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**Sta. Lucia Land, Inc.**

(incorporated in the Republic of the Philippines)

Primary Offer of up to 180 Certificates of Participation in

## **ARTERRA RESIDENCES AT DISCOVERY BAY**

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Offer Price of up to ₱ 90,000.00 Per Certificate of  
Participation

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**THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE PHILIPPINE SECURITIES**

The date of this Prospectus is 29 September 2025

Sta. Lucia Land, Inc.  
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Cainta, Rizal, Philippines  
Telephone Number: +632 8 681-7332  
Corporate Website: [www.stalucialand.com.ph](http://www.stalucialand.com.ph)  
Hotel Website: <https://sotogrande.ph/arterra-hotel>

This [Preliminary] Prospectus relates to the offer and sale to the public of Certificates of Participation (“**Certificate**”) in Arterra Residences At Discovery Bay (the “**Project**” or “**Arterra Residences At Discovery Bay**”) by Sta. Lucia Land, Inc. (the “**Issuer**” or the “**Company**”), a corporation organized and existing under the laws of the Republic of the Philippines, subject to the registration requirements of the Securities and Exchange Commission (“**SEC**”). The Certificates shall be sold at an offer price ranging from ₱ 70,000.00 to ₱ 90,000.00 (“**Offer Price**”) per Certificate, depending on the class of Certificate, or an aggregate Offer Price of up to ₱ 12,900,000.00.

The 180 Certificates of Participation forming part of the Offer corresponds to the total number of condotel units in Arterra Residences At Discovery Bay, a condominium project owned and developed by the Issuer. The Issuer developed, constructed and is marketing the condominium as a condotel and include, as a condition for the sale of the units in the Arterra Residences At Discovery Bay the buyers’ obligation to contribute the use of their respective Units to the Project to be operated and managed by Arterra Residences At Discovery Bay Hotel Inc. under a management agreement.

In exchange for their participation in the Project and their contribution of their respective Units to the Project, and subject to certain conditions discussed in this Prospectus, the unit owners in the condotel (each a “**Unit Owner**”), to whom the Certificates shall be exclusively offered and sold, and who have satisfied the Eligibility Requirements as defined in this Prospectus, shall receive, in their capacity as holders of the Certificates (each a “**Certificate Holder**”) (i) an interest on the Certificate based on the Final Share in Participation Interest (as defined herein), and (ii) other annual usage privileges, subject to the terms and conditions hereinafter set forth in this Prospectus.

On 20 June 2025, the Board of Directors of the Company authorized the offer and sale of 180 Certificates at the following Offer Price:

| <b>Class</b>   | <b>No. of Certificate Per Class</b> | <b>Offer Price per Certificate</b> | <b>Aggregate Offer Price Per Class</b> |
|----------------|-------------------------------------|------------------------------------|----------------------------------------|
| Studio Unit    | 162                                 | ₱ 70,000.00                        | ₱ 11,340,000.00                        |
| 1 Bedroom Unit | 6                                   | ₱ 80,000.00                        | ₱ 480,000.00                           |
| 2 Bedroom Unit | 12                                  | ₱ 90,000.00                        | ₱ 1,080,000.00                         |
| <b>Total</b>   | <b>180</b>                          |                                    | <b>₱ 12,900,000.00</b>                 |

The stockholders of the Company approved the issuance of the said securities on 12 August 2025.

The total proceeds to be raised by the Issuer from the Offer will cover (1) management and/or service fees to third-party operator/s and (2) working capital buy-outs which includes, but not limited to, guest supplies, housekeeping equipment and cleaning supplies, engineering supplies, office furniture and office supplies, guest and service vehicle and information technology and communications.

The Certificates are being offered for sale solely in the Philippines. The distribution of this Prospectus and offer and sale of the Certificates may, in certain jurisdictions, be restricted by law. The Company

requires persons into whose possession this Prospectus comes, to inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. This Prospectus does not constitute an offer of any securities or any offer to sell, or a solicitation of any offer to buy any securities of the Company in any jurisdiction, to or from any person whom it is unlawful to make such offer in such jurisdiction.

The information contained in this Prospectus relating to the Issuer and its operations has been supplied by the Issuer, unless otherwise stated herein. To the best of its knowledge and belief, the Issuer which has taken reasonable care to ensure that such is the case, confirms that, as of the date of this Prospectus, the information contained in this Prospectus relating to it and its operations is correct, and that there is no material misstatements or omission of facts which would make any statement in this Prospectus misleading in any material respect and that the Issuer hereby accepts full and sole responsibility for the accuracy of information contained in the Prospectus with respect to the same.

Each investor must comply with all laws applicable to it and must obtain the necessary consent, approvals or permission for its purchase, offer or sale under the laws and regulation in force to which it is subject.

The Company is organized under the Philippine Law. The Company is authorized to distribute dividends out of its surplus profit, in cash, properties of the Company, shares of stock. Dividends paid in the form of cash or property, are subject to approval of the Board of Directors of the Company. Dividends paid in the form of stock dividends are subject to the approval of the Board of Directors and stockholders who owns at least two-third (2/3) of the outstanding capital of the company. The Board may not declare dividends as determined by the Board, taking into consideration factors such as implementation of business plans, debt service requirements, operating expenses, budgets, funding of new investments and acquisitions and appropriate reserves and working capital.

Unless otherwise, indicated, all information in this [Preliminary] Prospectus is as of the date of this [Preliminary] Prospectus. Neither the delivery of this [Preliminary] Prospectus nor any sale made pursuant to this [Preliminary] Prospectus shall, under any circumstances, create implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company since such date.

No person has been authorized to give any information or to make any representation not contained in this [Preliminary] Prospectus. If given or made, any such information or representation must not be relied upon as having been authorized by the Company. This [Preliminary] Prospectus does not constitute an offer or any securities, or any offer to sell or solicitation of any offer to buy any of the securities of the Company in any jurisdiction, to or from any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

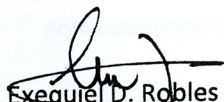
Before making an investment decision, investor must rely on their own due diligence examination of the Company and the terms of the Offer including the risks involved.

The Issuer has included in this Statement all of its representation about this offering. If anyone gives you more or different information, you should ignore it. You should carefully review and rely only on the information in this Statement in making an investment decision. The Investors should be aware that risks and uncertainties might occur.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR

RECEIVED PRIOR TO THE TIME THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE. ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS COMMUNICATION SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.

By:  
Sta Lucia Land, Inc.

  
Exequiel D. Robles  
President

**MANDALUYONG CITY**

**29 SEP 2025**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_ 2025, affiant exhibiting to me his Philippine Passport No. P9712352B issued at DFA NCR West valid until April 21, 2032, as competent proof of his identity.

Doc. No. 12 ;  
Page No. 4 ;  
Book No. XXX ;  
Series of 2025.



**JERRY B. DELA CRUZ**  
Notary Public for Mandaluyong City  
Until 31 December 2026  
Appointment No. 0257-25  
Roll Number 47018  
IBP No. 470137/10.03.2024/RSM  
PTR No. 5716011/01.02.2025/Mandaluyong  
MCLE Compliance No. VIII-0026654/04.10.2025  
G/F State Center II Bldg.  
Ortigas Avenue, Mandaluyong City

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## FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors which may cause actual results, performance or achievements of the Issuer, to be materially different from any future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on assumptions regarding the present and future business strategies and the environment in which the registrant will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- the ability of the registrant to successfully implement its strategies;
- the ability of the registrant to anticipate and respond to healthcare trends;
- the ability of the registrant to successfully manage its growth;
- the condition and changes in the Philippines, Asian or global economies;
- any future political instability in the Philippines, Asia or other regions;
- changes in interest rates, inflation rates and the value of the Peso against the U.S. Dollar and other currencies;
- changes in government regulations, including tax laws, or licensing requirements in the Philippines, Asia or other regions; and
- competition in the hospitality industries in the Philippines and globally.

Additional factors that could cause actual results, performance or achievements of registrant to differ materially include, but are not limited to, those disclosed under “Risk Factors” and elsewhere in this Prospectus.

These forward-looking statements speak only as of the date of this Prospectus. The registrant expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the expectations of the registrant with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.

This Prospectus includes forward-looking statements, including statements regarding the expectations and projections of the Issuer for future operating performance and business prospects. The words “believe”, “expect”, “anticipate”, “estimate”, “project”, “may”, “plan”, “intend”, “will”, “shall”, “should”, “would” and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. Statements in this Prospectus as to the opinions, beliefs and intentions of the Issuer accurately reflect in all material respects the opinions, beliefs and intentions of the management of the registrant as to such matters at the date of this Prospectus, although the Issuer can give no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. This Prospectus discloses, under the section “Risk Factors” and elsewhere, important factors that could cause actual results to differ materially from the expectation of the Issuer. All subsequent written and oral forward-looking statements attributable to either the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by cautionary statements.

