Net transfers and others	-	-
Site development and incidental costs	1,142,838	1,383,375
	P26,466,360	P25,918,294

As of September 30, 2022 and December 31, 2021, on account additions to land and land development during the period which remain outstanding amounted to nil and P513.18 million, respectively, and these are recognized as part of "Accounts payable and accrued expense" (see Note 16).

10. Other Current Assets

This account consists of:	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	(In Thousands)	
Input taxes - net	P3,524,511	P2,772,002
Creditable withholding taxes	1,019,539	1,039,951
Cost to obtain contract	218,556	474,282
Prepaid expenses	326,675	209,645
Construction materials and supplies	290,829	166,495
Advances to contractors and suppliers	271,645	218,702
Short-term deposits	63,695	52,232
	P5,715,449	P4,933,310

11. Investments in Associates

This account consists of:

	2022	2021
	(In Thousands)	
At equity:		
Acquisition cost		
Balance at beginning of year	P1,007,869	P996,619
SharePro, Inc.	-	11,250
Balance at end of year	1,007,869	1,007,869
Accumulated equity in net earnings:		
Balance at beginning of year	1,654,320	1,542,297
Equity in net earnings for the year	46,686	112,023
Balance at end of year	1,701,006	1,654,320
Share in revaluation increment on land at deemed cost*		
Balance at beginning of year	2,010,452	1,876,422
Impact of adoption of CREATE Act	-	134,030
Balance at end of year	2,010,452	2,010,452
Share in other components of equity	372,449	372,449
	P5,091,776	P5,045,090

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

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

	2022	2021
	(In Thousands)	
FAI	P4,838,627	P4,782,999
DPI	97,703	98,892
FMI	76,526	74,580
CTI	49,788	53,166
Pro-excel	29,131	24,203
SharePro	-	11,250
	P5,091,776	P5,045,090

12. Leases

Group as lessee

The Group has lease contracts for land. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group has entered land lease arrangements with lease terms of between 25 and 50 years. There are several leases that include extension option to lease the assets for additional 25 years based on mutual agreement of the parties.

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

	September 30, 2022 (Unaudited)		
	Investment Properties (Note 13)	Other Noncurrent Assets (Note 16)	Total
	(In Thousands)		
Cost			
At January 1 and December 31	P5,376,136	P112,424	P5,488,560
Additions	—	—	—
As at September 30	5,376,136	112,424	5,488,560
Accumulated Depreciation			
At January 1	453,892	9,462	463,354
Depreciation (Note 21)	115,868	3,510	119,378
As at September 30	569,760	12,972	582,732
Net Book Value	P4,806,376	P99,452	P4,905,828

	December 31, 2021 (Audited)		
	Investment Properties (Note 13)	Other Noncurrent Assets (Note 16)	Total
	(In Thousands)		
Cost			
At January 1 and December 31	P5,376,136	P112,424	P5,488,560
Accumulated Depreciation			
At January 1	288,122	8,994	297,116
Depreciation (Note 21)	165,770	468	166,238
As at December 31	453,892	9,462	463,354
Net Book Value	P4,922,244	P102,962	P5,025,206

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

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
	(In Thousands)	
Amortization expense of right-of-use assets (included in general and administrative expenses)	P119,378	P105,629
Interest expense on lease liabilities (included in interest and other finance charges)	393,828	321,329
	P513,206	P426,958

The rollforward analysis of lease liabilities follows:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	(In Thousands)	
Beginning balance	P6,348,017	P6,152,960
Additions	1,463	–
Interest expense	393,828	546,379
Payments	(274,659)	(351,321)
At end of period	6,468,649	6,348,018
Lease Liabilities - current portion	246,051	248,590
Lease liabilities - net of current portion	P6,222,598	P6,099,428

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

13. Investment Properties

The rollforward analysis of this account are as follows:

September 30, 2022 (Unaudited)						
	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-use assets	Total
	(In Thousands)					
Cost						
Balances at beginning of year	P14,461,401	P28,945,082	P367,237	P30,981,015	P5,376,136	P80,130,872
Additions	731,367	645,231	28,260	2,649,620	–	4,054,479
Transfers (Note 14)	(10,992)	(74,503)	–	94,605	–	9,110
Balances at end of year	15,181,776	29,515,810	395,498	33,725,240	5,376,136	84,194,460
Accumulated Depreciation						
Balances at beginning of year	–	7,234,718	364,272	–	453,892	8,052,883
Depreciation (Note 21)	–	728,835	16,906	–	115,868	861,609
Transfers (Note 14)	–	(28,850)	–	–	–	(28,850)
Balances at end of year	–	7,934,703	381,179	–	569,760	8,885,642
Net Book Value	P15,181,776	P21,581,106	P14,319	P33,725,240	P4,806,376	P75,308,818

December 31, 2021 (Audited)						
	Land	Buildings and Improvements	Machinery and Equipment	Construction in Progress	Right-of-use assets	Total
	(In Thousands)					
Cost						
Balances at beginning of year	P14,798,900	P29,160,153	P216,420	P26,840,127	P5,376,136	P76,391,736
Additions	15,286	706,238	150,818	4,140,888	–	5,013,230
Transfers (Note 14)	(352,785)	(921,309)	–	–	–	(1,274,094)
Balances at end of year	14,461,401	28,945,083	367,238	30,981,015	5,376,136	80,130,872
Accumulated Depreciation						
Balances at beginning of year	–	6,623,937	214,720	–	288,122	7,126,779
Depreciation (Note 21)	–	825,783	149,552	–	165,770	1,141,105
Transfers (Note 14)	–	(215,002)	–	–	–	(215,002)
Balances at end of year	–	7,234,718	364,273	–	453,892	8,052,883
Net Book Value	P14,461,401	P21,710,365	P2,965	P30,981,015	P4,922,244	P72,077,989

Borrowing costs capitalized as part of investment properties amounted to P725.42 million and P856.96 million as of September 30, 2022 and December 31, 2021, respectively. Capitalization rate used is 0.88% to 2.89% for the nine months ended September 30, 2022 and 1.17% to 3.85% for the year ended December 31, 2021.

Investment properties in San Mateo, Rizal were reclassified to property and equipment due to change in use in 2022. As of September 30, 2022 and December 31, 2021, on account additions to investment properties which remain outstanding amounted to P101.15 million and P1.33 billion, respectively, and these are recognized as part of "Accounts payable and accrued expense" (see Note 16).

The aggregate fair value of the Group's investment properties amounted to P203.28 billion based on third party appraisals performed for certain assets in 2021 by an SEC accredited independent appraiser and management appraisal updated using current and period-end values and assumptions. The fair value of investment properties was determined using the Income Approach based on discounted cash flow analysis for completed buildings, Residual Approach for buildings under construction and Market Approach for land.

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

Market data approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For market data approach, the higher the rise per sqm., the higher the fair value. The significant unobservable inputs to valuation of the land is the price per square meter ranging from P46,000 to P275,000.

The Group has contractual commitments and obligations for the construction and development costs to be incurred for investment properties and property and equipment items aggregating P7,143 million and P4,105 million as of September 30, 2022 and December 31, 2021, respectively. These will be recognized as liabilities in the Group's consolidated financial statements when the related services are received.

14. Property & Equipment

The rollforward analysis of this account are as follows:

September 30, 2022 (Unaudited)							
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
	(In Thousands)						
Cost							
Balances at beginning of year	P3,566,434	P2,243,870	P176,363	P135,909	P194,099	P217,249	P6,533,924
Additions	19,172	845,825	6,289	28,438	35,534	27,639	962,898
Transfer and Disposal	-	-	2,423	-	-	-	2,423
Balances at end of year	3,585,606	3,089,695	185,076	164,347	229,633	244,888	7,499,245
Accumulated Depreciation and Amortization							
Balances at beginning of year	603,914	762,784	145,132	104,787	123,287	-	1,739,903
Depreciation and amortization	60,384	138,190	7,164	14,991	2,514	11,114	234,356
Transfers and Disposal	9,828	-	-	-	-	-	9,828
Balances at end of year	674,126	900,974	152,295	119,777	125,801	11,114	1,984,087
Net Book Value	P2,911,480	P2,188,721	P32,780	P44,569	P103,832	P233,774	P5,515,158

December 31, 2021 (Audited)							
	Land and Buildings	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
	(In Thousands)						
Cost							
Balances at beginning of year	2,160,594	1,804,016	167,788	112,523	191,736	183,444	4,620,101
Additions	131,746	439,854	8,575	23,386	2,363	33,805	639,729
Transfer and Disposal (Note 13)	1,274,094	-	-	-	-	-	1,274,094
Balances at end of year	3,566,434	2,243,870	176,363	135,909	194,099	217,249	6,533,924
Accumulated Depreciation and Amortization							
Balances at beginning of year	327,981	619,901	128,440	76,289	119,345	-	1,271,956
Depreciation and amortization (Note 21)	60,930	142,883	16,692	28,498	3,942	-	252,945
Transfer and Disposal (Note 13)	215,002	-	-	-	-	-	215,002
Balances at end of year	603,913	762,784	145,132	104,787	123,287	-	1,739,903
Net Book Value	2,962,521	1,481,086	31,232	31,122	70,811	217,249	4,794,021

On March 2022, the Company sold its transportation equipment with consideration of P2.24 million equal to its

carrying value.

As of September 30, 2022 and December 31, 2021, on account additions to property and equipment which remain outstanding amounted to P3.01 million and P0.66 million, respectively, and these are recognized as part of “Accounts payable and accrued expenses” (see Note 16).

15. Other Noncurrent Assets

This account consists of:

	September 30 2022 (Unaudited)	December 31 2021 (Audited)
	(In Thousands)	
BTO rights	P4,733,587	P4,638,348
Advances to contractors and suppliers	1,466,381	1,594,945
Advances to joint venture partners	414,804	412,910
Input taxes - net of current portion	230,170	230,170
Creditable withholding taxes - net of current portion	178,626	178,626
Right-of-Use	112,424	112,424
Deposits	32,402	12,276
Financial assets at FVTOCI	15,535	15,622
Other assets	110,871	83,450
	7,294,799	7,278,772
Less accumulated amortization	427,545	332,596
	P6,867,254	P6,946,176

BTO rights pertain to the cost related to the Build, Transfer and Operate agreement with The Province of Cebu (Cebu Province) entered on March 26, 2012. The BTO project relates to the development, construction, and operation of the Business Process Outsourcing (BPO) Complex by the Group at the land properties owned by Cebu Province located at Salinas, Lahug, Cebu City.

The rollforward analysis of BTO rights is as follows:

	September 30, 2022 (Unaudited)		
	BTO Rights	Right-of-Use Assets	Total
	(In Thousands)		
Cost			
Balance at beginning of year	P4,638,348	P112,424	4,750,772
Additions	95,239		95,239
Balance at end of year	4,733,587	112,424	4,846,011
Accumulated Amortization			
Balance at beginning of year	323,134	9,462	332,596
Depreciation	91,439	3,510	94,949
Balance at end of year	414,573	12,972	427,545
Net Book Value	P4,319,015	P99,452	P4,418,467

	December 31, 2021 (Audited)		
	BTO Rights	Right-of-Use Assets	Total
	(In Thousands)		
Cost			
Balance at beginning of year	P3,576,269	P112,424	P3,688,693
Additions	1,062,079	—	1,062,079
Balance at end of year	4,638,348	112,424	4,750,772
Accumulated Amortization			
Balance at beginning of year	270,873	8,994	279,867
Depreciation	52,261	468	52,729
Balance at end of year	323,134	9,462	332,596
Net Book Value	P4,315,214	P102,962	P4,418,176

For the nine months period ended September 30, 2022 and 2021, and for the period ended December 31, 2021, related amortization recognized as part of “Cost of rental and related services” amounted to P91.44 million, P6.08 million and P52.26 million, respectively. Rent income amounting to P222.51 million and P141.43 million for the nine months period ended September 30, 2022 and 2021, respectively, was recognized as part of “Revenue from rental and related services”.

16. Accounts Payable and Accrued Expenses

This account consists of:

	September 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Current	Noncurrent	Total	Current	Noncurrent	Total
	(In Thousands)					
Accounts payable	P5,686,890	P5,800,784	P11,487,674	P6,119,431	P5,534,412	P11,653,843
Deposits from tenants	1,439,417	1,467,515	2,906,933	1,295,788	1,429,650	2,725,439
Retention fees payable	1,894,705	571,139	2,465,844	2,001,781	550,160	2,551,942
Accrued expenses	1,414,455	-	1,414,455	1,221,753	-	1,221,753
Deposits for registration	191,718	1,384,910	1,576,627	177,540	1,282,493	1,460,033
Accrued interest on bonds and loans	880,382	-	880,382	704,994	-	704,994
Other payables	357,173	159,043	516,215	217,203	143,083	360,286
	P11,864,741	P9,648,518	P21,248,131	P11,738,490	P8,939,798	P20,678,288

Accrued expenses account consists of:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	(In thousands)	
Suppliers and contractors	P1,348,403	P1,170,281
Professional fees	39,183	38,845
Utilities	18,204	7,878
Payroll	6,675	3,531
Other accruals	1,991	1,218
	P1,414,455	P1,221,753

17. Loans Payable

This account consists of:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	(In Thousands)	
Developmental loans from local banks	P31,661,672	P32,299,195
Less unamortized transaction costs	102,595	116,452
	31,559,076	32,182,744
Less current portion of loans payable	5,651,099	4,912,198
Long-term portion of loans payable	P25,907,978	P27,270,545

Developmental loans from local banks have floating or fixed interest rates at different terms and repayment periods. Additional bank loans availed by the Group in 2022 amounted to P10.11 billion net of debt issuance cost amounting to P23.75 million. Principal payments made in 2022 amounted to P6.07 billion.

As of September 30, 2022, short-term loans payable, presented under current portion of loans payable amounted to P1.99 billion. Interest incurred on these loans (gross of related capitalized borrowing costs) amounted to P40.00 million and P1.24 billion for the nine months ended September 30, 2022 and 2021, respectively.

Amortization of transaction costs amounted to P37.80 million and P194.51 million for the nine months ended September 30, 2022 and 2021, respectively, and included under “Interest and other financing charges” (see Note 22). The Group’s loans payable is unsecured and no assets are held as collateral for these debts. The agreements covering the abovementioned bank loans require maintaining certain financial ratios including debt-to-equity ratio ranging from 2.0x to 3.1x and minimum interest coverage ratio of 1.0x.

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

As of September 30, 2022 and December 31, 2021, the Group complied with these contractual agreements and has not been cited in default on its outstanding loan obligations.