## DEFINITION OF TERMS

As used in this Prospectus, the following terms shall have the meanings ascribed to them:

|                                                    |                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BIR</b>                                         | means the Bureau of Internal Revenue.                                                                                                                                                                                                                                            |
| <b>DOT</b>                                         | means the Department of Tourism.                                                                                                                                                                                                                                                 |
| <b>DHSUD</b>                                       | means the Department of Human Settlements and Urban Development.                                                                                                                                                                                                                 |
| <b>PSE</b>                                         | means the Philippine Stock Exchange, Inc.                                                                                                                                                                                                                                        |
| <b>SEC</b>                                         | means the Philippine Securities and Exchange Commission.                                                                                                                                                                                                                         |
| <b>SLRDI</b>                                       | means Sta. Lucia Realty & Development, Inc., the majority shareholder of the Issuer.                                                                                                                                                                                             |
| <b>Accommodation</b>                               | means that concerned with providing customers with a place to stay temporarily, where people book holidays or trips and require lodging.                                                                                                                                         |
| <b>Administrative Fee</b>                          | means cost relating to the processing of a transaction with a range of ₱2,000.00 to ₱5,000.00 per Certificate of Participation issued to the unit owner .                                                                                                                        |
| <b>Associated Person of a broker or dealer</b>     | means an employee of a broker or dealer who directly exercises control of supervisory authority, but does not include a salesman, or an agent or a person whose functions are solely clerical or ministerial.                                                                    |
| <b>Broker</b>                                      | means a person engaged in the business of buying and selling securities for the account of others/                                                                                                                                                                               |
| <b>Condotel</b>                                    | also known as a condominium hotel or a building which is legally a condominium but which is operated as a hotel. Condo hotels offer short-term rentals and maintain a front desk, cleaning service and more, similar to a hotel property.                                        |
| <b>Certificate of Participation or Certificate</b> | means the document evidencing the participation of a Unit Owner in the Project                                                                                                                                                                                                   |
| <b>Certificate Holder</b>                          | means a Unit Owner who has satisfied the Eligibility Requirements to hold the Certificate. In the case of Arterra Residences At Discovery Bay, this means all the registered owners of the Project.                                                                              |
| <b>Condominium</b>                                 | means an interest in a real property consisting of a separate interest in a unit in a residential, industrial, or commercial building and an undivided interest in common, directly or indirectly , in the land in which it is located and in other common areas of the building |
| <b>Condominium Project</b>                         | means the entire parcel of real property divided or to be divided in condominiums, including all structures thereon                                                                                                                                                              |
| <b>Condotel Unit</b>                               | means the Unit to be contributed to the Project by the Unit Owner                                                                                                                                                                                                                |
| <b>Condotel Expenses</b>                           | means the average cost necessary for the full operations of the Project and incurred as a result of or in direct relation to the usage of the Condotel Unit. These includes operating and non-operating expenses such as but not limited to:<br><br>a. Salaries and Payroll      |

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                | <ul style="list-style-type: none"> <li>b. Contracted and Outsourced Labor</li> <li>c. Utilities</li> <li>d. Sales and Marketing</li> <li>e. Management Fees</li> <li>f. Dues and Subscriptions</li> <li>g. Laundry and Cleaning</li> <li>h. Other Expenses</li> </ul>                                                                                                                                                                                                                                                                                                                                            |
| <b>Condotel Revenues</b>                       | means the total of the revenue generated from the operations of the Condotel Units, net of charges imposed by payment facilities, and travel or booking agents, remittance charges, discounts on room rates and other similar cost.                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Condominium Certificate of Title or CCT</b> | Refers to that document obtained from the Registry of Deeds of the city in which the property is which proves that the ownership of the Condotel Unit has been transferred to and is held by the Unit Owner.                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Condominium Corporation</b>                 | means condominium corporation established or to be established for the condotel pursuant to the requirements of Republic Act No. 4726 or The Condominium Act, which holds or shall eventually hold the title to the common areas and the land over which the condotel built.                                                                                                                                                                                                                                                                                                                                     |
| <b>Contract to Sell</b>                        | means the preparatory contract executed between SLI and a prospective buyer for the latter's acquisition of a condotel unit with SLI, as the owner, reserving title to, and ownership of, the condotel unit until certain specified conditions are fulfilled.                                                                                                                                                                                                                                                                                                                                                    |
| <b>Condotel Manager or Property Manager</b>    | means Arterra Residences At Discovery Bay Hotel Inc. appointed by the Issuer to manage and operate the Project on behalf of the Issuer, the Hotel Company and the Unit Owners.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Common Area</b>                             | means the entire project excepting all units separately granted or held or reserved.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Developer</b>                               | means Sta. Lucia Land, Inc. or the Issuer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Dealer</b>                                  | means any person who buys and sells securities for his/her account in the ordinary course of business.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Eligibility Requirement</b>                 | <p>means the following conditions to be satisfied by a Unit Owner to be eligible to hold the Certificates:</p> <ul style="list-style-type: none"> <li>(a) Full payment of the Offer Price;</li> <li>(b) Full payment of the purchase price for the Condotel Unit; and</li> <li>(c) Execution of all documents required for the transfer of ownership over the Condotel Unit in favor of the Unit Owner.</li> </ul> <p>In case of sale or transfer by the Unit Owner of the Certificate of Participation, together with the Condotel Unit, the following conditions that need to be satisfied are as follows:</p> |

|                                                                |                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                | <p>(a) Submission of the Certificate Authorizing Registration issued by the BIR for such sale or transfer; or the Condominium Certificate of Title (“<b>CCT</b>”) over the Condotel Unit, issued by the Register of Deeds in the name of the transferee;</p> <p>(b) Payment of Administrative Fee; and</p> <p>(c) Surrender of the original Certificate of Participation.</p> |
| <b>Hotel Company</b>                                           | means Arterra Residences At Discovery Bay Hotel, Inc., or an affiliate of the Company whose primary purpose is to operate a hotel and restaurant that cater to the guests of the hotel                                                                                                                                                                                        |
| <b>Issuer</b>                                                  | means Sta. Lucia Land, Inc., the originator, maker, obligator, or creator of the security.                                                                                                                                                                                                                                                                                    |
| <b>Lessee</b>                                                  | A person who holds the lease of a property; a tenant                                                                                                                                                                                                                                                                                                                          |
| <b>Lessor</b>                                                  | A person who leases or lets a property to another; a landlord                                                                                                                                                                                                                                                                                                                 |
| <b>Occupancy Rate</b>                                          | Term used to indicate how much of a space is rented out compared to how much space is available                                                                                                                                                                                                                                                                               |
| <b>Pooling Investment Agreement or Rental Pool Arrangement</b> | means that section of the Contract to Sell which defines the rights and obligation of SLI and the condominium unit owners in respect of condominium units which the owners agreed to be pooled together with other units to be operated as a Condotel, which will be managed by the Condotel Manager.                                                                         |
| <b>Project</b>                                                 | means Arterra Residences At Discovery Bay, a condotel located in Lapu-Lapu City, Cebu.                                                                                                                                                                                                                                                                                        |
| <b>Property Management</b>                                     | daily oversight of residential, commercial or any real estate accommodations by a third-party contractor.                                                                                                                                                                                                                                                                     |
| <b>Property Management Agreement</b>                           | means the Hotel Management and Consultancy Agreement dated 18 September 2025 with executed between SLI and the Condotel Manager.                                                                                                                                                                                                                                              |
| <b>Rental Payment</b>                                          | means the payment made by a tenant or guests of the Project for the use and occupancy of the Condotel Units.                                                                                                                                                                                                                                                                  |
| <b>Room Use Privilege</b>                                      | The entitlement of Certificate Holders to avail of room nights in the Condotel up to a maximum of thirty (30) room rights per day per year, subject to terms and conditions discussed on Page 65 of this Prospectus.                                                                                                                                                          |

## **EXECUTIVE SUMMARY**

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and audited financial statements, including notes thereto, found in the appendices of this Prospectus.

Prospective investors should read this entire Prospectus fully and carefully, including the section on “Risk Factors”. In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail.

### **Brief Background on the Issuer**

Sta. Lucia Land, Inc. is the flagship property development arm of the Sta. Lucia Group of Companies which is principally engaged in real estate development, both horizontal and vertical, in various locations across the country. The Sta. Lucia Group has built a solid track record in the area of horizontal residential developments, particularly gated subdivisions, and has expanded into vertical developments, mall operations, housing construction and marketing. The Sta. Lucia Group is controlled by the Robles and Santos families.

SLI is listed on the Main Board of the PSE and currently has an authorized capital stock of ₱ 16,000,000,000.00, divided into 16,000,000,000 common shares with a par value of ₱ 1.00 per share, of which 8,196,450,000 common shares and 2,600,000,000 treasury shares are issued as of the date of this Prospectus.

SLI's main business operations, accounting for approximately 68% of its 2024 Revenues, can be divided into residential projects and commercial projects which are further divided into horizontal developments and vertical developments for the residential projects and malls, business center and commercial lots for the commercial projects. It has other revenue sources (leasing operations and others) which accounts for 32% of its 2024 Revenues.

This Prospectus relates to the Certificate of Participation of one of the SLIs residential vertical projects -- the Arterra Residences At Discovery Bay, which commenced operations in 2018 and is a single tower of 20-storey residential condominium – condotel building located at the northeast end of Barangay Punta Engaño, Lapu-Lapu City, Cebu . It is approximately 4.50 kilometers northeast from the Mactan Shrine, some 5.0 kilometers northeast from the intersection of M.L. Quezon National Highway and Punta Engaño Road, about 5.3 kilometers northeast from the intersection of Mactan Airport Road and M.L. Quezon National Highway, or roughly 7.0 kilometers northeast from Basak-Cagodoy-Bankal-Buaya Road.