18. Bonds Payable

This account consists of:

	September 30 2022 (Unaudited)	December 31 2021 (Audited)
	(In Thousands)	
Bonds payable	P41,400,000	P36,500,000
Less unamortized transaction costs	295,473	211,078
	41,104,527	36,288,922
Less current portion of bonds payable	5,957,178	6,991,749
Long-term portion of bonds payable	P35,147,349	P29,297,173

The Group’s bonds payable is unsecured, and no assets are held as collateral for these debts. These bonds require the Group to maintain certain financial ratios which include maximum debt-to-equity ratio of 2.5x; minimum current ratio of 1.0x; and minimum debt service coverage ratio (DSCR) of 1.0x (except for FILRT bonds which requires maximum debt-to-equity ratio of 2.33x and DSCR of 1.1x). As of September 30, 2022 and December 31, 2021, the Group is not in breach of these covenants and has not been cited in default on any of its outstanding obligations.

19. Equity

The details of the Parent Company’s common and preferred shares as of September 30, 2022 and December 31, 2021 follow:

	Common	Preferred
	(In Thousands, Except Par Value figures)	
Authorized shares	33,000,000	8,000,000
Par value per share	1.00	0.01
Issued and outstanding shares	24,470,709	8,000,000
Treasury shares	220,949	-

There was no issuance of additional common shares for the nine months period ended September 30, 2022.

Retained Earnings

Retained earnings include undistributed earnings amounting to P4.50 billion and P4.45 billion as of September 30, 2022 and December 31, 2021, respectively, representing accumulated equity in net earnings of subsidiaries and associates, which are not available for dividend declaration until declared as dividends by the subsidiaries and associates.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of the shares held in treasury and deferred tax asset recognized in profit or loss as of September 30, 2022 and December 31, 2021.

As at September 30, 2022, the amount of retained earnings appropriated for business expansions for construction of residential, leasing and mixed-use projects amounted to ₱5.0 billion. The appropriation will be fully utilized to cover part of the capital expenditure requirements of the Company which are expected to be completed in 2024.

Dividend Declarations

On April 22, 2022, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.04700 per share or a total of ₱1.14 billion for all common stockholders of record as of May 11, 2022 payable on June 02, 2022. On the same day, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.0004 per share or a total of ₱3.2 million for all preferred stockholders of record as of May 11, 2022 payable on June 02, 2022. The share of the noncontrolling interest related to these dividend declarations amounted to ₱378.4 million.

On April 23, 2021 the BOD approved the declaration and payment of cash dividend of ₱0.0155 per share for all common shareholders of record as of May 21, 2021 and ₱0.0155 per share for all common shareholders of record as of November 15, 2021 or a total of ₱751.74 million. The Group has remaining unpaid cash dividend amounting to ₱18.7 million as of December 31, 2021.

On April 23, 2021 the BOD approved the declaration and payment of cash dividend of ₱0.000155 per share for all preferred shareholders of record as of May 21, 2021 and ₱0.000155 per share for all preferred shareholders of record as of November 15, 2021 or a total of ₱2.48 million. The Group has remaining unpaid cash dividend amounting to ₱0.32 million as of December 31, 2021.

Capital Management

The Group monitors its capital and cash positions and manages its expenditures and disbursements. Furthermore, the Group may also, from time to time seek other sources of funding, which may include debt or equity issues depending on its financing needs and market conditions.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value and ensure compliance with debt covenants. No changes were made in capital management objectives, policies or processes for the periods ended September 30, 2022 and December 31, 2021.

The Group monitors capital using debt-to-equity ratio, which is the interest-bearing debt (loans payable and bonds payable) divided by total equity. The Group's policy is to keep the debt-to-equity ratio not to exceed 2:1. The following table shows how the Group computes for its debt-to-equity ratio:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	(In Thousands)	
Loans Payable (Note 17)	₱31,559,076	₱32,182,744
Bonds Payable (Note 18)	41,104,527	36,288,922
	72,663,604	68,471,666
Total Equity	90,919,687	89,790,224
Debt-to-equity ratio	0.80 : 1.00	0.76 1.00

20. General and Administrative Expenses

The account consists of:

	September 30 2022 (Unaudited)	September 30 2021 (Unaudited)
	(In Thousands)	
Salaries, wages and employee benefits	P486,159	P337,475
Repairs and maintenance	280,927	217,143
Taxes and licenses	236,835	214,562
Outside services	118,249	130,254
Electronic data processing charges	63,533	62,351
Transportation and travel	49,983	49,755
Entertainment, amusement and recreation	46,363	60,553
Retirement costs	31,123	36,489
Rent	20,451	8,910
Insurance	30,781	29,807
Communications, light and water	34,145	30,413
Depreciation and amortization	30,098	52,431
Dues and subscriptions	17,461	27,317
Office supplies	8,726	9,397
Postage and Freight Charges	3,367	4,783
Others	21,093	75,139
	P1,479,293	P1,346,780

“Others” mainly consists of provision for doubtful accounts and other miscellaneous expenses. Accounts classification were updated to conform with the 2022 presentation.

21. Selling and Marketing Expenses

The account consists of:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
	(In Thousands)	
Brokers' commissions	P501,819	P466,521
Service Fee	131,435	101,882
Selling, advertising and promotions	111,052	95,860
Sales office direct costs	79,906	42,248
Salaries and wages	30,555	32,518
Others	1,843	724
	P856,610	P739,752

22. Interest and Other Finance Charges

The following table shows the component of interest income, interest expense and other financing charges recognized in the consolidated statements of income:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
	(In Thousands)	
Interest income on:		
Contracts receivable	P199,148	P260,407
Cash and cash equivalents	43,919	15,179
Others	14,704	42,020
	P257,771	P317,606
Interest and other finance charges:		
Interest expense on loans and bonds payable, net of interest capitalized	P1,318,174	P1,242,666
Interest expense on lease liabilities, net of interest capitalized	321,789	321,329
Amortization of transaction costs of loans and bonds	157,972	198,643
Other finance charges	2,042	2,683
	P1,799,977	P1,765,321

23. Income Tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
	(In Thousands)	
Current	P474,707	P81,664
Deferred	(92,878)	(916,393)
	P381,829	(P834,728)

On March 26, 2021, President Rodrigo Duterte signed into law the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- For investments prior to effectivity of CREATE:
 - i. Registered business enterprises (RBEs) granted only an ITH – can continue with the availment of the ITH for the remaining period of the ITH.

- ii. RBEs granted an ITH followed 5% GIT or are currently enjoying 5% GIT – allowed to avail of the 5% GIT for 10 years.

As a result of reduction in RCIT rate, the provision for current income tax for the year ended December 31, 2020 and income tax payable as of December 31, 2020 decreased by P8.1 million. In addition, the provision for deferred tax for the year then ended December 31, 2020 decreased by P55.5 million and deferred tax liabilities decreased by P1.13 billion as of December 31, 2020. For financial reporting purposes, these changes are recognized in the interim condensed consolidated financial statements as of and for the nine months ended September 30, 2021 in accordance with PIC Q&A 2021-07, Accounting for the Proposed Changes in Income Tax Rates under the CREATE bill dated January 27, 2021.

As of September 30, 2022, provision for current income tax and deferred tax are recognized based on the effective income tax rate of 25%.

24. Financial Risk Exposures

The Group's principal financial instruments are composed of cash and cash equivalents, contracts, and other receivables, due from related parties, financial assets at FVTOCI, accounts payable and accrued expenses, due to related parties and long-term debt (loans payable and bonds payable). The main purpose of these financial instruments is to raise financing for the Group's operations.

The main objectives of the Group's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis.
- To minimize and mitigate such risks; and,
- To provide a degree of certainty about costs.

The Group's finance and treasury functions operate as a centralized service for managing financial risks and activities, as well as providing optimum investment yield and cost-efficient funding for the Group. The Group's BOD reviews and approves the policies for managing each of these risks. The policies are not intended to eliminate risk but to manage it in such a way that opportunities to create value for the stakeholders are achieved. The Group's risk management takes place in the context of the normal business processes such as strategic planning, business planning, operational and support processes.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk. The Group also monitors the foreign currency risk arising from all financial instruments.

Liquidity Risk

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

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

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

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

Credit Risk

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

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

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

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

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

September 30, 2022 (Unaudited)						
	Total	Socialized	Low Affordable	Affordable	Middle Income	High-end
(In Thousands)						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	P14,643,950	P492,064	P1,419,705	P3,779,724	P7,995,854	P956,602

December 31, 2021 (Audited)						
	Total	Socialized	Low Affordable	Affordable	Middle Income	High-end
(In Thousands)						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	P13,668,506	P550,177	P1,941,136	P3,674,836	P6,378,651	P1,123,707

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

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

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

As at September 30, 2022 and December 31, 2021, the analysis of contracts receivable that were past due but not impaired is as follows:

Past due but not impaired						
	Less than 30 days	30 to 60 days	61 days to 90 days	91 days to 120 days	Over 120 days	Total
(In Thousands)						
September 30, 2022	P798,675	P752,453	P606,458	P684,080	P2,596,938	P5,438,604
December 31, 2021	P521,891	P401,973	P393,920	P380,231	P3,435,725	P5,133,740

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's loans from various financial institutions which carry floating interest rates. The Group regularly keeps track of the movements in interest rates and the factors influencing them.

Of the total ₱31.60 billion loans outstanding as of September 30, 2022, ₱0.40 billion are on floating rate basis. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, or the Group's annualized profit before tax through the impact on floating rate borrowings.

	Increase (decrease) in basis points	Effect on annualized income before income tax (In Thousands)
September 30, 2022	+200	(₱7,917)
	-200	7,917

Financial Instruments

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

Comparative Fair Values of Principal Financial Instrument (In Thousands of Pesos)

	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Carrying Values	Fair Values	Carrying Values	Fair Values
	(In Thousands)			
Cash and cash equivalents	P7,436,402	P7,436,402	P9,658,260	P9,658,260
Contracts receivables	5,655,572	5,655,572	5,337,931	5,337,931
Other receivables	2,914,086	2,914,086	2,719,515	2,719,515
Accounts payable and other accrued expenses	21,248,131	20,900,716	20,678,288	19,885,823
Long-term debt	72,663,604	69,286,445	68,471,666	64,637,575

Due to the short-term nature of cash and cash equivalents, contracts receivables, other receivables and due to related parties, the fair value approximates the carrying amounts.

The Group categorizes the accounts payable and accrued expenses and long-term debt under Level 3.

Accounts payable and accrued expenses: On accounts due within one year, the fair value of accounts payable and accrued expenses approximates the carrying amounts. On accounts due for more than a year, estimated fair value is based on the discounted value of future cash flows using the prevailing interest rates on loans and similar types of payables as of the reporting date. Interest rates used was 4.28% as of September 30, 2022 and December 31, 2021.

Long-term debt (lease liabilities, loans payable and bonds payable): The estimated fair value of long-term debts with fixed interest and not subjected to quarterly re-pricing is based on the discounted value of future cash flows using the applicable risk-free rates for similar type of loans adjusted for credit risk. Long-term debt subjected to quarterly re-pricing is not discounted since its carrying value approximates fair value. The discount rates used range from 2.88% to 6.51% and 3.80% to 6.50% as of September 30, 2022 and December 31, 2021, respectively.

Investment in foreign securities

The Group does not have any investment in foreign securities.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements for the nine months ended September 30, 2022 and the year ended December 31, 2021.

25. EPS Computation

Basic/diluted EPS is computed as follows:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
(In Thousands, Except per Share Data)		
Net income attributable to equity holders of the parent* (a)	P2,000,963	P3,184,933
Common shares issued	24,470,709	24,470,709
Less weighted average number of treasury stock	220,949	220,949
Weighted average number of common shares outstanding (b)	24,249,760	24,249,760
Earnings Per Share (a/b)	P0.08	P0.13

There were no potential dilutive shares for the nine months ended September 30, 2022 and 2021.

26. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control of the Group's ultimate parent company (referred herein as "Affiliates"). Related parties may be individuals or corporate entities.

All material Related Party Transactions ("RPT") with a transaction value that reaches ten percent (10%) of the Group's total consolidated assets shall be subject to the review by the RPT Committee.

Transactions that were entered into with an unrelated party that subsequently becomes a related party shall be excluded from the limits and approval of the Policy on Related Party Transactions ("Policy"). However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after a non-related party becomes a related party, shall subject it to the provisions of the Policy.

In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the Policy.

Outstanding balances at year-end are unsecured, interest free and require settlement in cash, unless otherwise stated. The transactions are made at terms and prices agreed upon by the parties. As of September 30, 2022 and December 31, 2021, the Group has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Composition of amounts due/to from related parties follow:

	September 30, 2022	December 31, 2021
	(In Thousands)	
Due from related parties:		
Ultimate parent (b)	P196	P141
Parent (c)	-	-
Associates (d, h)	365,976	288,925
Other affiliates (e, g)	139,665	83,167
	P505,837	P472,233

Due to related parties:		
Parent (c)	(P6,659)	(P10,575)
Associates (d, h)	(143,083)	(121,760)
Other affiliates (e, g)	(4,742)	(71,982)
	(P154,484)	(P204,317)

The level of volume of transactions and terms and conditions of the transactions are generally consistent as in prior year unless otherwise stated.

a. Transactions with bank under common control of the ultimate parent (EW)

On January 3, 2012, the Group entered into a Receivable Purchase Agreement with East West Banking Corporation (EW), an entity under common control of the ultimate parent. The Group agreed to sell, assign, transfer and convey to EW all of its rights, titles and interest on certain contracts receivables. The contracts receivables sold to EW will be serviced by the Group under an Accounts Servicing Agreement.

Under this agreement, the Group shall be responsible for the monitoring and collection of contracts receivables sold to EW, including safekeeping of the collections in trust until these are remitted to EW, 10 days after the beginning of each month.

For the performance of the said services, the Group charges EW a service fee equivalent to a certain percentage of the amounts actually received and collected. Although the Group retains the contractual rights to receive cash flows from the contract receivables sold to EW, the same will be subsequently distributed to EW under a “pass-through arrangement”.

In this transaction, the risk of default and non-payment of buyers of contracts receivable is assumed by EW and the Group has no liability to EW for such events. Due to this, the Group derecognized the contracts receivables sold and did not recognize any liability in its consolidated financial statements. There was no sale of contracts receivable for the nine months ended September 30, 2022 and year ended December 31, 2021

The Group’s plan assets in the form of cash equivalents amounting to P45.24 million as of September 30, 2022 and as of December 31, 2021 are maintained with EW. The Group also maintains cash and cash equivalents with EW. As of September 30, 2022 and December 31 2021, cash and cash equivalents with EW amounted to P12.14 billion and P6.13 billion, respectively. As of September 30, 2022 and December 31, 2021, amounts payable to EW related the purchase of land in 2018 amounted to P2.14 billion and P2.14 billion, respectively, and presented as part of Accounts Payable (see Note 16).

b. Transactions with Ultimate Parent (ALG)

Transactions with the Group’s ultimate parent company relates to sharing of common expenses.

c. Transactions with Parent Company (FDC)

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

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

d. Transactions with Associates

FAI

Transactions with FAI include noninterest-bearing cash advances and various charges for rent, management fees, marketing fees, share of expenses and commission charges.