Arterra Residences At Discovery Bay, completed in 2018, is perched at the very edge of the famed diving destination on Mactan Island, granting you a truly panoramic view of the ocean. Apart from breath taking sight, the location is as brilliantly strategic. Arterra Residences At Discovery Bay sits on a 6,389.40 sqm meter property with 180 rooms, function hall, dining area, amenities area and lobby lounge. For the units Arterra Residences At Discovery Bay has Studio- Type Unit constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, two (2) single bed furniture, chair, toilet and bath, tv set with Ocean View and City View, One Bedroom Unit with one (1) queen-sized bed furniture, sofa and Two (2) Bedroom Unit with one (1) queen-sized bed furniture, one (1) single bed furniture, dining table and chair set, mirror, wood accent wall, granite countertop, refrigerator, kitchen set. Other amenities include Basketball Court, Billiard& Game Room, Business

Center, Swimming Pool, Heath Spa, Fitness Gym, and Other Water Activities. The Project's occupancy rates are 0%, 0% and 10% in 2022, 2023 and 2024 respectively.

In general, when the Company develops a project, it will identify the units, floors or towers that will be sold and later on operated as a condotel. Should the prospective buyer opt to purchase a Condotel Unit instead of a condominium unit, the Pooling Investment Agreement section in the Contract to Sell will apply. Under said provision, the buyers of Condotel Units agree to contribute the right to use and possess their Condotel Units to be managed and operated by the Company through a third-party Property Manager.

In exchange for such contribution of the Condotel Unit in the Project, each Certificate Holder shall be entitled to receive from the Issuer a share in the net profits earned by the pooled units made available as hotel rooms for paying guests and to avail of his/her Room Use Privilege.

On 18 September 2025, the Company entered into a Management Agreement with Arterra Residences At Discovery Bay Hotel Inc. for a term of five (5) years or until September 2030. Under said Agreement, Arterra Residences At Discovery Bay Hotel Inc. was appointed as Condotel Manager in charge of the day-to-operations of the Arterra Residences At Discovery Bay. For this purpose, the Company agreed to deliver the possession and control over the Project to the Condotel Manager in order for the latter to be able perform its responsibilities as the exclusive operator and manager of the Project. The Condotel Manager manages the leases and collects rental payments, prepares annual forecasts, develops and coordinates annual marketing plans and quarterly reviews, recommends operating standards and collects and remits to the Condotel Unit Owners and the Company their proportionate share of the net income, among others. In consideration for the services it provides, the Condotel Manager receives a service fee in an amount equivalent to ten percent (10%) of the net income of the hotel operations.

### **Risk of Investing**

Prospective buyers of the Certificates of Participation should also consider the following risks of investing in the Offer:

- Risks relating to the Issuer's business and the hotel industry
- Risks relating to the Philippines
- Risks relating to the Offer and the Certificates of Participation.

Please refer to "Risk Factors" on page 15 of this Prospectus for a more detailed discussion.

### **Investors Relations Office and Compliance Officer**

The Investor Relations Office is tasked with (a) the creation and implementation of an investor relations program that reaches out to all shareholders and informs them of corporate activities and (b) the formulation of a clear policy for accurately, effectively and sufficiently communicating and relating relevant information to the Company's stakeholders as well as to the broader investor community.

Mr. Jeremiah T. Pampolina, the Company's Investor Relations Officer ("**IRO**"), serves as the Company's designated investor relations manager and head of the Company's Investor Relations Office. The IRO is responsible for ensuring that the Company's shareholders have timely and uniform access to official announcements, disclosures and market-sensitive information relating to the Company. As the

Company's officially designated spokesperson, the IRO will be responsible for receiving and responding to investor and shareholder queries. In addition, the IRO oversees most aspects of the Company's shareholder meetings, press conferences, investor briefings, management of the investor relations portion of the Company's website and the preparation of its annual reports. The IRO is also responsible for conveying information such as the Company's policy on corporate governance and corporate social responsibility, as well as other qualitative aspects of the Company's operations and performance.

Mr. Jeremiah T. Pampolina concurrently serves as the Company's Compliance Officer to ensure that the Company complies with, and files on a timely basis, all required disclosures and continuing requirements of the SEC and the PSE.

The Company's Investor Relations Office is located at Penthouse Building 3, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal, Philippines.

### **Corporate Information**

The Company is a Philippine corporation with principal office address at Penthouse Building 3, Sta. Lucia Mall, Marcos Highway corner Imelda Avenue, Cainta, Rizal, Philippines. The Company's telephone number is +632 86817332 and its fax number is +632 86817467. Its corporate website is [www.stalucialand.com.ph](http://www.stalucialand.com.ph). Information in the Company's website is not incorporated by reference into this Prospectus.

## **RISK FACTORS**

*An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in buying of securities.*

*An investor deals in an investment of which may carry a different level of risks.*

*The following is a summary of all the risks that apply to the Issuer and/or this Offering. This risk factor discussion does not purport to disclose all of the risks and other significant aspects of investing in the Certificates of Participation. Investors may request publicly available information on the common shares and the Company from the SEC. Investors should carefully consider these risks prior to purchasing the Certificates of Participation.*

### **Operating History**

The Issuer is primarily a real estate developer and Hotel Company has limited operating history as a condotel operator. While the Project has been operating for the past 10 years and has been profitable in the past, there is no assurance that the Project will continue to be profitable or that it will be able to sustain the same level of profitability.

### **Key Personnel**

The Issuer success depends substantially on the services of a small number of individuals, including those that are recommended or appointed by the Condotel Manager. The Issuer may be harmed if it loses the services of these people or that of the Condotel Manager and it is not able to attract and retain qualified replacements.

The Issuer's officers, directors, managers and key persons will continue to have substantial ownership and control over the Issuer after the offering. The Issuer does not maintain key person life insurance on those individuals on whom the Issuer's success depends. The loss of any of these individuals could have a substantial negative impact on the Issuer and your investments.

### **Inexperience Management**

None of the Issuer's officers, directors, and/or managers has managed a company in the Hospitality Industry. The Issuer's ability to operate successfully may depend on its ability to attract and retain qualified personnel, who may be in great demand.

### **Government Regulations**

The Issuer must comply with local and national rules and regulations. If the Issuer fails to comply with a rule or regulation or maintain its required permits, it may be subject to fines or other penalties, or its permit or license may be revoked or suspended. The Issuer may have to stop operation and you may lose your entire investment.

### **No Existing Market**

Because there is no market for the Issuer's securities, you may not be able to sell your securities or recover any part of your investment. You should not invest unless you can afford to hold your investment indefinitely. The Certificate of Participation is attached to, and cannot be sold separately from, the Condotel Unit.

### **Offering Price**

The offering price of the Issuer's securities has been arbitrarily set and accordingly should not be considered an indication of the actual value of the Issuer or the Condotel Unit.

### **Best-effort Offering**

The Issuer is offering these securities on a "best-effort" basis. The Issuer has **not** contracted with an underwriter, placement agent, or other person to purchase or sell all, or a portion of its securities and there is no assurance that it can sell all or any of the securities.

### **Lack of Investor Control**

The Issuer's officers, directors, managers, and/or key persons will continue to have substantial control over the Issuer after the offering. As such, you may have little or no ability to influence the affairs of the Issuer.

## **RISK RELATING TO THE BUSINESS**

***The Company operates in a highly-regulated environment and is affected by the development and application of regulations in the Philippines.***

The Philippines' property development industry and the hotel industry are highly regulated and subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects that are to be located on agricultural land must get clearance from the Philippine Department of Agrarian Reform ("DAR") so that the land can be converted into non-agricultural land prior to development and, in certain cases, tenants occupying agricultural land may have to be relocated at the Company's expense.

Presidential Decree No. 957, as amended, ("PD 957") and Batas Pambansa Blg. 220 ("BP 220") are the principal statutes which regulate the development and sale of real property as part of a condominium or subdivision project. PD 957 and BP 220 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The Housing and Land Use Regulatory Board ("HLURB") is the administrative agency of the Government that enforces these statutes. Regulations applicable to the Company's operations include standards regarding:

- the suitability of the site;
- road access;
- necessary community facilities;
- open spaces;
- water supply;
- sewage disposal systems;
- electricity supply;
- lot sizes;
- the length of the housing blocks; and
- house construction.

All subdivision development plans are required to be filed with and approved by the local government unit with jurisdiction over the area where the project is located. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. There can be no assurance that the Company, its subsidiaries or associates or partners will be able to obtain governmental approvals for its projects or that when given, such approvals will not be revoked.

In addition, owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing units. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance by the owner or dealer with applicable laws and regulations. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB itself or upon a verified complaint from an interested party for reasons such as insolvency, non-delivery of title to fully-paid buyers, deviation from approved plans, or violation of any of the provisions of PD 957. A license to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws.

Republic Act No. 4726, otherwise known as The Condominium Act ("RA 4726"), as amended, likewise regulates the development and sale of condominium projects. RA 4726 requires the annotation of the master deed on the title of the land on which the condominium project shall be located. The master deed contains, among others, the description of the land, building/s, common areas and facilities of the condominium project. A condominium project may be managed by a condominium corporation, an association, a board of governors or a management agent, depending on what is provided in the declaration of restrictions of the condominium project. However, whenever the common areas are held by a condominium corporation, such corporation shall constitute the management body of the project.

#### ***Licenses and Permits for the development and operation of the Condotel***

Permits and clearances are issued based on local zoning considerations, environmental laws, and construction-related guidelines, varying from one municipality to another. These include ECC issued by DENR, permits issued by various local governments (e.g., locational clearance, barangay clearance, development permit, occupancy permits, and operating permits) and accreditations issued by the Department of Tourism ("DOT"). Obtaining regulatory permits, licenses and approvals can take a significant amount of time which could adversely delay or hinder the development and operation of the projects. The Issuer has a monitoring system for the timely preparation and filing of applications and supporting documentations required to secure permits and licenses. The Issuer regularly monitors government regulations to ensure its full compliance as well as to anticipate and prepare for its effect on operations.

#### ***Environmental laws applicable to the Projects could have a material adverse effect on its business, financial condition or results of operations.***

In general, developers of real estate projects are required to submit project descriptions to regional offices of the DENR. For environmentally sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment may be required and the developer will be

required to obtain an ECC to certify that the project will not have an unacceptable environmental impact. There can be no assurance that current or future environmental laws and regulations applicable to the Company will not increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a violation of an ECC occurs or if environmental hazards on land where the Company's projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition and results of operations.

***A significant portion of the demand for the Company's Condotels is from OFWs, expatriate Filipinos, and their families, which exposes the Company to risks relating to the performance of the economies of the countries where these potential customers are based.***

The Company is reliant on OFWs, expatriate Filipinos, and their families who live in the Philippines to generate a significant portion of the demand for its condominium units, including the Condotels. In order to reach them, the Company engaged an affiliate, SantaLucia Ventures, Inc., to market the Condotel Units.

A number of factors, however, could lead to reduced remittances from OFWs, a reduction in the number of OFWs or a reduction in the purchasing power of expatriate Filipinos and their families. These include:

- a downturn in the economic performance of the countries and regions where a significant number of these remitters are located, such as Italy, the United Kingdom, Spain, Singapore, the Middle East, and the United States;
- restrictions imposed by these countries' governments on the ability of their banks to provide services to remittance companies or money transfer operations due to anti-money laundering policies, thereby impeding the flow of money to the Philippines;
- a change in government regulations that currently exempt the income of OFWs from taxation in the Philippines;
- restrictions imposed by the Government on the deployment of OFWs to particular countries or regions, such as the Middle East;
- restrictions imposed by other countries on the entry or the continued employment of foreign workers;
- return of significant number of OFWs due to job losses in the country of deployment;
- significant increase in cost of remittance; and
- significant loss of income due to job losses and closure or loss of revenue of SMEs.

The above factors can affect the demand not only for the purchase of the Condotel Units and the Certificates of Participation but they can also have an impact on the occupancy rate of our Condotel.

***The Company is exposed to risks associated with its sale on installment activities, including the risk of customer default and cancellation.***

The Company has provided a substantial amount of sale on installment to its customers, including the project. Around 90-95% of the Company's sales are through its in-house installment program. In cases

where the Company provides sale on installment, it charges customers interest rates that are substantially higher than comparable rates for bank financing. As a result, and particularly during periods when interest rates are relatively high, the Company faces the risk that a greater number of customers who utilize the Company's sale on installment facilities will default on their payment obligations, which would require the Company to incur expenses, such as those relating to sales cancellations and reselling of projects. There is also no assurance that the Company can immediately resell a condominium unit once a sale has been cancelled. The inability of its customers who availed of the in-house installment program to meet their payment obligations and a decline in the number of customers buying on installment could also have a material adverse effect on the Company's revenues, financial condition and results of operations.

***The Company is subject to significant competition in connection with its land development and leasing business.***

The location of the Condotel competes with other tourist destinations in the Philippines to attract domestic and international tourists and visitors. A decrease in tourist arrivals to Tagaytay City could have a material adverse effect on the Projects business, financial condition and results of operation.

The Issuer operates in a highly competitive industry, which could limit its ability to maintain or increase its market share and maintain profitability. The Issuer also faces competition from the rapid expansion of room supply in Quezon City and other locations. The rapid expansion in room supply could negatively affect selling prices of room accommodation which in turn would affect the results of the Condotel Project.

The Issuer faces competition from both small and large hotel, resort and condotel developers and operators including but not limited to, Hotel 101, Ayala Land, Inc., SM Investments Corporation, Robinsons Land Corporation, City Land Group, Alveo Land, Megaworld, and Shangri-La Properties. The Project's operating results may fluctuate significantly due to competition from existing and up-coming hotels, resorts, condotels, serviced apartments and other alternative lodging businesses in Lapu-Lapu City, Cebu.

The Issuer mitigates this risk and ensures to maintain competitiveness in the growing travel industry by closely monitoring competitor performance. This allows the Issuer to respond in a timely and appropriate manner. The Issuer also employs customer feedback mechanisms to continuously improve the service delivery. The Company is also focused on what makes the property special and creates unique value propositions for the guests.

***The Project's operations can be disrupted by several factors and relies on the Condotel Manager.***

The facilities and operations of the Company could be severely disrupted by many factors, including accidents, breakdown or furniture and equipment, interruption in power supply, human error, natural disasters, and other unforeseen circumstances and problems.

While the Company undertakes the necessary precautions to minimize any impact of significant operational problems and implementing preventive maintenance program for all of its major equipment and standby utility system, these disruptions could still result in the unavailability of Units or increased insurance costs, personal injuries, loss of life and unplanned inventory build-up, all of which could have a material adverse effect on the business, financial condition and results of operations of the Company.

The Issuer makes no representations and warranties that the Company will be able to manage the business optimally to make the business run profitability. The issuer makes no representations and warranties that Arterra Hotel and Resort Inc. the most suitable hotel operator nor that Arterra Hotel and Resort Inc. will be able to deliver the desired business results. Neither does the Issuer guarantee that it will be able to renew its Property Management Agreement with Arterra Hotel and Resort Inc. under the same terms and conditions or at all.

***Titles over land owned by the Company, including where the Project is located, may be contested by third parties.***

While the Philippines has adopted a system of land registration which is intended to conclusively confirm land ownership, and which is binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land that has already been registered and over which a title has been issued. There have also been cases where third parties have produced false or forged title certificates of title over land.

Although the Company conducts extensive title searches before it acquires any parcel of land, from time to time the Company has been compelled to defend itself against third parties who claim to be the rightful owners of land that has been either titled in the name of the persons selling the land to the Company or which has already been titled in the name of the Company. Although historically these claims have not had a material adverse effect on the Company and its business, in the event a greater number of similar third-party claims are brought against the Company in the future or any such claims involves land that is material to the Company's housing and land development projects, the Company's management may be required to devote time and incur significant costs in defending the Company against such claims. In addition, if any such claims are successful, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material in the context of the Company's housing and land development projects.

Any of the foregoing circumstances could have a material adverse effect on the Company's business, financial condition and results of operations, as well as on its business reputation. To mitigate the risk of land titles being contested by third parties, the Company conducts thorough title verification of the properties the Company purchases.

***The Company may, from time to time, be involved in disputes with various parties.***

The Issuer may, from time to time, be involved in disputes with various parties for matters which may or may not be meritorious. Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs and delays in the operations of the Company and/or the Project, and the diversion of resources and management's attention. The Issuer may also have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavorable decisions that will result in penalties and/or delay the development of its projects and operations. In such cases, the Issuer's business, financial condition, results of operations and cash flows could be materially and adversely affected. Thus, the Issuer shall properly assess the risks and possible solutions to eventually settle disputes in an expeditious and cost-effective manner.

***The Company's reputation will be adversely affected if its projects are not completed on time or if the projects do not meet customers' requirements.***

With the vast track record of developing real estate in the Philippines, the Company believes it has established an excellent reputation and brand name. If any of the Company's projects experience

construction or infrastructure failures, design flaws, significant project delays, quality control issues or otherwise, this could have a negative effect on the Company's reputation and make it more difficult to attract new customers to its new and existing projects. The Company's reputation may also be adversely affected if SLRDI, its majority shareholder, should encounter similar issues in its development projects. While the Company and SLRDI are separate and distinct juridical entities, both companies are in real estate development and there are times when they are confused or interchanged by the public.

Any negative effect on the Company's reputation or its brand could affect the Company's ability to sell its projects. This would impair the Company's ability to reduce its capital investment requirements. The Company cannot provide any assurance that such events will not occur in a manner that would adversely affect its results of operations or financial condition.

The Company appoints contractors based on a number of qualifications such as experience in the project area and past project performance, among others, to ensure that the quality of projects developed meets the requirements of its customers. In terms of after-sales service, the customers' needs are addressed by the Company's Condotel Manager.

***Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or may not complete projects on time and within budget.***

The Project relies on independent contractors to provide various services, including hotel management, security, property maintenance and repair works. The Company selects independent contractors principally by conducting tenders and taking into consideration factors such as the contractors' experience, its financial and construction resources, any previous relationship with the Company, its reputation for quality and its track record. There can be no assurance that the Company will be able to find or engage a suitable independent contractor for any particular requirement of the Project. The Company carefully selects and accredits only qualified suppliers to provide cost and budgetary estimates.