Pro-excel

Transactions from Pro-Excel relates to sharing of common expenses and management fee for managing the buildings of FLI.

DPI

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

FMI

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

CTI

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

SPI

Transactions with Sharepro, Inc. relates to sharing of common expenses and service fee for technical and project management.

e. Transactions with Affiliates

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

Filinvest REIT Corp. (*FILRT*, formerly *CPI*) entered into a service agreement with FDC Retail Electricity Sales whereby CPI shall engage and pay the services rendered by the latter to provide the electricity requirements of its facilities.

FRC also entered into a service agreement with Professional Operations Maintenance Experts Incorporated. whereby CPI shall engage and pay the services rendered by the latter to operate and maintain its equipment and premises.

FRC also entered into a service agreement with its affiliate, Parking Pro, Inc., to operate and maintain the its parking facilities.

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

g. Leases with related parties - Group as lessor

Chroma Hospitality, Inc. (CHI) office lease with FILRT

CHI leases the office space from FILRT. The lease term is 10 years, renewable by another 5 years upon mutual agreement by the parties.

h. Leases with related parties - Group as lessee

The Group has several land lease transactions with related parties:

1. Mall lease with FAI
The Parent Company, as lessee, entered into a lease agreement with FAI on a portion of the land area occupied by the Festival Supermall and its Expansion. The lease term will expire on September 30, 2056.
2. Land lease with FAI
The Parent Company, as lessee, entered into a lease agreement with FAI for a portion of land area occupied by a third party lessee. . The lease term will expire on December 31, 2034.
3. FCMI lease with FMI
FCMI, a wholly owned subsidiary of the Parent Company, subleases the Mimosa Leisure Estate from FMI, an associate of the Parent Company. The original lessor is Clark Development Corporation. The lease term is 50 years, renewable by another 25 years upon mutual agreement by parties.
4. PDDC lease with FAI
PDDC, a 60% owned subsidiary of the Parent Company, leases Block 50 Lot 3-B-2, Northgate District from FAI. The lease term is twenty (20) years from the date on which the Chilled Water production plants starts supplying chilled water.

As of September 30, 2022 and December 31, 2021, the amount included in lease liability payable to related parties is ₱6,065 and ₱5,530.6 million, respectively (see Note 12).

27. Events after the Reporting Date

None

28. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. However, uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group also included, as one of its main considerations, the impact of the continuing impact of COVID-19 pandemic in making significant judgments and assumptions.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Judgments, key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are consistent with those applied in the most recent annual audited consolidated financial statements

Item 2. Management's Discussion and Analyses of Financial Condition and Results of Operations

Results of operations for the nine months ended September 30, 2022 compared to nine months ended September 30, 2021

For the quarter ended September 30, 2022, FLI's net income from its business segments registered declined of ₱1.11 billion or 32.77%, from ₱3.38 billion to ₱2.27 billion in primarily due to ₱1.10 billion income tax benefit recognized last year due to CREATE law.

Revenues and other income

Total consolidated revenues and other income increased by ₱1,101.00 million or 8.41% year-on-year from ₱13,086.40 million in 2021 to ₱14,187.40 million in 2022 primarily due to increased real estate sales revenues from residential business and higher revenues generated from leasing business.

Real estate sales grew by ₱796.54 million or by 9.73% compared to prior year, from ₱8,185.30 million in 2021 to ₱8,981.85 million in 2022 primarily attributed to higher construction percentage of completion achieved during the period. Real estate sales booked during the year broken down by product type are as follows: Medium Income 67.0% (inclusive of MRB and HRB); Affordable and low affordable 21.0%; High-End and Others 10.0%; Socialized 2.0%.

Rental and related services increased by ₱399.24 million or by 9.33% vs. last year, from ₱4,280.99 million in 2021 to ₱4,680.22 million in 2022 mainly due to higher retail leasing revenues due to gradual reduction of bayanihan discount and new leases tempered by lower office leasing revenues as a result of lower occupancy caused by the pre-termination of leases from POGO tenants.

Equity in net earnings of an associate decreased by ₱2.50 million or by 5.08% year-on-year from ₱49.19 million in 2021 to ₱46.69 million in 2022 mainly due to share in net loss from operations reported by CTI and DPI.

Interest income decreased by ₱59.84 million or by 18.84% compared to prior year from ₱317.61 million in 2021 to ₱257.77 million in 2022 due to lower interest income derived from installment contract receivables for in-house financing scheme as we are prioritizing bank financed loans..

Other income diminished by ₱32.45 million or by 12.81% vs. last year from ₱253.32 million in 2021 to ₱220.87 million in 2022 due to lower income generated from processing fees.

Costs and Expenses

Cost of real estate sales increased by ₱424.40 million or by 8.91%, year-on-year from ₱4,764.30 million in 2021 to ₱5,188.70 million in 2022 correspondingly due to higher real estate revenues realized for the period.

Cost of rental services increased by ₱282.61 million or by 14.66% compared to prior year from ₱1,927.66 million in 2021 to ₱2,210.28 million in 2022 due to higher direct operating expenses as a result of higher revenues for the period.

Selling & marketing expenses grew by ₱116.86 million or by 15.80% year-on-year from ₱739.75 million in 2021 to ₱856.61 million in 2022 due to higher commission expenses and expenses on sales generation activities which resulted to increased option sales for the period.

General and administrative expenses increased by ₱132.512 million or by 9.84% vs. last year from ₱1,346.78 million in 2021 to ₱1,479.29 million in 2022 primarily due to increased manpower costs , taxes & licenses and maintenance expenses for the residential projects.

Interest and other finance charges

Interest and other finance charges slightly increased by ₱34.66 million or by 1.96% compared to prior year from ₱1,765.32 million in 2021 to ₱1,799.98 million in 2022 due to increased borrowing costs during the period.

Provision for Income Tax

Total provision for income tax increased by ₱1,216.56 million or 145.74% vs. last year from a tax benefit of ₱834.73 million in 2021 to a tax expense of ₱381.83 million in 2022 primarily due to ₱1.10 billion income tax benefit recognized last year due to CREATE law.

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

Financial Condition as of September 30, 2022 compared to as of December 31, 2021

As of September 30, 2022, FLI's total consolidated assets stood at ₱199.65 billion from the ₱193.22 billion balance as of December 31, 2021, increased by ₱6.43 billion or by 3.33%. The following are the material changes in account balances:

23.00% Decrease in Cash and cash equivalents

Proceeds from REIT IPO was received in August 2021 amounting to ₱12.2 billion. Funds were reinvested to the projects of the company. No similar funds raised this year.

7.14% Overall Increase in Contract Receivables and Contract Assets

(a) 5.95% increase in contract receivables

- Mainly due to incremental completion of residential projects

(b) 7.90% increase in contract assets (8.227% increase in contract assets – current portion; 7.57% increase in contract assets – net of current portion)

- Mainly due to increased project completion for the period of residential developments

15.85% Increase in Other Current assets

Mainly due to increase in input taxes, creditable withholding taxes and prepaid real property taxes

5.39% Increase in Investment Properties

Mainly due to incremental completion of construction of office and retail developments coupled with raw land acquisition for the period.

15.04% Increase in Property and Equipment

Mainly due to acquisition of construction-related assets including the completion of pre-fabrication and batching plants

8.63% Decrease in Deferred Tax Assets

Mainly due to decreased advance rentals.

6.17% Overall Increase in Accounts Payable and Accrued Expenses

4.42% increase in Accounts Payable and Accrued Expenses – current portion; 7.93% increase in Accounts Payable and Accrued Expenses – net of current portion

Mainly due to increase in trade payables to contractors, vendors and suppliers

24.39% Decrease in Due to related parties

Mostly due to paid service fees and shared operational expenses to CTI and FDCUI.

13.27% Increase in Bonds payable

Mainly due to bond issuance amounting to ₱11.90 billion last June 2022 to pay off maturing bond in August 2022 amounting to ₱7.0 billion and to refinance bank loans due for the rest of the year.

0.98% Increase in Total equity attributable to equity holders

Mainly due to share in net income for the period netted by dividends.

12.88% Increase in Non-controlling interests

Largely due to higher net income after tax share of minority interests primarily for FILRT. FILRT public float is at 34.72% and 36.73% as of September 30, 2022 and 2021, respectively.

Material Changes in Liquidity and Cash Reserves for the six-month period ended September 30, 2022 versus September 30, 2021

FLI Group registered a net cash outflow of ₱2.22 billion for the nine months ended September 30, 2022 mainly from net cash inflows from investing activities tempered by net cash inflows from operating activities and financing activities as a result of loans and bonds proceeds netted by debt payments of and interests and principal repayments.

Operating activities for the period ended at ₱1.64 billion net cash inflow from ₱1.57 billion net inflow in the same period last year mainly due to lower changes in working capital.

Investing activities used ₱5.13 billion cash during the period versus a ₱3.92 billion in the same period last year mainly from investment properties and property and equipment.

Financing activities provided ₱1.27 billion net cash primarily coming from bonds proceeds of ₱11.9 billion coupled with loan availments. These were netted by payments of interests, principal debt and cash dividends during the period. This was lower by ₱6.57 billion due to REIT IPO proceeds amounting to ₱12.18 billion received in the same period of last year.

Net increase in cash and cash equivalents as of September 30, 2022 resulted to ₱7.44 billion which is ₱4.73 billion lower than ₱12.17 billion for the nine months ended September 30, 2021.

Performance Indicators

	September 30 2022 (Unaudited)	September 30 2021 (Unaudited)	December 31 2021 (Audited)
1 Earnings per Share - Basic ¹	0.08	0.13	0.16
2 Earnings per Share - Diluted ²	0.08	0.13	0.16
3 Price Earnings Ratio ³	6.90	6.28	6.88
4 Interest-bearing Debt to Equity Ratio ⁴	0.80	0.78	0.76
5 Debt Ratio ⁵	0.54	0.55	0.54
6 EBITDA to Total Interest Paid ⁶	2.05	2.00	2.08

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

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

³ Price Earnings Ratio is computed as closing price of the Parent Company's shares of stock divided by annualized actual earnings per share for the periods ended September 30, 2022 and 2021 and December 31, 2021. Closing price as of September 30, 2022, September 30, 2021 and December 31, 2021 is 0.76, 1.10 and 1.10, respectively.

⁴ Interest-bearing debt-to-Equity Ratio is computed as the sum of consolidated loans payable and consolidated bonds payable divided by total equity.

⁵ Debt Ratio is computed as total liabilities divided by total assets

⁶ EBITDA to Total Interest Paid is computed as EBITDA (net income plus interest and other finance charges (including interest expense on financial liability on lease contract), provision for income tax, depreciation and amortization) divided by total interest paid.

Item 3. Business Development / New Projects

Since its incorporation, the Parent Company has invested in properties situated in what the Parent Company believes are prime locations across the Philippines for existing and future housing and land development projects. It is important for the Parent Company to have access to a steady supply of land for future projects. In addition to directly acquiring land for future projects, the Parent Company has also adopted a strategy of entering joint venture arrangements with landowners for the development of raw land into future project sites for housing and land development projects. This allows FLI to reduce its capital expenditures for land and substantially reduces the financial holding costs resulting from owning land for development.

Under the joint venture agreements, the joint venture partner contributes the land free from any lien, encumbrance, tenants or informal settlers and the Parent Company undertakes the development and marketing of the products. The joint venture partner is allocated either the developed lots or the proceeds from the sales of the units based on pre-agreed distribution ratio.

Potential land acquisitions and participation in joint venture projects are evaluated against several criteria, including the attractiveness of the acquisition price relative to the market, the suitability or the technical feasibility of the planned development. The Parent Company identifies land acquisitions and joint venture opportunities through active search and referrals.

As of September 30, 2022, the Parent Company had a land bank of approximately 1,664 hectares of raw land for the development of its various projects, including approximately 201 hectares of land under joint venture agreements, which the Parent Company's management believes is sufficient to sustain several years of development and sales.

Details of the Parent Company's raw land inventory for its residential business as of September 30, 2022 are set out in the table below:

FLI Land Bank as of September 30, 2022				
In Hectares				
Location	Company Owned	Under Joint Venture	Total	% to Total
Luzon				
Metro Manila	34.4	-	34.4	1.8%
Rizal	710.2	9.2	719.4	38.6%
Bulacan	249.0	-	249.0	13.4%
Bataan	12.3	-	12.3	0.7%
Pampanga	-	24.9	24.9	1.3%
Camarines Sur	1	-	1	0.1%
Pangasinan	3.5	-	3.5	0.2%
Cavite	299.5	58.8	358.3	19.2%
Laguna	226.1	0.7	226.8	12.2%
Batangas	45.6	42.1	87.7	4.7%
	1,581.4	135.7	1,717.1	92.1%
Visayas				
Cebu	1.5	35.7	37.2	2.0%
Negros Occidental	4.5	-	4.5	0.2%
	6.0	35.7	41.7	2.2%
Mindanao				
Davao	6.3	29.6	35.9	1.9%
South Cotabato	70.3	-	70.3	3.8%
	76.6	29.6	106.2	5.7%
Total	1,663.9	201.0	1,864.9	100.0%

In addition to the above, FLI has the following landbank under a joint development or long-term leasing agreement, available to FLI for development and operations.

Location	Area in has.	Remarks
Filinvest Mimosa Plus	201.6	Being developed with FDC
New Clark City	288.0	Being developed with BCDA
Total	489.6	

City di Mare

Inspired by the world's best-loved coastal cities, City di Mare, or "City by the Sea", spans across 50.6 hectares at Cebu's South Road Properties.

It is a master-planned development composed of different zones catering to a wide array of lifestyles and activities - Il Corso, the 10.6-hectare waterfront lifestyle strip; the 40-hectare residential clusters; and The Piazza, nestled at the heart of the residential enclaves puts lifestyle essentials such as school, church, shops, and restaurants within the neighborhood. City di Mare is envisioned to be a destination in itself, takes full advantage of the coastal ambience featuring seaside shopping, dining, beach and water sports and more, right by the water's edge.

The 10.6-hectare retail development known as Il Corso shall have a gross leasable area of approximately 32,000 square meters. City di Mare has four resort-themed residential enclaves inspired by world-class resorts, with each 10-hectare development flaunting a distinct architectural character. With over 65% of the property allocated for wide, open areas and landscaped greens, City di Mare provides the generous amenity of breathing space and a refreshing dose of nature throughout the site. Residences are spread out over the sprawling development, maximizing the abundant sunlight and allowing the invigorating sea air to circulate freely.