***The Company has a number of related-party transactions with affiliated companies.***

The companies controlled by the Robles and Santos families and by SLRDI have a number of transactions with the Company. The Company's practice has been to enter into contracts with these affiliate companies on commercial terms which are at least as favorable as the terms available to or from non-affiliated parties.

The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with SLRDI and the Robles and Santos families. These transactions may involve potential conflicts of interest which could be detrimental to the Company and/or its shareholders. Conflicts of interest may also arise among SLRDI, the Robles and Santos families, and the Company in a number of other areas relating to its businesses, including:

- major business combinations involving the Company and its subsidiaries;
- plans to develop the respective businesses of the Company and its subsidiaries; and
- business opportunities that may be attractive to SLRDI, the Robles and Santos families and the Company.

The Company can provide no assurance that its related-party transactions will not have a material adverse effect on its business or results of operations.

On January 23, 2013, the BIR issued Revenue Regulations No. 2-2013 on Transfer Pricing Guidelines (the "Transfer Pricing Guidelines") which adheres to the arm's length methodologies set out under the Organization for Economic Cooperation and Development Transfer Pricing Guidelines. The Transfer Pricing Guidelines are applicable to cross-border and domestic transactions between related parties and associated enterprises. The BIR Transfer Pricing Guidelines define related parties as two or more enterprises where one enterprise participates directly or indirectly in the management, control, or capital of the other; or if the same persons participate directly or indirectly in the management, control, or capital of the enterprises.

The arm's length principle requires the transaction with a related party to be made under comparable conditions and circumstances as a transaction with an independent party such that if two related parties derive profits at levels above or below comparable market levels solely by reason of the special relationship between them, the profits will be deemed as non-arm's length. In such a case, the BIR can make the necessary adjustments to the taxable profits of the related parties so as to reflect the true value that would otherwise be derived on an arm's length basis.

There is no assurance if the BIR will view these transactions as arm's length on the basis of the Transfer Pricing Guidelines. There can be no assurance that the Company's level of related party transactions, if questioned, will not have an adverse effect on the Company's business or results of operations.

The Company believes that its corporate governance provisions and related party transaction policies would help the Company manage the risk of conflict of interest in relating to related party transactions. Dealings within the group are made at terms and prices agreed upon by the respective parties, on an arms-length basis. Related party transactions are subject to stringent voting requirements at the board level which includes the participation of independent directors, and the Company has a manual on corporate governance which it must strictly adhere to.

#### **A domestic asset price bubble could adversely affect the Company's business.**

One of the risks inherent in any real estate property market is the possibility of an asset price bubble. This occurs when there is a gross imbalance between the supply and demand in the property market, causing an unusual increase in asset prices, followed by a drastic drop in prices when the bubble bursts. In the Philippines, the growth of the real estate sector is mainly driven by low interest rates, robust remittances from OFWs, and the growing BPO sector which is vulnerable to global economic changes.

The Company believes that the Philippine property sector is adequately protected against a domestic asset price bubble burst. The country has a very young demographic profile benefitting from rising disposable income. It likewise has one of the fastest growing emerging economies, registering Gross Domestic Product growth rates of 7.6% in 2022, 5.5% in 2023 and 5.6% in 2024, with the growth in the property sector is largely supported by infrastructure investments from both the public and private sectors and strong macroeconomic fundamentals.

The Company believes that should the country experience such an asset price bubble, impact on the Company will be relatively mitigated since most of its properties are located in the province.

#### **RISKS RELATING TO THE PHILIPPINES**

***Political instability in the Philippines may have a negative effect on the general economic conditions in the Philippines which could have a material adverse impact on our results of operations and financial condition.***

The Philippines has from time to time experienced political and military instability. In recent history, there has been political instability in the Philippines, including impeachment proceedings against two former presidents and the chief justice of the Supreme Court of the Philippines, the nullification of the appointment of another chief justice, hearings on graft and corruption issues against various government officials, and public and military protests arising from alleged misconduct by previous and current administrations. There can be no assurance that acts of election-related or other political violence will not occur in the future, and any such events could negatively impact the Philippine economy.

In addition, we may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. The Philippine mid-term elections for select national positions and local positions took place on May 12, 2025. Any major deviation from the policies of the previous administration or fundamental change of direction, including a change in the form of government and appointed officials such as department heads of the current administration, may lead to an increase in political or social uncertainty and instability. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact our business.

Additionally, on March 11, 2025, the Philippine National Police (“PNP”) implemented the arrest warrant issued by the International Criminal Court (“ICC”) for the arrest Former President Rodrigo Duterte for crimes against humanity in connection to his role in the “war on drugs” and alleged extra-judicial killings that occurred during his tenure as Mayor of Davao City. Following his arrest, the Philippine Senate has initiated an investigation on the legality of Duterte’s arrest. As of date, Duterte awaits trial in the Hague.

There is no assurance that the political environment in the Philippines will be stable or that the current or any future government will adopt economic policies that are conducive to sustained economic growth or which do not materially and adversely impact the current regulatory environment for the gaming, hospitality, leisure and integrated tourism resort industries. An unstable political or social environment in the Philippines could negatively affect the general economic conditions and business environment in the Philippines which, in turn, could have a material and adverse impact on our business, prospects, financial position and financial performance.

No assurance can be given that any changes in such regulations or policies imposed by the Government from time to time or the future political environment in the Philippines will be stable or that current or future administrations will adopt economic policies conducive to sustaining economic growth. Political instability in the future could reduce consumer demand for retail and consumer goods to our disadvantage, or result in inconsistent or sudden changes in regulations and policies that affect our business operations, which could have a material adverse impact on our results of operations and financial condition.

In addition to domestic disputes, the Philippines is also subject to several international disputes.

***All of our business activities and assets are based in the Philippines, which exposes us to risks associated with the country, including the performance of the Philippine economy.***

All of our operating income and operating profits of our Condotel operations are derived from the Philippines and, as such, we are highly dependent on the state of the Philippine economy. Demand for

our services and products are directly related to the strength of the Philippine economy (including its overall growth and income levels), the overall levels of business activity in the Philippines as well as the amount of remittances received from Overseas Filipino Workers. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of its currency and the imposition of exchange controls. Other factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally;
- foreign exchange rate fluctuations;
- foreign exchange controls;
- inflation or increase in interest rates;
- levels of employment, consumer confidence and income;
- changes in the Government's fiscal and regulatory policies;
- Government budget deficits;
- public health epidemics or outbreaks of diseases, such as a worsening or resurgence of the COVID-19 pandemic, a re-emergence of polio, SARS, bird flu, or H1N1, or the emergence of other similar diseases in the Philippines or in other countries in Southeast Asia;
- natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;
- geopolitical tensions between the Philippines and other claimant countries concerning disputed territories in the West Philippine Sea;
- delays in obtaining government approvals and permits;
- a downgrade in the long-term foreign and local currency sovereign credit ratings of the Philippines or the related outlook for such ratings;
- political instability, territorial disputes, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

Any future deterioration of the economic conditions in the Philippines due to these or other factors could materially and adversely affect our customers and contractual counterparties. This, in turn, could materially and adversely affect our financial position and results of operations, including our ability to grow our asset portfolio, the quality of our assets and our ability to implement our business strategy. Therefore, changes in the conditions of the Philippine economy could materially and adversely affect our business, financial condition or results of operations.

***Natural or other catastrophes, including severe weather conditions, may materially disrupt our operations and result in losses not covered by our insurance.***

The Philippines, which is located along the Pacific Ring of Fire and a typhoon belt, has experienced a number of major natural catastrophes over the years, including typhoons, droughts, floods, volcanic eruptions and earthquakes.

In January 2020, the Taal Volcano entered into a period of intense unrest beginning with phreatic or steam-driven activity in several points inside the Main Crater that progressed into magmatic eruption. The Philippine Institute of Volcanology and Seismology (“**PHIVOLCS**”) raised the alert level to Alert Level 4 on January 12, 2020. Pursuant to such events, PHIVOLCS ordered the total evacuation of the Volcano Island and high-risk areas within a 14-kilometer radius from the Taal Main Crater. PHIVOLCS has thereafter lowered the Alert Level covering Taal to Level 1, but subsequently raised it to Alert Level 3 in March 2022 when Taal Volcano erupted again. While Taal Volcano currently has a classification of Alert Level 1, in September 2023, it spewed above average sulfur dioxide and volcanic smog, prompting authorities to close schools in dozens of cities and towns and to urge people to stay indoors. There can be no assurance that the Taal Volcano will not increase seismic activity or erupt in the future. Most recently, PHIVOLCS placed Kanlaon Volcano in Negros under Alert Level 3. Its daily sulfur dioxide emissions reached 1,915 tonnes per day on April 19, 2025 and emitted moderate plumes rising 75 meters. Its edifice is inflated.

In November 2020, two typhoons, Super Typhoon Rolly/Goni and Typhoon Ulysses/Vamco, and in December 2021 and September 2022, Super Typhoon Odette/Rai and Super Typhoon Karding/Noru, respectively, brought strong winds and rain to the Philippines. In October 2022, Tropical Storm Paeng brought strong winds and heavy rains in Mindanao which caused flooding and landslides. In November 2024, Typhoon Pepito/Man-yi caused widespread destruction, severe flooding and landslides and displaced thousands of people, prompting several provinces in Luzon to declare a state of calamity.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt our operations. These factors, which are not within our control, could potentially have significant effects on our operations. While we carry insurance for certain catastrophic events, in amounts and with deductibles that we believe are in line with general industry practices in the Philippines, there are losses for which we cannot obtain insurance at a reasonable cost or at all. However, should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital invested in such business, as well as the anticipated future turnover, while remaining liable for any costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect our business, financial position and results of operations.

***Acts of terrorism could destabilize the country and could have a material adverse effect on our business, financial position and results of operations.***

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine army has been in conflict with the Abu Sayyaf organization which has been identified as being responsible for kidnapping and terrorist activities in the Philippines, and is also alleged to have ties to the Al-Qaeda terrorist network and, along with certain other organizations, has been identified as being responsible for certain kidnapping incidents and other terrorist activities particularly in the southern part of the Philippines.

Furthermore, the Government and the Armed Forces of the Philippines (“**AFP**”) have been in conflict with members of several separatist groups seeking greater autonomy, including the Moro Islamic Liberation Front (“**MILF**”), the MNLF and the New People’s Army (“**NPA**”). There have been numerous bombing incidents in Mindanao and elsewhere in the Philippines, which have resulted in death and injury to the civilian population, as well as to military and security personnel.

An increase in the frequency, severity or geographic reach of these terrorist acts, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy. Any such destabilization could cause interruption to

our business and materially and adversely affect our business, financial condition, and results of operations.

These continued conflicts between the Government and separatist groups could lead to further injuries or deaths by civilians and members of the AFP, which could destabilize parts of the Philippines and adversely affect the Philippine economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on our business, financial condition, and results of operations.

***Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.***

The Philippines, China and several Southeast Asian nations have been engaged in a series of longstanding territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea (“UNCLOS”). Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. Actions taken by both sides have threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, a temporary suspension of tours to the Philippines by Chinese travel agencies and the rejection by China of the Philippines’ request for arbitral proceedings administered in accordance with the UNCLOS to resolve the disputes.

In 2016, the Permanent Court of Arbitration ruled in favor of the Philippines against China over territorial disputes in the West Philippine Sea. The arbitral tribunal unanimously ruled, among others, that (a) China has “no historical rights” to the resources within the sea areas falling within the “nine-dash line;” (b) Chinese reclamation activity in the West Philippine Sea has caused irreparable damage to the environment, obligating the Chinese government to stop further activities in the West Philippine Sea; and (c) China has violated the Philippines’ sovereign rights in its exclusive economic zone by interfering with Philippine fishing and petroleum exploration, constructing artificial islands, and failing to prevent Chinese fishermen from fishing in the zone. However, China has said it will not recognize the ruling. With no formal enforcement mechanism in place, the territorial dispute in the West Philippine Sea remains contentious and unresolved.

The Government, under the Duterte administration, has taken action to de-escalate tensions concerning the territorial dispute with China. On June 9, 2019, a fishing boat manned by Filipino fishermen was rammed by a Chinese vessel at Recto Bank, an underwater reef formation being claimed by both the Philippines and China in the portion of the South China Sea portion that Manila calls the West Philippine Sea. The Filipino fishermen were abandoned in open sea and were eventually rescued by a Vietnamese vessel. This incident increased tensions between China and the Philippines. The owners of the Chinese vessel have since apologized to the Filipino fishermen and remuneration is being arranged for the fishermen.

In March 2021, more than 180 Chinese military vessels were spotted on Julian Felipe Reef in the West Philippine Sea. The presence of the vessels defied a diplomatic protest and a demand for the vessels to leave the area issued by then Philippine Defense Secretary Delfin Lorenzana.

In February 2023, a Chinese Coast Guard ship purportedly harassed a Philippine Coast Guard vessel in the Ayungin Shoal in the West Philippine Sea. In September 2023, the Philippine Coast Guard reported that the Chinese Coast Guard has installed a floating barrier near the Bajo de Masinloc (Scarborough Shoal) in the West Philippine Sea in an attempt to prevent Filipino fishermen from entering the

Scarborough Shoal. In a special operation conducted thereafter, the floating barrier was eventually removed by the Philippine Coast Guard.

In March 2024, at least two Chinese Coast Guard ships used water cannons against a smaller military-contracted vessel during a resupply mission to Ayungin Shoal in the West Philippine Sea. Four Filipinos on board the vessel sustained minor injuries during this incident. On March 5, 2024, the Philippines' Department of Foreign Affairs demanded that the Chinese vessels leave the vicinity of Ayungin Shoal immediately.

In April 2024, Chinese Coast Guard ships attacked Philippine Coast Guard vessels as they were distributing fuel and food to the fisherfolk in the Scarborough Shoal.

In January 2025, a 165-meter-long Chinese coastguard vessel was spotted 142 km off the coast of Zambales province. This prompted the Philippine Government to lodge another diplomatic protest.

On February 18, 2025, a Chinese military helicopter flew within three meters of a Philippine patrol plane flying over the Scarborough Shoal. Several days later on February 21, 2025, the Chinese military drove off three Philippine aircrafts flying over the Spratly Islands.

In April 2025, Chinese warships were spotted in Philippine waters since the kickoff of the Balikatan exercises with aircraft carrier Shandong reportedly coming within 2.23 nautical miles (approximately 4.0 kilometers) of the northern Babuyan Island. Beijing state media claimed that the Chinese coast guard "implemented maritime control" over Sandy Cay on April 26, 2025. On May 27, 2025, two Chinese vessels shadow Atin Ito Coalition whole on the way to Pagasa Island for a civilian mission. The shadow Atin Ito Coalition noted that Chinese and Philippine forces exchanged radio challenges during the mission.

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted and our operations could be adversely affected as a result. In particular, further disputes between the Philippines and China may lead both countries to impose trade restrictions on the other's imports.

There is no guarantee that tensions will not escalate further or that the territorial disputes among the Philippines and its neighbouring countries, especially China, will cease. In an event of escalation, the Philippine economy may be disrupted and our business and financial standing may be adversely affected. Any such impact from these disputes could adversely affect the Philippine economy, and materially and adversely affect our business, financial condition, and results of operations.

***Volatility in the value of the Philippine Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect our businesses.***

The Philippine economy has experienced volatility in the value of the Philippine Peso and also limitations to the availability of foreign exchange.

The value of the Philippine Peso may be adversely affected by certain events and circumstances such as the strengthening of the U.S. economy, the rise of the interest rates in the U.S. and other events affecting the global markets or the Philippines, causing investors to move their investment portfolios from the riskier emerging markets such as the Philippines. Consequently, an outflow of funds and capital from the Philippines may occur and may result in increasing volatility in the value of the Philippine Peso against the U.S. Dollar and other currencies. As of December 27, 2024, according to the BSP reference exchange rate bulletin, the Philippine Peso was at ₱58.01 per U.S.\$1.00 from ₱50.77

per U.S.\$1.00 as of December 31, 2023, and was ₱56.12 per U.S.\$1.00 as of December 31, 2022. As of June 30, 2025, the Philippine Peso was at ₱56.58 against the U.S. dollar.

***Developments outside of the Philippines, including U.S. policies related to global trade and tariffs could adversely affect our business, financial condition and results of operations.***

The current international political environment, including existing and potential changes to U.S. policies related to global trade and tariffs, have resulted in uncertainty surrounding the future state of the global economy. Since 2018, the U.S. began to increase or impose tariffs on many products, particularly from China, including, but not limited to, solar panels, steel and aluminum products, consumer electronics, and industrial chemicals. In response, the European Union, China and other affected jurisdictions have introduced tariffs on U.S. goods. In April 2025, U.S. President Donald J. Trump implemented the “Liberation Day” trade policy aimed at addressing trade imbalances between the U.S. and several other countries. This policy includes imposing a 17% reciprocal tariff on Philippine exports to the United States, as well as tariffs at different rates on exports from over 180 other countries. In July 2025, U.S. President Donald Trump increased this tariff on Philippine exports to the United States to 20%, which was later on decreased to 19%, effective August 1, 2025.

An escalating trade war may have material adverse effects on our industries and our business may be impacted by these tariffs. Any further expansion in the types or levels of tariffs implemented has the potential to negatively impact our business, financial condition and results of operations. Additionally, there is a risk that the U.S. tariffs on imports are met with tariffs on U.S. produced exports and that a broader trade conflict could ensue, which has the potential to significantly impact global trade and economic conditions. Potential costs and any attendant impact on pricing arising from these tariffs and any further expansion in the types or levels of tariffs implemented could adversely affect our business, financial condition and results of operations. While there are ongoing discussions between the U.S. and China to reduce tariffs in phases, there is no certainty as to the timing and scale of the reduction in tariffs, and overall impact on global markets.

Economic disruption in other countries, even in countries in which we do not currently conduct business or have operations, could also adversely affect our businesses and results. Adverse market and economic conditions continue to create a challenging operating environment for financial services companies. In particular, the impact of interest and currency exchange rates, the risk of geopolitical events, fluctuations in commodity prices and concerns about European stagnation as well as diverging monetary policies among the major economies have affected financial markets and the economy.

In addition to the macroeconomic factors discussed above, other events beyond our control, including terrorist attacks, cyber-attacks, military conflicts, economic or political sanctions, disease pandemics, political unrest or natural disasters could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on our businesses and results.