SRP 2

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

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

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

On August 2, 2020, Filinvest Consortium informed Cebu City that the payments will be judicially consigned in accordance with law considering that to date, Cebu City has not yet returned the payments with interest, thus, the conditional rescission has already expired. In response, Cebu City issued a letter dated October 4, 2020 to FLI Consortium and insisted that the latter has no longer any debt to Filinvest Consortium as the DSI was effectively rescinded. Cebu City reiterates its willingness to reconstitute the Filinvest Consortium of the amount it has already paid prior the rescission.

The Cebu City Government and Filinvest Consortium came to a resolution on January 8, 2021 with the full payment and the signing of the Deed of Absolute Sale. The Filinvest Consortium paid on December 17, 2020 the full amount of the purchase price of the lot plus the accumulated interest for the unpaid installments since 2017. Accordingly, the matter has been resolved.

On October 7, 2020, Filinvest Consortium sold a portion of its property by reducing the area to 16.2 hectares. Prior to sale, Filinvest Consortium have secured a Letter of No Objection (“LONO”) from the Executive Department of the City for the sale of the property

Pampanga

Filinvest Mimosa, Inc., a company formed in 2016 by the consortium of Filinvest Development Corporation (FDC) and FLI as the winning bidder in the privatization of the former Mimosa Leisure Estate, has a lease agreement with Clark Development Corporation for a term of fifty (50) years, renewable for another twenty-five (25) years. Over this period, Filinvest Mimosa will develop, manage and operate the estate.

Tarlac

FLI signed a Joint Venture Agreement with the Bases Conversion and Development Authority (BCDA) for the development of the 288-hectare Filinvest at New Clark City in Tarlac. New Clark City is envisioned to be developed as the country's newest sustainable urban community and globally-competitive investment center that is smart, green and disaster-resilient. The industrial and logistics park is now currently being developed. The township will also have commercial and residential components.

Laguna

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

Rizal

Havila is master-planned as a mix of affordable, middle-income and high-end subdivisions in Rizal province overlooking Metro Manila. With its 306-hectare development, the township offered three major communities such as Mission Hills, Highlands Pointe and Forest Farm interconnected by linkroad of Antipolo, Taytay and Angono Rizal. New developments in Havila are Mira Valley, Amarilyo Crest and Amarilyo Residences.

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

Manna East, a 60-hectare modern Filipino themed affordable and middle-income community in Teresa, Rizal. Housing construction is ongoing for New Fields Phase 1 (launched Jan 2018). The construction of all amenity areas for New Fields Phase 1 is also expected to be completed by 3Q 2021. Land development is ongoing and expected to be completed in 3Q 2022 in Futura Plains (launched July 2019). FLI is currently planning the expansion for New Fields and is projecting to launch Phase 2 in 2Q 2022.

Negros Occidental

Palm Estates, 51-hectare township development designed to be a city within Talisay City. The first residential project was launched in the last quarter of 2016. Land Development for the first phase is complete and house construction is already on-going land development for the next phase will commence in 2022.

Recent Land Acquisitions

In 2022, FLI acquired from various third-party sellers the parcels of land in Mandaluyong City, Manila, Parañaque, Valenzuela, Dumaguete, Davao, Cavite, Rizal and Bulacan.

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

Leased Land

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

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

Residential Development

FLI will further grow its core residential real estate development business, which includes house and lots, MRBs and high-rise condominium units. Currently, FLI has the following high-rise condominium projects:

The Linear

The Linear, a master-planned residential and commercial hub in Makati City. Two (2) L-shaped towers, each twenty-four (24) storeys high, comprise this dynamic condominium community that perfectly caters to the needs of young urban professionals.

Studio City

Studio City is a community composed of a five-tower residential condominium complex within the Filinvest City to serve the demand for housing of the growing number of professionals working within Filinvest City and in the nearby Madrigal Business Park. The development consists of eighteen (18) storeys per building with commercial units at the ground floor. All residential floors will have twenty-five (25) studio units per floor. Studio Tower 5 is under construction.

The Levels

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

Studio N

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

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

Vinia Residences

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

Studio Zen

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

Studio A

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

100 West

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

Studio 7

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

Activa

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

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

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

PROJECT	LOCATION	PROJECT	LOCATION
HORIZONTAL		MRB	
Amarilyo Crest	Rizal	One Oasis Cebu	Cebu
Pineview	Cavite	One Oasis Cagayan de Oro	Cagayan de Oro
Sandia	Batangas	Panglao Oasis	Taguig
Tierra Vista	Bulacan	One Spatial	Pasig
The Grove	Rizal	San Remo	Cebu
Savannah Place	Cavite	Centro Spatial	Davao
Futura Homes Palm Estates	Bacolod	One Spatial Iloilo	Iloilo
Futura Homes Mactan	Cebu	Marina Spatial	Dumaguete
Futura Homes Iloilo	Iloilo	8 Spatial	Davao
Futura Homes Koronadal	South Cotabato	Maui Oasis	Manila
Anila Park Residences	Rizal	Alta Spatial	Valenzuela City
Aria at Serra Monte	Rizal	Bali Oasis	Pasig
The Prominence	Quezon City	Maldives Oasis	Davao
Futura Homes Davao	Davao	Sorrento Oasis	Pasig
New Fields at Manna	Rizal	Veranda	Davao
Meridian Place	Cavite	Futura East	Cainta
Valle Dulce	Laguna	Centro Spatial	Manila
Ventura Real	Rizal	Belize	Muntinlupa
Claremont Expansion	Pampanga	Futura Vinta	Zamboanga
Southwinds	Laguna	HRB	
Futura Zamboanga	Zamboanga	Activa	Quezon City
Enclave	Muntinlupa	Levels	Alabang
New Leaf	Cavite	Studio City	Alabang
Mira Valley	Rizal	Studio N (Block 50)	Alabang
Hampton Orchard	Pampanga		
Futura Mira	Calamba		
Futura Plains	Rizal		
Tropics 4	Cainta		

On-going developments of the abovementioned projects are expected to require additional funds, but FLI believes that it will have sufficient financial resources for these anticipated requirements, from the secondary issuance of shares from Filinvest REIT Corp., (formerly Cyberzone Properties, Inc.), debt financing and internal cash generation from operations.

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

In 2022, FLI intends to retain its dominant position as the leader in MRB projects by launching seven (7) new projects nationwide and nineteen (19) additional buildings of existing projects. Aside from the MRBs, FLI has pipelined twelve (12) horizontal residential projects and two (2) HRB projects.

Leasing Segment

The Company has a significant leasing portfolio comprising mostly commercial office and retail developments, including thirty-one (31) offices and BPO buildings, its flagship mall, the Festival Supermall in Filinvest City, and three (3) other community malls. The Company was a pioneer among the Philippine landlords with the longest histories of focusing on the BPO industry as tenants. As of September 30, 2022, the Company has a portfolio of 523,963 sq.m. of leased office space comprising major international BPO tenants and 262,463 sq.m. of retail space. The Company believes this history and track record is a competitive advantage in gaining the continued confidence of BPO locators.

FLI has the following investment properties for lease:

Commercial Retail Leasing Properties

Festival Supermall Alabang

The landmark project, Festival Supermall, carries on its position as the prime destination for recreation and retail in southern Metro Manila. With more ‘firsts’ on its offerings and a better shopping ambiance, the mall has elevated the retail experience in the south. It is one of the country’s largest shopping malls with more than 1,000 shops.

Major improvements have been undertaken and continue to be undertaken for the existing mall and its facilities. New interiors give the mall a refreshed look and modern ambiance, complementing the recently completed 46,000 sq.m. expansion wing.

The introduction of new and unique food establishments has made Festival a gastronomic destination ushering in new traffic and strengthening its appeal to its core target market. The Water Garden, a new distinctly refreshing outdoor amenity and convergence zone in the expansion wing, continues to be favorite among mall patrons. Uniqlo opened its first ever roadside store in the country in Westgate, Festival’s affiliated lifestyle development in Filinvest City.

Fora Mall

Conveniently located right by Tagaytay Rotunda is Fora Mall, the first regional mall in the area. This prime retail destination provides about 26,000 sq. m of leasable space amidst nature, open spaces, and a beautifully landscaped amphitheater. It primarily serves the local market and Tagaytay bound tourists. Several local and popular food concepts, along with national brands, have opened in the mall. Super Metro, a 24-hour hypermarket, serves as its anchor. Other notable shops include Ace Hardware, Power Mac, Own Days, Anello and La Sedia. The mall also has four (4) digital cinemas which have become the go to place for Tagaytay City and surrounding towns for recreation.

Main Square

With a smaller format of over 18,000 sq. m leasable area, Main Square is the first and only mall along Bacoar Blvd, close to Bacoar City Hall and fronting Princeton Heights. Positioned as the reliable one-stop hub for neighboring gated villages of Bacoar, it provides basic shopping, wellness, service, and convenience offerings from partner brands such as Anytime Fitness, Watson’s, Ace Hardware, Western Appliances, Japan Home, and DIY. The mall’s anchor for this development is Robinsons Supermarket, which has become the most convenient essentials shopping option in the area.

Il Corso

Il Corso is a retail development with an estimated 34,000 sq. m of leasable area in the City di Mare estate development of Filinvest in the South Reclamation Area of Cebu City. It's opened restaurants facing the sea have become destinations in the southern edge of Cebu City. The cinema has also opened. A 10,000 sq.m. portion of the mall is being reconfigured to accommodate Business Process Outsourcing Companies.

Other Filinvest Lifemalls

The following table sets out a summary of the Company's other major Filinvest Lifemalls.

Mall	Location	GLA (sq.m.)	Features
Fora Mall	Taytay Rotonda	26,000	<ul style="list-style-type: none">• 24-hour super metro anchor store• Four (4) digital cinemas• Open air amphitheater and forest feature• Beside Quest Hotel
Main Square	Princeton Heights, Bacoar, Cavite	18,000	<ul style="list-style-type: none">• Robinson Supermarket• Watsons, Ace Hardware, DIY• Anytime Fitness• Starbucks, Coffee Bean & Tea Leaf• Beside Bacoar City Hall
Il Corso	City di Mare, Cebu	34,000	<ul style="list-style-type: none">• Seaside waterfront boardwalk with al fresco dining• Central piazza with dancing fountain• Fully-functional lighthouse and battleship playground for children• Cebuano Home-Grown Food Concepts (Laguna Café Group, Chikaan, Fishes, etc)

Retail Space Projects in the Pipeline

As of September 30, 2022, the Company has no plans to acquire any additional shopping malls, but intends to undertake commercial and retail projects to complement its residential developments in selected areas.

Mall Locators

In the Philippines, many major shopping malls have been developed by companies which also own large retail operations that to comprise a large chunk of the leasable area. The Company does not own any retail operations. Because the Company and its affiliates are focused primarily on real estate development and finance, the Company believes that this gives its Filinvest Lifemalls the flexibility to sign up tenants who can best serve its target market. The Company has successfully attracted major retailers at the Filinvest Lifemalls, such as Robinson's Retail, SM, SSI, Metro Retail, H&M, Uniqlo and Landmark.

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

Mall Leasing Policies

FLI manages its Filinvest Lifemalls with a view to maximizing and enhancing its value by ensuring that it has a mix of tenants that will allow it to cater to the widest possible range of market segments and to meet consumer demand in the communities which the mall serves.

Tenants enter into short- to medium-term leases, typically for periods of two (2) to five (5) years, with tenants required to make a security deposit equal to three (3) to six (6) months' rent and to pay rent on a monthly basis. Tenants pay rents that are either fixed or are comprised of a base rent plus a variable portion ranging from 1.5% to 15.0% of the tenants' sales revenues. Typically, tenants operating restaurants and other dining establishment

are charged higher variable rates than tenants who operate apparel stores and other retail establishments. The combined rent of a base amount per sq.m. plus a variable rent factor based on a percentage of sales, is subject to a minimum rent computed at an amount per sq.m. per month. The base portions of rents are primarily determined by the specific location in the mall and size of space being leased, and are typically subject to an annual escalation rate. Fixed-rate leases are generally with tenants that provide services (such as banks and foreign exchange centers) or which sell high-priced goods (such as jewelry stores and computer stores) and which do not typically generate high turnover. Tenants are charged separately for common area-related costs, such as costs for security, janitorial and other maintenance services and for utilities.

Commercial Office Properties

As of September 30, 2022, the Group owns commercial office spaces for lease to several BPO and other office locators with total gross leasable space of 524,188 sq.m. Primarily, they are located in Northgate Cyberzone in Filinvest City, Alabang, Muntinlupa. Northgate is an 18.7- hectare PEZA zone that enjoys developer incentives. Among the Company's portfolio is the PBCom tower where FLI owns 60.0% through FAC, which owns 50.0% of the 52-storey PBCom Tower in the Makati CBD. PBCom Tower is a Grade A, PEZA-registered, IT/office building located along Ayala Avenue, Makati City with a GLA of 35,148 sq.m.

The Group also owns several completed office developments, in Bay City, Pasay, at EDSA, Mandaluyong near Ortigas MRT station, at Gil Puyat, Makati City, at Clark Mimosa and at Cyberzone Cebu IT Park. A summary of the GLA is set forth below:

Location	Number of Buildings	GLA (sq. m.)
Northgate Cyberzone, Filinvest City	19	327,553
Metro Manila outside of Filinvest City	7	122,668
Outside Metro Manila	5	73,967
Total	31	524,188

The office buildings of Filinvest are mainly located in business parks or in mixed-used complexes highly accessible to public transport. The Group believes its business park model, wherein the Group builds on areas specifically suited for business and industrial establishments supported, in certain cases, by incentives from the Government, gives it a competitive advantage as business parks are the preferred site of major BPO tenants. Being in a major business park allow the tenants assurance of expansion options within proximity thereby giving the Group an advantage over stand-alone developments.

- Northgate Cyberzone, an 18-hectare, PEZA-registered IT park located in Filinvest City in Alabang. The office buildings of the Group sit within the 10-hectare parcel of land in the Northgate district owned by FLI.
- Mimosa Workplus, an office village that is comprised of eight buildings set amidst the lush natural environment of the Filinvest Mimosa+ Leisure City.
- Cyberzone Cebu and Filinvest IT Park are two distinct developments on two separate Build-Transfer-Operate (BTO) arrangements with the Cebu Province. The two parcels of land totaling 2.9 hectares are near the city center located along Banilad and Salinas Avenue in Cebu. Together these comprise 7 office towers, a mall, and a hotel development. The office and mall portions are pre-certified LEED Gold rating.
- Filinvest Cyberzone Bay City, a 4-tower office complex in the bustling section of the Bay Area. Its four towers are already completed and operating. The complex is also certified LEED Silver rating.

Lease Profiles

The Company's office tenants are principally companies in the BPO sector with customer care, medical transcription, software development, graphic design and animation services. Firms that provide corporate backroom support operations, such as accounting and bookkeeping, account maintenance, accounts payable administration, payroll processing, expense and revenue reporting, legal, financial reporting and other finance-related services, have also established a growing presence in the Philippines. Aside from the BPO sector, there are Traditional HQ tenants and small database of POGO tenants.

Office space leases for FLI are typically for periods ranging from three (3) to five (5) years, although “built-to-suit” buildings are typically leased for ten years. The lease agreements generally require tenants to make a three-month security deposit and three (3) months advance rent. Rent is paid on a fixed per sq.m. basis, depending on unit size and location.

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

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

FLI’s current tenants include Top Multinational BPO Companies - which are some of the most recognized players in the BPO space. FLI enjoys relatively high repeat business from its existing clients with about 90% of its current tenants being original tenants who have opted to either renew or extend their respective lease contracts, suggesting the company’s strong ability to retain quality lessees.

Residential Housing

Since it began commercial operations, FLI’s core business has been developing and selling residential subdivisions and housing units in the Philippines. In the 1990s, FLI started developing affordable housing units in the Philippines. Since then, the Company has ventured into the development of other real estate products, such as MRBs and HRBs. The Company believes that its long-standing brands, built over a five (5)-decade history of success and innovation provides it with an advantage in the marketing and sales of its core affordable housing products nationwide.

The Company’s residential projects include houses, lots, MRBs and HRBs, which are offered in the socialized, affordable, middle income and high-end housing segments. Except for FLI’s socialized housing products, which are categorized based on criteria set by the Government, FLI’s residential product lines are categorized based on criteria determined solely by the Company, taking into consideration factors such as the price points for each category and the target market for each project. The criteria set by the Company in determining which of its projects are affordable, middle-income and high-end may differ from those set by its competitors and by industry associations.

The Company’s customer base consists of both domestic and overseas Filipinos. The Company believes the OFW population and expatriate Filipinos contribute a significant portion of the demand for FLI’s affordable and middle-income housing by remitting funds to family members in the Philippines to purchase property and by purchasing properties from abroad.

Landed Residential Housing

Socialized Housing

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

Affordable/Middle-Income Housing

Affordable housing is marketed under FLI’s “Futura Homes” brand, with lot-only prices ranging from ₱160,000 to ₱750,000 and per-unit prices for housing units ranging from ₱580,000 to ₱1,500,000. Affordable housing developments typically range from two (2) hectares to twenty-six (26) hectares and have been developed in phases typically comprising approximately 300 lots each. Houses typically have a floor area of approximately 40 sq.m., with a lot size generally between 80 to 150 sq.m. Homes in this sector are designed and constructed with the

capacity and structural strength to allow the owner to construct an additional story, which can double the available floor area. Affordable housing developments are generally located in the provinces bordering Metro Manila, including Rizal, Pampanga, Bulacan, Laguna, Batangas and Cavite, and in key regional cities such as Tarlac, Cebu, Iloilo, Cotabato, Palawan, Negros, Zamboanga and Davao. Construction of a house is usually completed approximately nine months from the receipt date of the final installment of the required down payment.

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

High-end Housing

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

Vertical Residential Housing

Medium-Rise Buildings

MRB projects are designed in clusters of buildings that surround amenities with the intention of providing a quiet environment within an urban setting. MRBs are typically five (5) stories with an elevator and include studio, one bedroom and two (2) bedroom units. The Company’s policy is to commence construction of an MRB building when at least 50.0% of the units in the building has been sold. From a developer’s perspective, MRBs offer several benefits compared to high-rise developments. MRBs can generally be constructed in less than one year once all approvals have been obtained, which reduces the risk borne by FLI between the launch and delivery of a project. The lower height of MRBs also reduces construction costs compared with high-rises which require extra reinforcement to protect against earthquake damage.

MRBs are marketed under FLI’s “Oasis” brand for the middle-income market and under FLI’s “Spatial” brand for the affordable housing market. MRBs under the “Oasis” brand typically have per-unit prices ranging from ₱2,000,000.00 to ₱4,400,000.00 depending on the size of the unit, while MRBs under the “Spatial” brand typically have per-unit prices ranging from ₱1,700,000.00 to ₱3,600,000.00. MRBs offer low-density development and lower association dues compared with high-rise condominium buildings, in addition to a lower price per sq.m. MRBs are generally located in prime urban zones. Further, MRBs are developed to maximize open space, with buildings typically occupying 30% to 35% of the development’s land area. In contrast with its other developments, which generally require the down payment to be paid within 12 months, FLI generally allows MRB purchasers to pay the down payment in installments over a 24-month period.

As of the reporting date, the Company has 27 MRB projects with more than 100 buildings throughout Luzon, Visayas and Mindanao.

High-Rise Buildings (“HRBs”)

The Company develops HRBs in prime areas. HRBs are at least eighteen (18) stories, with various floor plans and designs depending upon the demographics of the target market for each building. FLI’s policy is to commence construction of a HRB when at least 50% of the units in the building has been sold. From a development perspective, HRBs generally can be constructed in two (2) years once all Government approvals have been obtained.

Leisure Projects

The Company's leisure projects consist of its condotels, residential farm estates, residential resort developments.

Condotels

FLI developed the 25-storey Grand Cenia Hotel and Residences, which is strategically located across the Cebu Business Park, a joint venture project of FLI, as developer, and Gotianun Family-owned GCK Realty Corporation, as landowner. Under the terms of the joint venture agreement, GCK Realty Corporation contributed 4,211 sq.m. of land to be developed in accordance with a master development plan in exchange for an 8% interest in the joint venture. The condotel units are targeted to business travelers, returning OFWs and expatriate Filipinos. Owners of individual condotel units are required to place their units in a rental pool that will be operated as a business hotel. Owners are entitled to use the unit for 14 days annually. The units were handed over to the condotel buyers for preparation for hospitality operations. In 2012, the hotel started operating as the Quest Hotel and Conference Center, Cebu, a three- star hotel with business and conference facilities. The Company has also developed the Fora Hotel Tagaytay.

Residential Farm Estates

The Company began marketing its residential farm estate projects to customers in 2003, after FLI's in-house market research indicated that there was demand among customers, such as retirees and farming enthusiasts, for leisure farms that can serve as alternative primary homes near Metro Manila. To help attract buyers, the Company maintains demonstration farms in its farm estate projects and also has personnel on site to provide buyers with technical advice on farming. Customers can purchase lots (with a minimum lot size of 750 sq.m.) on which they are allowed to build a residential unit (using up to 25.0% of the total lot area). The remaining lot area can be used for small-scale farming, such as fish farming or vegetable farming. Residential farm estates are sold on a lot-only basis, with buyers responsible for the construction of residential units on their lots.

As of the reporting date, the Company has three (3) residential farm estates under FLI, Nusa Dua Farm Estate, Mandala Residential Farm Estate and Forest Farms Residential Farm Estate. Nusa Dua Farm Estate is located in Cavite, just south of Metro Manila. Mandala Residential Farm Estate ("Mandala") is located in Rizal province and integrated in FLI's Timberland Heights township project. Forest Farms Residential Farm Estate ("Forest Farms") is also located in Rizal province as part of FLI's Havila township project. It is an exclusive mountain retreat and nature park, located between the hills of Antipolo and the forested area of Angono, Rizal.

Residential Resort Development

FLI entered the high-end residential resort market in 2007 with the launching of the Laeuna de Taal project located along Tagaytay Ridge, Batangas and the Kembali Coast project and Veranda Resort Condominium in Samal Island, Davao. The residential resorts capture the growing demand for second homes and leisure and retirement destinations of the high-end market segment. Laeuna de Taal, provides scenic views of the Taal Lake, and offers three (3) residential enclaves: Arista, Bahia, and Orilla. Located on the water from of Laeuna de Taal is the Lake Club, a lakeside amenity designed for wellness, recreation and events. Kembali Coast is an Asian-Balinese inspired beachfront residential development with a 1.8-kilometer beach, providing seaside resort-style living in the Mindanao area. Kembali has a total land area of 50 hectares while the Laeuna de Taal project has a total land area of 60 hectares.

Other Infrastructure

District Cooling System

FLI has also partnered with Engie Services Philippines pursuant to a 60:40 joint venture to develop in Northgate Cyberzone, Filinvest City what is expected to be the first and largest district cooling system in Northern Luzon with an expected capacity of up to 12,000 tons of refrigeration. The district cooling system is expected to provide sustainable energy solutions by conserving energy through lower use of electricity, water and chemicals, and reducing greenhouse gas emissions and ozone-destroying refrigerants.

The joint venture entity, Philippine DCS Development Corporation ("PDDC"), was registered with the Philippine SEC on July 31, 2015 and started its commercial operations in September 2017. PDDC's primary purpose is to engage in the business of the construction and operation of a district cooling system, the supply of chilled water, and the development of, and search for, new district cooling system and heating, ventilation and air-conditioning projects

Real Estate Investment Trust (REIT)

In preparation for the FILRT's transition to a REIT company, FLI and FILRT identified and selected the properties of FILRT that will comprise the initial REIT portfolio based on the requirements of the REIT Law as well the Company's investment criteria. As such, FLI and FILRT determined that certain of FILRT's assets (as enumerated below) will be transferred from FILRT to FLI in the form of property dividends or through assignment of rights. On December 4, 2020, the FILRT Board approved the declaration of property dividends consisting of one building (which has been operational for less than three years) in Northgate Cyberzone (Axis Tower 2), two (2) buildings under construction in Northgate Cyberzone (Axis Tower 3 and Axis Tower 4), and a parcel of land in South Road Properties, Cebu City to stockholders of record as of November 30, 2020. On February 11, 2021, the FILRT Board also approved the declaration of property dividends to stockholders of record as of February 15, 2021, consisting of four (4) existing buildings, (i) Concentrix Building in Northgate Cyberzone, (ii) IT School in Northgate Cyberzone, (iii) the Filinvest Building at EDSA, Wack, Mandaluyong City, all of which have been identified for redevelopment, and (iv) Cebu Tower 2 in Filinvest Cyberzone Cebu, which has been operating for less than three (3) years. On February 11, 2021, the FILRT Board also approved the transfer of its rights under its "build-transfer-operate" ("BTO") arrangement with the Cebu Provincial Government relating to two buildings under construction (Cebu Tower 3 and Cebu Tower 4) in Filinvest Cyberzone Cebu, to FLI. These transactions do not affect the consolidated financial statements of FLI and its subsidiaries.

On August 12, 2021, Filinvest REIT Corp., the real estate investment trust (REIT) of Filinvest Land, Inc., was listed on the PSE with an offer price of ₱7.00 per share. At the offer price, the projected dividend yield as stated in the REIT Plan is 6.3% for FY2021 and 6.6% for FY2022. The base offer of the IPO was 1,634,187,850 common shares, with an overallotment option of up to 163,418,785 common shares.

FLI previously owned 100% of FILRT and sold 36.7% or 1,797.61 million shares in its initial public offering (IPO). The gross proceeds from the IPO amounted to Php 12,583,246,445.00, and net proceeds of P12.2B.

REIT Reinvestment Plan

As sponsor of FILRT, the REIT Law requires the Company to reinvest (a) any proceeds realized by it from the sale of FILRT shares or other securities issued in exchange for income-generating real estate transferred to the FILRT and (b) any money raised by the Company from the sale of any of its income generating real estate to FILRT, in any real estate, including any redevelopment thereof, and/or infrastructure projects in the Philippines within one (1) year of receipt of the proceeds.

Following current regulations, Filinvest Land intends to invest its net proceeds in the construction and development of its various office, retail and residential projects. Filinvest Land plans to invest the net proceeds in nine (9) office buildings, three (3) retail projects, five (5) mid-rise residential buildings as well as industrial lots. It also plans to use the funds for the purchase of land parcels for residential and commercial purposes and to expand the capacity of the District Cooling System in the Northgate Cyberzone. All disbursements for such projects are intended to be distributed within one year upon receipt of the proceeds from the secondary offer of FILRT shares. All of the projects for which the proceeds will be spent are located within the Philippines and none are to be spent outside of the Philippines. Filinvest Land does not intend to reinvest the net proceeds from the Offer Shares in any infrastructure project.

Filinvest Land shall monitor the actual disbursements of projects proposed in the Reinvestment Plan on a quarterly basis. For purposes of monitoring, Filinvest Land prepares quarterly progress reports of actual disbursements on the projects covered by the Reinvestment Plan. In the event of changes in the actual disbursements of projects proposed in the Reinvestment Plan, Filinvest Land, shall inform the SEC, PSE, BIR or the appropriate government agency, by sending a written notice to that effect

As of September 30, 2022, FLI already disbursed the total net proceeds amounting to ₱12,264.02 million based on REIT reinvestment plans.

A copy of Filinvest Land, Inc.'s REIT Reinvestment Plan Progress Report is shown under Annex E attached in this quarterly report.

Registration with the Board of Investments (BOI)

As of September 30, 2022, FLI has registered the following projects with the BOI under the Omnibus Investments Code of 1987 (Executive order No. 226):

<u>Name</u>	<u>Reg. No.</u>	<u>Date Registered</u>
Marina Spatial Bldg 2	2019-259	12/02/2019

As a registered enterprise, the Group is entitled to certain tax and nontax incentives, subject to certain conditions.

Item 4. Other Disclosures

1. Except as disclosed in the Notes to Unaudited Interim Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
2. The Company's unaudited interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated annual financial statements as of and for the year ended December 31, 2021 (PAS 34, par 15).
3. The accounting policies and methods of computation adopted in the preparation of the unaudited interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended December 31, 2021.
4. On known trends, events or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations of FLI, the Covid-19 global pandemic.

COVID-19 Pandemic

The Group continues to abide by and comply with all rules and regulations issued by the government in relation to the COVID-19 pandemic. In line with applicable rules and regulations, the said risks are mitigated by business continuity strategies set in place by the Group. Measures currently undertaken by the Group to mitigate the risks of COVID-19 pandemic on its operations include work from-home arrangements, proper and frequent sanitation of office premises, cancellation of large group meetings in person, an internal ban on foreign business travel, and the practice of social distancing through remote communication, among others.

The quarantine restrictions and recent social distancing guidelines limit the operations of malls and construction completion. Despite the challenges, the Group prioritized easing the burden of its customers by providing payment grace periods or rental relief. Past efforts in process improvement and digitalization allowed the company to operate efficiently and effectively to continue to serve customers. Operations have adjusted to the pandemic from digital marketing and online selling processes to the continued communication with the buyers and homeowners through the online service desk. As of date, estimate of the impact cannot be made.