There can be no assurance that the uncertainties affecting global markets will not negatively impact credit markets in Asia, including in the Philippines. These developments may adversely affect trade volumes with potentially negative effects on the Philippines.

***Any economic slowdown or deterioration in economic conditions in the Philippines may adversely affect our business and operations in the Philippines.***

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency, imposition of exchange controls, debt restructuring

and electricity shortages and blackouts. The Philippine Statistics Authority has reported that the headline inflation rate decreased to 1.4% in April 2025, down from 1.8% in March 2025.

Our results of operations are significantly influenced by the performance of the Philippine economy. Any severe deterioration in economic conditions may adversely affect the purchasing power of consumers and businesses, potentially impacting our visitation rates. There is no assurance that current or future governments will implement economic policies conducive to sustaining economic growth. Consequently, our results of operations may fluctuate from period to period in line with changes in the Philippine economy, which is affected by various factors, including political, economic, and international developments.

While we continually monitor key economic indicators to develop strategies to address potential adverse developments, there is no assurance that these efforts will adequately mitigate systemic risks.

***Public health epidemics, such as the COVID-19 pandemic, and outbreaks of diseases along with measures intended to prevent its spread could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

In April 2009, an outbreak of the H1N1 virus, commonly referred to as “swine flu,” occurred in Mexico and spread to other countries, including the Philippines. In August 2014, the World Health Organization (“WHO”) declared the Ebola outbreak that originated in West Africa as an international health emergency in view of the rising death toll due to the disease. That month, a Filipino seaman in Togo was quarantined for exhibiting symptoms of Ebola virus infection but was later released after testing negative for the disease. While still Ebola-free, the Philippines, however, remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of overseas Filipino workers in the Ebola-hit West African countries; (b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In March 2016, the Director-General of WHO terminated the Public Health Emergency of International Concern on the Ebola Virus Disease outbreak.

In February 2015, a Filipina nurse who arrived from Saudi Arabia tested positive for the MERS-CoV (i.e., the Middle East Respiratory Syndrome-Corona virus). She was quarantined, received medical treatment, and later discharged and cleared of the disease by the Department of Health. All known contacts of the said nurse, including some passengers in the same flight that arrived from Saudi Arabia, were also cleared of the infection, putting the country once again free of an active case of the disease.

In March 2016, reports of an American woman who stayed in the Philippines for four weeks in January 2016, tested positive for the Zika virus upon returning home, indicating the local transmission of the disease through the *Aedes aegypti* mosquito. In May 2016, a South Korean national was reported to have acquired the infection while visiting the Philippines, following earlier reports of two other confirmed cases of the viral infection in the country. All of the patients had recovered, indicating that the Zika viral infection acquired in the country was self-limiting.

In August 2017, an outbreak of bird flu from a poultry farm in Central Luzon was confirmed, and the avian influenza strain was later found to be transmissible to humans. In response to the outbreak, restrictions on the transport and sale of birds and poultry products outside a seven-kilometer radius control area surrounding the affected site were imposed. The Philippines has since been cleared of any human infection of the avian influenza virus.

In late 2019, COVID-19, an infectious disease that was first reported to have been transmitted to humans in 2019 has spread globally over the course of 2020, and in March 2020, it was declared as a pandemic by the World Health Organization. While the WHO has declared the COVID-19 pandemic to

be over in May 2023, there are still active and recurring cases globally, including in the Philippines. In July 2023, the President of the Philippines issued Presidential Proclamation No. 297 effectively lifting the State of Public Health Emergency throughout the Philippines brought about by the COVID-19 pandemic.

The extent of the impact of COVID-19 on the Philippine economy and the speed and certainty of any economic recovery cannot be predicted for certain, and any new surge in infections may result in stricter quarantine or lockdown measures across provinces, cities and municipalities and may lead to further contraction of the Philippine economy, closure of businesses, and rise in unemployment rates.

Since early May 2022, cases of monkeypox have been reported from countries where the disease is not endemic, and continue to be reported in several endemic countries. In July 2022, WHO Director-General Tedros Adhanom Ghebreyesus declared the ongoing monkeypox outbreak a Public Health Emergency of International Concern. On April 21, 2025, Department of Health in Davao Region confirmed two monkeypox cases (Clade II variant) in Davao. The patients were admitted to the isolation facility at the Southern Philippines Medical Center. However, one of the patients, who was severely immunocompromised, later died due to complications unrelated to monkeypox.

In 2023, an outbreak of the Nipah virus was reported in India. According to the WHO, patients who contracted the Nipah virus have a 40% to 75% mortality rate depending on the public health response to the virus. In September 2023, the Department of Health confirmed that there are no cases of Nipah virus in the Philippines.

Since 2024, the Philippines has been managing the outbreak of the African Swine Fever (“ASF”) in the country. As of December 27, 2024, the National ASF Prevention and Control Program under the country’s Department of Agriculture reported that there were 11 regions, 21 provinces, 67 municipalities, and 225 barangays that had active ASF cases.

In May 2025, it was reported that there is a rise in COVID-19 cases in the Southeast Asian region, particularly in HongKong, Singapore and Thailand. While not a cause for concern, the Philippine Department of Health said that cases it is actively monitoring the trends and encouraged the public to practice the necessary preventive measures for protection.

If the outbreak of the Ebola virus, MERS-CoV, Zika virus, bird flu, polio, COVID-19, monkeypox, Nipah virus, or any public health epidemic becomes widespread in the Philippines or increases in severity, it could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect our business, financial condition and results of operations.

## **Risks Relating to the Offer and the Certificates of Participation**

### ***The Certificates of Participation may not be suitable for all investors***

The Certificates of Participation may not be a suitable investment for all investors. Thus, each prospective investor in the Certificates of Participation must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and its businesses, the merits and risks of investing in the Certificates of Participation and the information contained in this Prospectus;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates of Participation and the impact the Certificates of Participation will have on its overall investment portfolio; and
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates of Participation, including where the currency for purchasing and receiving the share in the Distributable Participation Interest on the Certificates of Participation is different from the potential investor's currency, understand and be familiar with the behavior of any relevant financial markets, and be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The execution and effectivity of the Pooling Investment Agreement is one of the conditions precedents to the issuance of the Certificates of Participation. Failure to agree to the Pooling Investment Agreement, among others, will render the buyers ineligible to participate in the Condotel Project. As such, the buyers will not be able to buy units in the Project that are earmarked for the Condotel and will not be entitled to avail of the Room Use Privilege and to receive a share in the profits from the operations of the Condotel.

A Unit Owner who has not fulfilled the Eligibility Requirements will not be given the rights and privileges of a holder of Certificate of Participation.

Further, if the Registration Statement is not approved by the SEC, the Certificates of Participation will not be issued. Moreover, the affected units already sold will be excluded from the pool to be offered to the public. Nonetheless, the use of the condominium units by such Unit Owners will be subject to the provisions of the Master Deed, and the Deed of Sale or Contract to Sell, as the case may be.

The term of the Certificate of Participation is co-terminus with the term of the Condotel Project regardless of date of issue of the Certificate of Participation.

The Company shall have the sole option to apply for the renewal and/or extension of the term, taking into consideration the performance and viability of the Condotel Project.

In any case, upon expiration of the term of the Condotel Project, the possession of the Condotel Units shall be turned over to the respective Unit Owners.

### ***The Certificate Holders are also Unit Owners***

Certificate Holders are also Unit Owners of the Condotel Unit. Unit Owners are required to pay real property taxes, all-risk insurance, and service fees relating to the processing of the said expenses. Unit Owners may also be liable for special assessments. In the event that the revenue is not sufficient to pay for these expenses, the Issuer, although not legally required, may pay those amounts from its own funds, and interest or penalties thereon as a result of late or non-payment. There is no guarantee that the Issuer will continue to pay such amount in the future and non-payment of these amounts could materially and adversely affect the Issuer's business, financial condition, and results of operations, and may result in the impairment of the Condotel Units and the Project.

If the Unit Owner involuntarily loses possession and/or ownership of the Condotel Unit to any government agency, such loss of possession and/or ownership could materially and adversely affect the Issuer's business, financial condition, and results of operations, and may result in the impairment of the Condotel Units and Condotel Project.

Therefore, it is incumbent upon the Unit Owner to avail of the remedies provided by law in the event that the Condotel Unit is subjected to a forfeiture or confiscation order issued by any relevant government agency, such as filing of a temporary restraining order or posting of a bond.

Pursuant to the Pooling Investment Agreement, in case of foreclosure, sale on execution or other involuntary transactions involving the Condotel Unit, the successors-in-interest of the Participants will be subject to the terms and conditions of the Pooling Investment Agreement. SLI or its assignee shall have the right, but not the obligation, to redeem or exercise any other right pertaining to the Participant to recover or reacquire the Condotel Unit.

Prospective investors are cautioned accordingly. Each prospective investor in the Certificates of Participation must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and its businesses, the merits and risks of investing in the Certificates of Participation and the information contained in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates of Participation and the impact the Certificates of Participation will have on its overall investment portfolio; and
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates of Participation.

***There is no Prior Established Market for the Certificates of Participation***

The Certificates of Participation are new kinds of securities registered in the Philippines. The pooling of condominium units and operating the same as a hotel is a new scheme and is not widely used, and as a result there are inherent risks. There is no existing comparable model against which the product can be benchmarked.