The Group is taking a two-pronged strategy of (i) expanding the investment property portfolio and (ii) prudent residential development focusing on the end-user, affordable and middle-income markets. The company is concentrating on the completion of its key projects, particularly office buildings which continue to be in demand and selected residential developments across the country.

5. Aside from any probable material increase in interest rates on the outstanding long-term debt with floating rates, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months.
6. There are no changes in estimates of amounts reported in prior year (2021) that have material effects in the current interim period.

7. Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no other issuances, repurchases and repayments of debt and equity securities.
8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, and Financial Risk Exposures, there are no material events subsequent to September 30, 2022 up to the date of this report that have not been reflected in the financial statements for the interim period.
9. There are no changes in contingent liabilities or contingent assets since December 31, 2021.
10. There are no material contingencies and any other events or transactions affecting the current interim period.
11. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments, or any significant amount of the Group's payables that have not been paid within the stated trade terms.
12. There are no significant elements of income that did not arise from the Group's continuing operations.
13. There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the Group.
14. Except for those discussed above, there are no material changes in the financial statements of the Group from December 31, 2021 to September 30, 2022.
15. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period other than those that were previously reported.
16. Other information
17. Please refer to Annex C for the Aging Schedule for the Group's receivables as of September 30, 2022. Annex D are Supplementary Information and Disclosures required on SRC rules 68 and 68.1 as amended for the nine months ended September 30, 2022.
18. There is no other information required to be reported that have not been previously reported in SEC Form 17-C.

FILINVEST LAND, INC. AND SUBSIDIARIES

INDEX TO SUPPLEMENTARY SCHEDULES

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Annex B:	Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
Annex C:	Aging of Receivables
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	Schedule A. Financial Assets
	Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
	Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
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FILINVEST LAND, INC. AND SUBSIDIARIES**Supplementary Schedule of Retained Earnings Available for Dividends Declaration
September 30, 2022**

(Amounts in thousands)

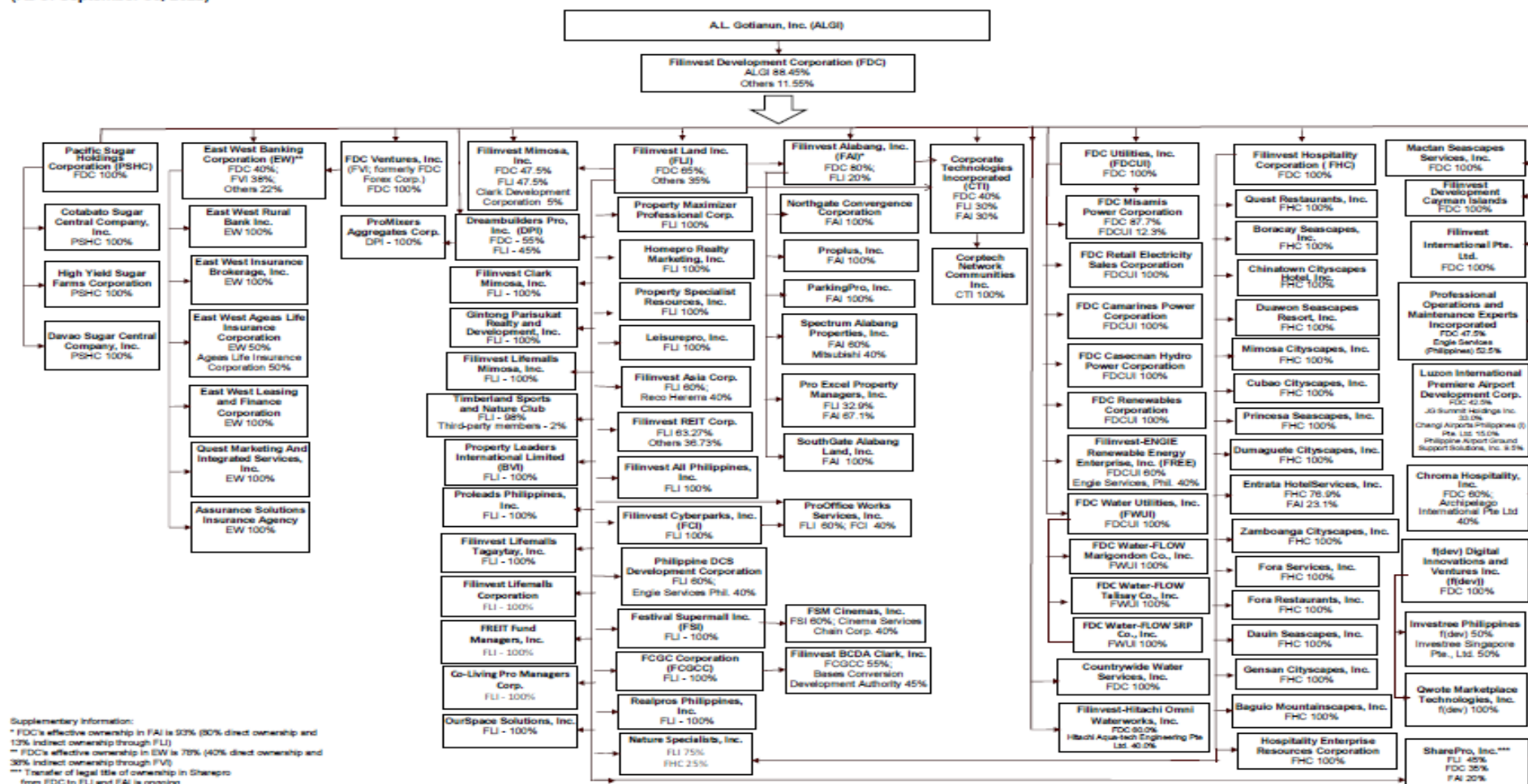
Unappropriated Retained Earnings, January 1, 2022, as restated	P45,077,402
Adjustments:	
Equity in net earnings of subsidiaries and an associate	
Unappropriated Retained Earnings, as adjusted, January 1, 2022	45,077,402
Net income based on the face of financial statements	2,312,255
Add: Non-actual/unrealized losses net of tax	
Movement in deferred tax assets	(8,246)
Net income actual/realized	(2,304,009)
Less: Dividend declarations during the year	(1,142,939)
Less: Appropriations for business expansion	-
Unappropriated Retained Earnings, as adjusted, September 30, 2022	P41,630,455

FILINVEST LAND, INC. AND SUBSIDIARIES

Map Showing the Relationship Between and Among the Companies in the Group, Its Ultimate Parent Company and Co-Subsidiaries September 30, 2022

A.L. GOTIANUN, INC.

MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES
(As of September 30, 2022)



FILINVEST LAND, INC. AND SUBSIDIARIES**Aging of Receivables****September 30, 2022**

(Amounts in thousands)

	Neither past due nor impaired	Past Due but not impaired				Impaired
		Less than 30 days	31-90 days	91-120 days	Over 120 days	
Type of Account Receivable						
a) Mortgage, Notes & Installment Contract Receivable						
Installment Contracts Receivable and Contract Assets	P8,988,378	P798,675	P1,358,912	P684,080	P2,596,938	P-
Receivable from Financing Institutions	216,968	-	-	-	-	-
Sub-total	9,205,346	798,675	1,358,912	684,080	2,596,938	-
b) Other Receivables	3,024,256	-	-	-	-	300,753
Receivables from tenants	P1,858,445	-	-	-	-	284,889
Due from related parties	505,837	-	-	-	-	-
Advances to officers and employees	312,167	-	-	-	-	-
Receivables from homeowners' associations	266,595	-	-	-	-	15,864
Receivables from buyers	9	-	-	-	-	-
Others	81,203	-	-	-	-	-
	P12,229,602	P798,675	P1,358,912	P684,080	P2,596,938	P300,753

Account Receivable Description	Nature/Description	Collection Period
Type of Receivables		
Installment contracts receivables	This is the Group's in-house financing, where buyers are required to make down payment and the balance will be in the form of a mortgage loan to be paid in equal monthly installments.	5-10 years
Receivable from financing institution	This represents proceeds from buyers' financing under one or more of the government programs granted to finance buyers of housing units and mortgage house financing of private banks.	Within 1 year
Other receivables	This represents claims from other parties arising from the ordinary course of business. It also includes receivables from tenants, related parties, advances to officers and employees and homeowners' associations.	1 to 2 years
Normal Operating Cycle: 12 calendar months		

Schedule A

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Financial Assets September 30, 2022

Below is the detailed schedule of the Group's financial assets in equity securities as of September 30, 2022:

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

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

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
September 30, 2022

As of September 30, 2022, there were no advances to employees of the Group with balances above ₱1.0 million.

All amounts receivable from related parties pertained to items arising in the ordinary course of business.

Schedule C

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Amounts Receivable (Payable) from Related Parties which are Eliminated during the Consolidation of Financial Statements September 30, 2022

Below is the schedule of receivables (payables) with related parties which are eliminated in the consolidated financial statements as of September 30, 2022. All are noninterest-bearing and to be settled within the year:

		Volume of Transactions	Receivable (Payable)
Filinvest Cyberzone Mimosa, Inc. (FCMI)	Share in expenses	P490,163	P4,347,627
Homepro Realty Marketing, Inc. (Homepro)	Share in expenses	1,578	809,490
Filinvest Cyberparks, Inc. (FCI)	Share in expenses	378,588	736,175
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	Share in expenses	36,379	569,534
Filinvest Clark Green City (FCGC)	Share in expenses	19	289,238
Property Maximizer Professional Corp. (Promax)	Share in Expenses	64,627	160,464
Property Maximizer Professional Corp. (Promax)	Marketing Fee Expenses	844	-
Filinvest BCDA Clark, Inc. (FBCI)	Share in expenses	106,789	118,845
Filinvest REIT Corp (FILRT)	Share in Expenses	(7,273,366)	96,149
Filinvest REIT Corp (FILRT)	Rental Income	10,909	-
Nature Specialists, Inc.	Share in expenses	15,431	58,869
Proleads Philippines, Inc. (PPI)	Share in expenses	650	27,324
Gintong Parisukat Realty and Development Inc. (GPRDI)	Share in expenses	2,105	20,616
Timberland Sports and Nature Club, Inc. (TSNC)	Share in expenses	29	19,506
Realpros Philippines, Inc. (RPI)	Share in expenses	118	15,203
Filinvest All Philippines, Inc. (FAPI)	Share in expenses	40,011	11,723
Property Specialist Resources, Inc. (Prosper)	Share in expenses	(351)	7,521
Co-Living Pro Managers Corp.	Share in Expenses	4,264	6,726
Leisurepro, Inc. (Leisurepro)	Share in expenses	71	6,572
OurSpace Solutions, Inc.	Share in expenses	454	454
Filinvest Lifemalls Mimosa, Inc. (FLMI)	Share in expenses	1	211
Property Leaders International Limited (PLIL)	Share in expenses	-	111
Festival Supermall, Inc. (FSI)	Share in expenses	661	102
Philippine DCS Development Corporation (PDDC)	Share in expenses	3	101
Filinvest Lifemalls Corporation (FLC)	Share in expenses	70,081	89
ProOffice Works Services, Inc. (ProOffice)	Share in expenses	14	36
FREIT Fund Managers, Inc. (FFMI)	Share in expenses	-	18
FSM Cinemas, Inc.	Share in expenses	5	2
Filinvest Asia Corporation (FAC)	Share in expenses	36,000	(2)
		(P 6,013,923)	P7,302,702

Schedule C

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Amounts Receivable (Payable) from Related Parties which are Eliminated during the Consolidation of Financial Statements September 30, 2022

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

	December 31 2021	Additions	Collections	Balance as of September 30, 2022
Filinvest Cyberzone Mimosa, Inc. (FCMI)	P3,857,464	P490,163	P-	P4,347,627
Homepro Realty Marketing, Inc. (Homepro)	807,912	1,578	-	809,490
Filinvest Cyberparks, Inc. (FCI)	357,587	378,588	-	736,175
Filinvest Lifemalls Tagaytay, Inc. (FLTI)	533,155	36,379	-	569,534
Filinvest Clark Green City (FCGC)	289,219	19	-	289,238
Property Maximizer Professional Corp. (Promax)	94,993	65,471	-	160,464
Filinvest BCDA Clark, Inc. (FBCI)	12,056	106,789	-	118,845
Filinvest REIT Corp (FILRT)	7,358,605	(7,262,270)	(186)	96,149
Nature Specialists, Inc.	43,438	15,431	-	58,869
Proleads Philippines, Inc. (PPI)	26,674	663	(13)	27,324
Gintong Parisukat Realty and Development Inc. (GPRDI)	18,511	2,105	-	20,616
Timberland Sports and Nature Club, Inc. (TSNC)	19,476	29	-	19,506
Realpros Philippines, Inc. (RPI)	15,085	118	-	15,203
Filinvest AII Philippines, Inc. (FAPI)	(28,288)	40,011	-	11,723
Property Specialist Resources, Inc. (Prosper)	7,872	(258)	(93)	7,521
Co-Living Pro Managers Corp.	2,462	4,264	-	6,726
Leisurepro, Inc. (Leisurepro)	6,501	71	-	6,572
OurSpace Solutions, Inc.	-	454	-	454
Filinvest Lifemalls Mimosa, Inc. (FLMI)	210	1	-	211
Property Leaders International Limited (PLIL)	111	-	-	111
Festival Supermall, Inc. (FSI)	(559)	661	-	102
Philippine DCS Development Corporation (PDDC)	97	3	-	101
Filinvest Lifemalls Corporation (FLC)	(69,992)	70,081	-	89
ProOffice Works Services, Inc. (ProOffice)	23	15	(1)	36
FREIT Fund Managers, Inc. (FFMI)	18	-	-	18
FSM Cinemas, Inc.	(3)	5	-	2

Filinvest Asia Corporation (FAC)	(36,002)	36,000	-	(2)
<hr/>				
	P13,316,625	(P6,013,629)	(P294)	P7,302,702
<hr/>				

The intercompany transactions between FLI and the subsidiaries pertain to share in common expenses, rental charges, marketing fee, management fee, subscription receivables and dividends. There were no amounts written off during the year and all amounts are expected to be settled within the year.

Schedule D

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Long-term Debt September 30, 2022

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

Type of Obligation	Amount	Current	Noncurrent
	(In Thousands)		
Developmental loans			
Unsecured loan obtained in October 2016 with interest rate equal to 4.465% per annum, payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in January 2019 and 50% is payable at maturity in October 2023.	437,425	69,988	367,437
Unsecured loan obtained in October 2016 with interest rate equal to 4.210% per annum, payable quarterly in arrears. The 50% of principal is payable in 20 equal quarterly amortizations to commence in January 2019 and 50% is payable at maturity in October 2023.	812,328	129,972	682,355
Unsecured loan obtained in March 2016 with interest rate equal to 5.738% per annum, payable quarterly in arrears. The 50% of principal balance is payable in 20 equal quarterly amortizations to commence in June 2018 and 50% is payable at maturity in March 2023.	109,939	109,939	-
Unsecured loan obtained in November 2016 with interest rate equal to 4.750% per annum, payable quarterly in arrears. The 50% of principal is payable in 16 equal quarterly amortizations to commence in February 2020 and 50% is payable at maturity in November 2023.	262,500	50,000	212,500
Unsecured loan obtained in November 2016 with interest rate equal to 5.200% per annum, payable quarterly in arrears. The 50% of principal is payable in 16 equal quarterly amortizations to commence in February 2020 and 50% is payable at maturity in November 2023.	328,070	62,489	265,580
Unsecured loan obtained in December 2016 with interest rate equal to 5.225% per annum, payable quarterly in arrears. The 50% principal is payable in 16 equal amortizations to commence in March 2020 and 50% is payable at maturity in December 2023.	131,101	24,972	106,130
Unsecured loan obtained in December 2017 with interest rate equal to 5.461% per annum, payable quarterly in arrears. The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in March 2020 and 50% is payable at maturity in December 2022.	216,581	216,581	-
Unsecured loan obtained in June 2018 with interest rate equal to 4.988% per annum, payable quarterly in arrears. The 6% of the principal balance is payable at 12 equal quarterly amortizations to commence on September 2020 and 94% is payable maturity on June 2023.	476,988	476,988	-
Unsecured loan obtained in June 2019 with interest rate equal to 2.447% per annum, payable quarterly in arrears. The 50% principal is payable in 12 equal quarterly amortizations to commence on September 2021 and 50% payable at maturity on June 2024.	395,833	83,333	312,500
Unsecured loan obtained in June 2019 with interest rate equal to 5.210% per annum, payable quarterly in arrears. The 50% of principal is payable in 12 equal quarterly amortizations to commence in September 2021 and 50% is payable at maturity in June 2024.	1,578,790	332,377	1,246,413
Unsecured loan obtained in June 2019 with interest rate equal to 4.987% per annum, payable quarterly in arrears. The 50% of principal is payable in 12 equal quarterly amortizations to commence in September 2021 and 50% is payable at maturity in June 2024.	1,578,820	332,383	1,246,437
Unsecured loan obtained in June 2019 with interest rate equal to 4.844% per annum, payable quarterly in arrears. The 50% of principal is payable in 12 equal quarterly amortizations to commence in August 2021 and 50% is payable at maturity in June 2024.	2,368,229	498,574	1,869,654
Unsecured loan obtained in June 2019 with interest rate equal to 5.051% per annum, payable quarterly in arrears. The principal is payable at maturity in June 2024.	1,994,499	-	1,994,499
Unsecured loan obtained in September 2019 with interest rate equal to 5.110% per annum, payable quarterly in arrears. The principal is payable at maturity in September 2024.	996,868	-	996,868
Unsecured loan obtained in September 2019 with interest rate equal to 5.210% per annum, payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting December 2021 and the remaining 50% balance is payable in September 2024.	250,000	50,000	200,000

Type of Obligation	Amount	Current	Noncurrent
	(In Thousands)		
Unsecured loan obtained in September 2019 with interest rate equal to 5.300% per annum, payable quarterly in arrears. The principal is payable upon maturity in September 2024.	996,862	-	996,862
Unsecured loan obtained in October 2019 with interest rate equal to 4.977% per annum, payable quarterly in arrears. The principal is payable at maturity in October 2024.	498,360	-	498,360
Unsecured loan obtained in October 2019 with interest rate equal to 5.177% per annum, payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting January 2022 and the remaining 50% balance is payable in October 2024.	437,500	83,333	354,167
Unsecured loan obtained in November 2019 with interest rate equal to 5.005% per annum, payable quarterly in arrears. The principal is payable at maturity in November 2024.	1,000,000	-	1,000,000
Unsecured loan obtained in December 2019 with interest rate equal to 5.061% per annum, payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting March 2022 and the remaining 50% balance is payable in December 2024.	262,500	50,000	212,500
Unsecured loan obtained in January 2020 with interest rate equal to 5.301% per annum, payable quarterly in arrears. The 50% principal is payable in 12 equal installments starting April 2022 and the remaining 50% balance is payable in January 2025.	458,333	83,333	375,000
Unsecured loan obtained in January 2020 with interest rate equal to 5.254% per annum, payable quarterly in arrears. The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in April 2022 and 50% is payable at maturity in January 2025.	342,510	62,274	280,235
Unsecured loan obtained in January 2020 with interest rate equal to 5.254% per annum, payable quarterly in arrears. The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in April 2022 and 50% is payable at maturity in January 2025.	389,583	70,833	318,750
Unsecured loan obtained in January 2020 with interest rate equal to 5.084% per annum, payable quarterly in arrears. The 50% of principal is payable in 11 equal quarterly amortizations to commence in April 2022 and 50% is payable at maturity in October 23 2024.	896,604	199,245	697,359
Unsecured loan obtained in February 2020 with interest rate equal to 5.016% per annum, payable quarterly in arrears. The principal is payable at maturity in February 2025.	300,000	-	300,000
Unsecured loan obtained in April 2020 with interest rate equal to 4.913% per annum, payable quarterly in arrears. The principal is payable at maturity in April 2025.	500,000	-	500,000
Unsecured loan obtained in April 2020 with interest rate equal to 4.234% per annum, payable quarterly in arrears. The principal is payable at maturity in April 2025.	199,225	-	199,225
Unsecured loan obtained in April 2020 with interest rate equal to 4.234% per annum, payable quarterly in arrears. The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in July 2022 and 50% is payable at maturity in April 2025.	286,364	51,136	235,227
Unsecured loan obtained in May 2020 with interest rate equal to 4.750% per annum, payable quarterly in arrears. The principal is payable at maturity in May 2025.	278,853	-	278,853
Unsecured loan obtained in July 2020 with interest rate equal to 5.410% per annum, payable quarterly in arrears. The 50% of principal is payable in 12 equal installments starting October 2022 and the remaining 50% balance is payable in July 2025.	995,895	165,982	829,912
Unsecured loan obtained in July 2020 with interest rate equal to 5.490% per annum, payable quarterly in arrears. The 50% of principal is payable in 12 equal installments starting October 2022 and the remaining 50% balance is payable in July 2025.	995,875	165,979	829,896
Unsecured loan obtained in October 2020 with interest rate equal to 4.750% per annum, payable quarterly in arrears. The 50% of principal balance is payable in 12 equal quarterly amortizations to commence in January 2023 and 50% is payable at maturity in October 2025.	696,841	174,210	522,631
Unsecured loan obtained in July 2021 with interest rate equal to 3.325% per annum, payable quarterly in arrears. The principal is payable at maturity in January 2022.	-	-	-
Unsecured loan obtained in August 2021 with interest rate equal to 4.250% per annum, payable quarterly in arrears. The principal is payable at maturity in August 2026.	855,047	-	855,047
Unsecured loan obtained in December 2021 with interest rate equal to 5.012% per annum, payable quarterly in arrears. The principal is payable at maturity in December 2026.	496,831	-	496,831
Unsecured loan obtained in December 2021 with interest rate equal to 5.012% per annum, payable quarterly in arrears. The principal is payable at maturity in December 2026.	200	-	200

Type of Obligation	Amount	Current	Noncurrent
	(In Thousands)		
Unsecured loan obtained in November 2021 with interest rate equal to 4.753% per annum, payable quarterly in arrears. The principal is payable at maturity in November 2026.	1,242,324	-	1,242,324
Unsecured loan obtained in November 2021 with interest rate equal to 4.985% per annum, payable quarterly in arrears. The principal is payable at maturity in November 2026.	248,458	-	248,458
Unsecured loan obtained in November 2021 with interest rate equal to 4.985% per annum, payable quarterly in arrears. The principal is payable at maturity in November 2026.	496,913	-	496,913
Unsecured loan obtained in September 2021 with interest rate equal to 4.250% per annum, payable quarterly in arrears. The principal is payable at maturity in September 2026.	994,012	-	994,012
Unsecured loan obtained in September 2021 with interest rate equal to 4.250% per annum, payable quarterly in arrears. The principal is payable at maturity in September 2026.	994,012	-	994,012
Unsecured loan obtained in September 2021 with interest rate equal to 4.250% per annum, payable quarterly in arrears. The principal is payable at maturity in September 2026.	646,107	-	646,107
Unsecured loan obtained in September 2021 with interest rate equal to 4.250% per annum, payable quarterly in arrears. The principal is payable at maturity in September 2026.	695,808	-	695,808
Unsecured loan obtained in February 2022 with interest rate equal to 5.505% per annum, payable quarterly in arrears. The principal is payable at maturity in February 2027.	799,710	-	799,710
Unsecured loan obtained in July 2022 with interest rate equal to 3.563% per annum, payable quarterly in arrears. The principal is payable at maturity in July 2022.	99,971	99,971	-
Unsecured loan obtained in March 2022 with interest rate equal to 6.124% per annum, payable quarterly in arrears. The principal is payable at maturity in March 2027.	99,900	-	99,900
Unsecured loan obtained in March 2022 with interest rate equal to 5.805% per annum, payable quarterly in arrears. The principal is payable at maturity in February 2027.	327,717	18,206	309,510
Unsecured loan obtained in July 2022 with interest rate equal to 6.688% per annum, payable quarterly in arrears. The principal is payable at maturity in June 2027.	94,165	-	94,165
Short-term loan obtained in August 2022 with interest rate equal to 4.275% per annum, payable monthly in arrears. The principal is payable at maturity in February 2023.	498,664	498,664	-
Short-term loan obtained in August 2022 with interest rate equal to 3.800% per annum, payable monthly in arrears. The principal is payable at maturity in February 2023.	498,654	498,654	-
Short-term loan obtained in August 2022 with interest rate equal to 3.800% per annum, payable monthly in arrears. The principal is payable at maturity in February 2023.	498,654	498,654	-
Short-term loan obtained in August 2022 with interest rate equal to 4.275% per annum, payable quarterly. The principal is payable at maturity in February 2023.	498,654	498,654	-
	31,559,076	5,656,729	25,902,347
Bonds			
Fixed rate bond with aggregate principal amount of P7.00 billion issued by the Group on November 2013. This comprised of P4.30 billion 7-year fixed rate bonds due in November 2020 with a fixed interest rate of 4.86% per annum, and P2.700 billion due in November 2023 with interest rate equal to 5.433% per annum, payable quarterly in arrears.	2,697,198	-	2,697,198
Fixed rate bond with aggregate principal amount of P7.00 billion issued by the Group on December 2014. this comprised of P5.30 billion, 7-year fixed rate bonds due in December 2021 with a fixed interest rate of 5.40% per annum, and P1.700 billion due in December 2024 with interest rate equal to 5.639% per annum, payable quarterly in arrears.	1,696,665	-	1,696,665
Fixed rate bond with aggregate principal amount of P8.00 billion issued by the Group on August 2015. This comprised of P7.00 billion due in August 2022 with interest rate equal to 5.357% per annum, payable quarterly in arrears, and P1.00 billion due in August 2025 with interest rate equal to 5.714% per annum, payable quarterly in arrears.	996,263	-	996,263
Fixed rate bond with aggregate principal amount of P6.00 billion issued by the Group on July 2017 due in January 2023 with interest rate equal to 5.050%	5,996,552	5,996,552	-
Fixed rate bond with aggregate principal amount of P8.1 billion issued by the Group on November 2020. This comprised of P6.3354 billion due in November 2023 with interest rate equal to 3.335% per annum, payable quarterly in arrears, and P1.7646 billion due in May 2026 with interest rate equal to 4.184% per annum, payable quarterly in arrears.	8,070,236	-	8,070,236

Type of Obligation	Amount	Current	Noncurrent
	(In Thousands)		
Fixed rate bond with aggregate principal amount of P10.00 billion issued by the Group on December 2021. This comprised of P5 billion due in December 2025 with interest rate equal to 4.530% per annum, payable quarterly in arrears, and P5 billion due in December 2027 with interest rate equal to 5.258% per annum, payable quarterly in arrears.	9,889,490	-	9,889,490
Fixed rate bond with aggregate principal amount of P11.9 billion issued by the Group on June 2022. This comprised of P8.925 billion due in June 2025 with interest rate equal to 5.346% per annum, payable quarterly in arrears, and P2.975 billion due in June 2027 with interest rate equal to 6.415% per annum, payable quarterly in arrears.	11,758,123	-	11,758,123
	41,104,527	5,996,552	35,107,975
	P72,663,604	P11,653,281	P61,010,322

Each loan balance is presented net of unamortized deferred costs. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio ranging from 2.0x to 3.1x and minimum interest coverage ratio of 1.0x.

Each bond balance is presented net of unamortized deferred costs. The agreements covering the abovementioned bonds require maintaining certain financial ratios including maximum debt-to-equity ratio of 2.0x; minimum current ratio of 2.0x; and minimum debt service coverage ratio (DSCR) of 1.0x (except for FILRT bonds which requires maximum debt-to-equity ratio of 2.33x and DSCR of 1.1x).

The agreements also provide for restrictions and requirements with respect to, among others, making distribution on its share capital; purchase, redemption or acquisition of any share of stock; sale or transfer and disposal of all or a substantial part of its capital assets; restrictions on use of funds; and entering into any partnership, merger, consolidation or reorganization.

The Group has complied with these contractual agreements. There was neither default nor breach noted for the reporting period.

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Indebtedness to Related Parties
September 30, 2022

This schedule is not applicable as there are no non-current indebtedness which exceed 5% of total assets as of September 30, 2022 and December 31, 2021.

FILINVEST LAND, INC. AND SUBSIDIARIES

**Supplementary Schedule of Guarantees of Securities of Other Issuers
September 30, 2022**

The Group does not have guarantees of securities of other issuers as of September 30, 2022.