Prospective investors are cautioned accordingly. Each prospective investor in the Certificates of Participation must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and its businesses, the merits and risks of investing in the Certificates of Participation and the information contained in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates of Participation and the impact the Certificates of Participation will have on its overall investment portfolio; and
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates of Participation, including where the currency for purchasing and receiving the share in the Distributable Participation Interest on the Certificates of Participation is different from the potential investor's currency, understand and be familiar with the behavior of any relevant financial markets, and be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

***Certain information contained herein is derived from unofficial publications.***

Certain information in this Prospectus relating to the Philippines, the industries in which the Issuer competes and the markets in where the Issuer operates, including statistics relating to market size, are derived from various Government and private publications. This Prospectus also contains industry information which was prepared from publicly available third-party sources. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, industry forecasts and other market research data, including those contained or extracted herein, have not been independently verified by the Issuer, and may not be accurate, complete, up-to-date or consistent with other information compiled within or outside the Philippines. Prospective investors are cautioned accordingly.

## BUSINESS INFORMATION

### The Registrant

Sta. Lucia Land, Inc. is the flagship property development arm of the Sta. Lucia Group of Companies which is principally engaged in real estate development, both horizontal and vertical, in various locations across the country. The Sta. Lucia Group has built a solid track record in the area of horizontal residential developments, particularly gated subdivisions, and has expanded into vertical developments, mall operations, housing construction and marketing. The Sta. Lucia Group is controlled by the Robles and Santos families.

The Company, prior to the entry of SLRDI, was a dormant listed company which was engaged in clay mining operations until 1995. The Company was incorporated on December 6, 1966 under the name "Almario E. Mendoza & Company, Inc." authorized to carry on a business of manufacturing of lumber, plywood, veneer, and of similar kind or nature. On November 5, 1973, the Company's name was changed to "Zipporah Copper & Gold Mining Corporation" with its corporate purpose amended authorizing it to engage in mining activities. On March 18, 1987, the Company again changed its name and was called "Zipporah Mining & Industrial Corporation". On August 14, 1996, the Company's corporate name was changed to "Zipporah Realty Holdings, Inc." with the primary purpose amended to real estate development. On October 9, 2007, the Company's corporate name was changed to its current name, Sta. Lucia Land, Inc., together with the primary purpose allowing it to engage in both horizontal and vertical developments.

SLI is listed on the Main Board of the PSE and currently has an authorized capital stock of ₱ 16,000,000,000.00, divided into 16,000,000,000 common shares with a par value of ₱ 1.00 per share, of which 8,196,450,000 common shares and 2,600,000,000 treasury shares are issued as of the date of this Prospectus.

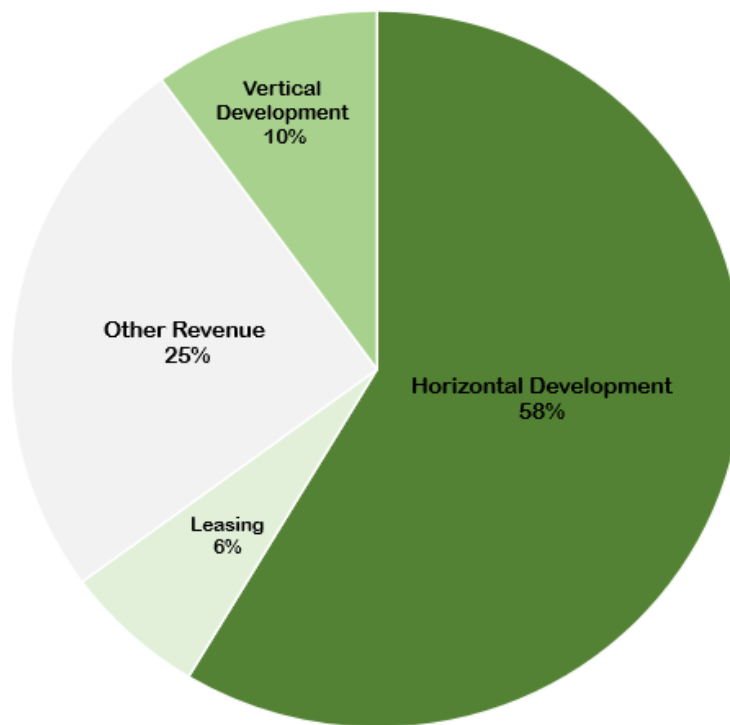
It has not, during the past three (3) years been involved in any bankruptcy, receivership or similar proceeding nor has there been any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

### Business of the Registrant

The Issuer has been operating as a real estate developer since 2007 while the Project, Arterra Residences At Discovery Bay has been operating since 2018.

SLI's main business operations, accounting for approximately 68% of its 2024 Revenues, can be divided into residential projects and commercial projects which are further divided into horizontal developments and vertical developments for the residential projects and malls, business center and commercial lots for the commercial projects. It has other revenue sources (leasing operations and others) which accounts for 32% of its 2024 Revenues.

### Revenue Contribution per Segment



#### *Residential Projects*

##### 1. Horizontal Developments

Residential Lots. Horizontal developments consist of residential lots for sale in gated subdivisions, complete with facilities and amenities. Typical features of these gated subdivisions include an entrance gate, guard house, landscaped entry statement, community clubhouse, basketball court, swimming pool, wide concrete road network, paved sidewalks with concrete curbs and gutters, centralized interrelated water system, underground drainage system, and electric system. These projects involve minimal construction works.

Since 2007, the Company has completed 170 residential subdivision projects including but not limited to Palo Alto Rizal, Greenmeadows Iloilo and Beverly Place Pampanga.



Palo Alto, Rizal



Greenmeadows , Iloilo



Beverly Place, Pampanga

## 2. Vertical Developments

Townhouses. Townhouse projects are comprised of residential housing units with independent and identical houses that are built adjacent to each other, with a row sharing one or two house walls. These projects have higher development costs, are built on smaller land areas (i.e., six to seven hectares), and are developed in phases. The Company starts with the next phase only once the previous phase is sold out.

Since 2007, the Company has completed 8 townhouse projects including but not limited to Nottingham Villas Taytay Rizal, Nottingham Villas Palawan and Nottingham Villas Iloilo.



Nottingham Villas, Taytay



Nottingham Villas, Palawan



Nottingham Villas, Iloilo

Condominiums. The condominium projects of the Company are located in strategic locations near

existing horizontal developments. The Company's condominium projects are usually mid to high-rises with 142 to 258 units per tower with up to 20 floors. Unit types ranges from studio, 1-Bedroom and 2-Bedroom with amenities including access swimming pool, gym, lobby lounge, parking and function rooms.

Since 2007, the Company has completed 8 condominium projects including but not limited to Monte Carlo Rizal, Splendido Tower Tagaytay and East Bel-Air Rizal.



Monte Carlo, Cainta



Splendido Tower 1, Tagaytay

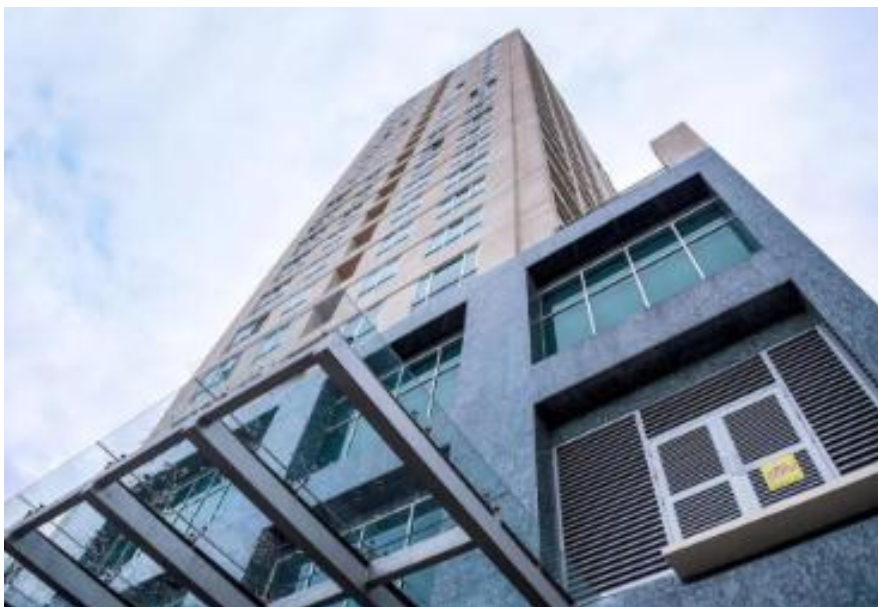


East Bel-Air, Cainta Rizal

Condotels. Condotel projects are condominium units being sold to individual buyers but are managed and operated as a hotel. For condotel projects, unit buyers are given the option to purchase a condominium unit or a condotel unit. A Condotel Unit is placed under a rental program initially for 15 years where it is rented out like a typical hotel room. An experienced management company, with common shareholders and directors as SLI, handles all operations, maintenance,

and management of the units under the rental program. Rental Income from the units is shared between the Company and the Unit Owners, where the Property Manager usually receives at least 30% of net Rental Income. The Unit Owner is not given any guarantee or assurance that his/her Condotel Unit will be leased or if leased out, of any guaranteed return on the rental of his/her Condotel Unit. Condotel unit owners