Schedule G

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Guarantees of Capital Stock September 30, 2022

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
(In Thousands)						
Common Shares	33,000,000	24,249,760	—	16,147,682	51,719	8,050,359
Preferred Shares	8,000,000	8,000,000	—	8,000,000	—	--

Schedule H

FILINVEST LAND, INC. AND SUBSIDIARIES

Supplementary Schedule of Bond Issuances – Securities Offered to the Public September 30, 2022

	2015 8.0 Billion	2017 6.0 Billion	2020 8.1 Billion	2021 10.0 Billion	2022 11.9 Billion
Expected gross and net proceeds as disclosed in the prospectus					
Gross Proceeds	P8,000,000,000	P6,000,000,000	P8,100,000,000	P10,000,000,000	P11,900,000,000
Less: Expenses	85,330,750	68,308,996	118,003	131,785,030	154,432,780
Net Proceeds	P7,914,669,250	P5,931,691,004	P8,099,881,997	P9,868,214,970	P11,745,567,220
Actual gross and net proceeds					
Gross Proceeds	P8,000,000,000	P6,000,000,000	P8,100,000,000	P10,000,000,000	P11,900,000,000
Less: Expenses	86,811,468	96,582,653	165,450,548	137,330,244	156,399,197
Net Proceeds	P7,913,188,532	P5,903,417,347	P7,934,549,452	P9,862,669,756	P11,743,600,803
Expenditure items where the proceeds were used					
Land Acquisition	P88,961,000	P-	P595,776,352	P2,000,000,000	P2,273,000,000
Project Development	2,888,760,022	-	693,494,229	532,498,565	597,600,803
Investment Property	4,935,467,510	5,903,417,347	2,104,200,033	1,753,544,108	273,000,000
Debt refinancing	-	-	4,356,621,959	5,308,627,083	8,600,000,000
General Corporate	-	-	184,456,880	268,000,000	-
Net Proceeds	P7,913,188,532	P5,903,417,347	P7,934,549,452	P9,862,669,756	P11,743,600,803
Balance of the proceeds as of December 31, 2021					
Net Proceeds	P7,913,188,532	P5,903,417,347	P7,934,549,452	P9,862,669,756	P11,743,600,803
Capital Expenses	7,913,188,532	5,903,417,347	3,577,927,493	4,554,042,673	3,143,600,803
Debt refinancing	-	-	4,356,621,959	5,308,627,083	8,600,000,000
Net Proceeds	P-	P-	P-	P-	P-

FILINVEST LAND, INC. AND SUBSIDIARIES
Components of Financial Soundness Indicators
September 30, 2022

	September 30	September 30	December 31
	2022	2021	2021
	(Unaudited)	(Unaudited)	(Audited)
Current Ratio ¹	3.88	2.69	3.78
Interest-bearing debt-to-Equity ratio, ²	0.80	0.76	0.76
Debt Ratio ³	0.54	0.54	0.54
EBITDA to Total Interest Paid ⁴	2.05	2.00	2.08
Price Earnings Ratio ⁵	6.90	6.28	6.88
Quick Asset Ratio ⁶	1.05	0.80	1.06
Solvency Ratio ⁷	0.04	0.04	0.06
Interest Coverage Ratio ⁸	2.47	2.44	2.46
Net Profit Margin ⁹	0.16	0.26	0.24
Return on Equity ¹⁰	0.03	0.05	0.05
Asset-to-Equity Ratio ¹¹	2.19	2.17	2.15

¹Current Assets divided by Current Liabilities

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

³Total Liabilities divided by Total Assets

⁴EBITDA to Total Interest Paid is computed as EBITDA (net income plus interest and other finance charges (including interest expense on financial liability on lease contract), provision for income tax, depreciation and amortization) divided by total interest paid

⁵Closing price divided by Annualized Earnings per share

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

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

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

⁹Net Income divided by Gross Revenues

¹⁰Annualized Net Income divided by Total Equity

¹¹Total Assets divided by Total Equity

SIGNATURES

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

FILINVEST LAND, INC.

Signature:



TRISTANEIL LAS MARIAS

Title:

President

Date:

November 14, 2022

Signature:



ANA VENUS A. MEJIA

Title:

Executive Vice President and Chief Finance Officer

Date:

November 14, 2022

FILINVEST

LAND, INCORPORATED

79 EDSA, Highway Hills, Mandaluyong City
Metro Manila 1000, Philippines
Trunk Line: (632) 7918-8188
Customer hotline: (632) 8588-1688
www.filinvestland.com

September 28, 2022

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza^{6th}
Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Ms. Alexandra Tom Wong
OIC, Disclosure Department

Subject: Final Report on the Disbursement of Proceeds from the Initial Public Offering ("IPO") of Filinvest REIT Corp. ("FILRT")

Dear Ms. Tom Wong,

We are pleased to submit our Final Report on the Application of Proceeds for the IPO of FILRT, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On August 12, 2021, Filinvest Land, Inc received net proceeds from the IPO of FILRT amounting to Twelve Billion Two Hundred Sixty Four Million Nineteen Thousand Three Hundred Thirty Nine Pesos (Php12,264,019,339).

As of August 11, 2022, FLI already disbursed the total net proceeds amounting to Twelve Billion Two Hundred Sixty Four Million Nineteen Thousand Three Hundred Thirty Nine Pesos (Php12,264,019,339).

The details of the disbursements are as follows:

Gross Proceeds from IPO	Php	12,583,246,445
Purchase of shares during the stabilization period	-	2,281,800
Underwriters and IPO-related fees	-	316,945,306
Net Proceeds received		12,264,019,339
Disbursements for Transaction Costs, Aug. 12- Sept. 30	-	132,542,601
Disbursements for Transaction Costs, Oct. 1- Dec. 31	-	1,571,600
Available for Reinvestment		12,129,905,138
Disbursements for Reinvestment Aug 12- Sept 30	-	1,566,787,667
Disbursements for Reinvestment Oct 1-Dec. 31	-	872,622,139
Disbursements for Reinvestment Jan.1- March 31, 2022	-	2,016,678,604
Disbursements for Reinvestment April 1-June 30, 2022	-	2,725,572,490
Disbursements for Reinvestment July 1-August 11, 2022	-	4,948,244,238
Balance of IPO Proceeds as of August 11, 2022		0

Thank you.

Very truly yours,


ANA VENUS A. MEJIA
Chief Finance Officer

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)

CITY OF MANDALUYONG) S.S.

SEP 28 2022

I certify that on _____, before me a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

Competent Evidence of
Identity

Date / Place Issued

Filinvest Land, Inc.

TIN:

Represented by:

Ana Venus Mejia

Unified Multi Purpose ID CRN –

0003-8766880-6

who were identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that their signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. 325;

Page No. 46;

Book No. 30;

Series of 2022.

JOVEN G. S. MALLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-21 UNTIL DECEMBER 31, 2022
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 4864924; 1-3-22; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY

FILINVEST LAND, INC.

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

ANNEX A- Disbursements for the period July 1, 2022 to August 11, 2022

Project Name	Disbursing Entity	July 1, 2022-Aug. 11, 2022
Axis Three	Filinvest Land, Inc.	6,012,172
Axis Four	Filinvest Land, Inc.	640,399
Cebu Tower 3	Filinvest Land, Inc.	74,097,795
Cebu Tower 4	Filinvest Land, Inc.	75,685,665
Marina Town	Filinvest Land, Inc.	16,075,999
Columna	Filinvest Land, Inc.	9,355,918
387 Gil Puyat	Filinvest Cyberparks Inc	19,883,453
4Workplus	Filinvest Clark Mimosa Inc	4,107,727
7 Workplus	Filinvest Clark Mimosa Inc	1,399,801
The Crib Clark	Filinvest Clark Mimosa Inc	70,247,339
PDDC	Phil. DCS Development Corp.	177,408
Filinvest Innovation Park	Filinvest BCDA Clark Inc.	26,347,543
Marina Town Mall	Filinvest Land, Inc.	40,448,458
Clark Lifestyle Mall	Filinvest Clark Mimosa Inc	139,815,812
Panglao Oasis	Filinvest Land, Inc.	80,653,940
Alta Spatial	Filinvest Land, Inc.	58,716,265
Verde Spatial	Filinvest Land, Inc.	14,925,915
Bali Oasis	Filinvest Land, Inc.	22,282,320
Belize Oasis	Filinvest Land, Inc.	27,907,521
Raw Land	Filinvest Land, Inc.	17,242,043
Dreambuilders capex	Filinvest Land, Inc.	348,014,356
Futura East	Filinvest Land, Inc.	281,108,503
The Levels 2	Filinvest Land, Inc.	324,873,755

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Studio Towers	Filinvest Land, Inc.	94,370,290
Activa- Residential	Filinvest Land, Inc.	255,018,115
Activa - Offices	Filinvest Land, Inc.	95,670,383
One Filinvest	Filinvest Land, Inc.	422,300,388
Studio 7	Filinvest Land, Inc.	153,941,286
Futura Centro	Filinvest Land, Inc.	174,101,942
Sorrento Oasis	Filinvest Land, Inc.	155,760,833
Asiana Oasis	Filinvest Land, Inc.	7,145,354
Claremont	Filinvest Land, Inc.	157,524,758
Maldives Oasis	Filinvest Land, Inc.	150,351,401
New Leaf	Filinvest Land, Inc.	171,018,715
Ciudad de Calamba	Filinvest Land, Inc.	321,963,183
Centro Spatial Davao	Filinvest Land, Inc.	215,980,687
Fora Dagupan	Filinvest Land, Inc.	168,013,945
Marina Spatial Dumaguete	Filinvest Land, Inc.	124,741,978
New Fields	Filinvest Land, Inc.	200,468,808
Savannah Fields	Filinvest Land, Inc.	138,492,662
Alta Vida	Filinvest Land, Inc.	23,036,888
Anila Park	Filinvest Land, Inc.	49,622,112
Eight Spatial Davao	Filinvest Land, Inc.	74,033,034
Teresa	Filinvest Land, Inc.	94,700,011
The Leaf	Filinvest Land, Inc.	39,967,358
TOTAL		4,948,244,238

AGREED-UPON PROCEDURES REPORT ON FINAL REPORT ON USE OF PROCEEDS FROM THE LISTING OF FILINVEST REIT CORP.

Ms. Ana Venus A. Mejia
Executive Vice President and Chief Finance Officer
Filinvest Land, Inc.
Filinvest Building, 79 EDSA, Highway Hills
Mandaluyong City 1550, Metro Manila

Purpose of this Agreed-upon Procedures Report

We have performed the procedures which were agreed to by Filinvest Land, Inc. (the "Company") solely to assist you in complying with the requirements of the Philippine Stock Exchange ("PSE") in relation to the Final Report on the use of proceeds from the initial public offering ("IPO") of the shares of Filinvest REIT Corp. ("FILRT") on August 12, 2022. This report covers additional disbursements for the period from July 1, 2022 to August 11, 2022 ("Subject Matter"). Accordingly, this may not be suitable for another purpose.

Restriction on Use

This agreed-upon procedures report ("AUP Report") is intended solely for the information and use of the Company and the PSE and is not intended to be and should not be used by anyone else.

Responsibilities of the Company

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the Subject Matter on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We are not required to be independent for the purpose of this engagement. We are the independent auditor of the Company and complied with the independence requirements of the Code of Ethics that apply in context of the financial statement audit.

Our firm applies Philippine Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the terms of engagement dated April 13, 2022, on the Subject Matter.

1. We obtained the Final Report on Use of Proceeds from the IPO of FILRT for the period from August 12, 2021 to August 11, 2022 (the "Final Report") and checked the mathematical accuracy of the Final Report. No exceptions were noted.
2. We compared the "Disbursements for Reinvestment July 1, 2022 to August 11, 2022" in the Final Report to the list of disbursements for the period from July 1, 2022 to August 11, 2022 (the "Disbursement Schedule") and noted the amounts to be in agreement. Further, we noted that of the total disbursements reported for the period from July 1, 2022 to August 11, 2022 in the Disbursement Schedule, Php3,453.41 million and Php362.90 million pertain to disbursements made prior to July 1, 2022 and after August 11, 2022, respectively.
3. We compared the Disbursements Schedule with the schedule of Planned use of IPO proceeds as documented in the Amended Sponsor Reinvestment Plan dated July 22, 2022 (the "Amended Sponsor Reinvestment Plan") and noted that the projects in the Disbursement Schedule are included in the Amended Sponsor Reinvestment Plan and disbursements for each project are within the amount allocated in the Amended Sponsor Reinvestment Plan except for 21 projects as summarized in Appendix I.
4. We traced disbursements exceeding Php50 million to supporting documents such as bank statements and collection receipts. Differences in the amount per Disbursement Schedule samples selected and the related collection receipts pertain to withholding taxes.

Explanatory paragraph

The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures. Furthermore, we have not performed any procedures with respect to the preparation or verification of any of the source documents. We have no responsibility for the verification of any underlying information upon which we relied in forming our findings.

The agreed-upon procedures do not constitute an audit or a review of financial statements or part thereof, the objective of which is the expression of an opinion or conclusion on the financial statements or part thereof.

We undertake no responsibility to update this AUP Report for events and circumstances occurring after the AUP Report is issued.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner

September 28, 2022
Manila, Philippines

Appendix I – Projects which exceeded the allocation based on the Amended Sponsor Reinvestment Plan (in millions):

Project	Budget	Total Disbursements Aug 12, 2021 - Aug 11, 2022	Excess over Allocated Budget
Cebu Tower 4	Php230.00	Php255.27	(Php25.27)
Filinvest Innovation Park	21.00	26.35	(5.35)
Clark Lifestyle Mall	442.00	481.35	(39.35)
Futura East	200.00	281.11	(81.11)
The Levels 2	215.00	324.87	(109.87)
Activa- Residential	300.00	350.69	(50.69)
One Filinvest	237.00	422.30	(185.30)
Studio 7	100.00	153.94	(53.94)
Futura Centro	100.00	174.10	(74.10)
Sorrento Oasis	100.00	155.76	(55.76)
Claremont	132.00	157.52	(25.52)
Maldives Oasis	100.00	150.35	(50.35)
New Leaf	58.00	171.02	(113.02)
Ciudad de Calamba	58.00	321.96	(263.96)
Centro Spatial Davao	170.00	215.98	(45.98)
Fora Dagupan	80.00	168.01	(88.01)
Marina Spatial Dumaguete	120.00	124.74	(4.74)
New Fields	136.00	200.47	(64.47)
Savannah Fields	110.00	138.49	(28.49)
Eight Spatial Davao	49.00	74.03	(25.03)
Teresa	55.00	94.70	(39.70)
Total	Php3,013.00	Php4,443.03	(Php1,430.03)

SUBSCRIBED AND SWORN TO before me this 28th day of September 2022 in Mandaluyong City, Metro Manila, affiant exhibiting to me her Philippine Passport No. P1622490B, as competent evidence of her identity, bearing her photograph and signature, issued by the Department of Foreign Affairs Manila on 08 May 2019.

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Book No. 30 ;
Series of 2022.

JOVEN G. SORILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-21 UNTIL DECEMBER 31, 2022
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 4864924; 1-3-22; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY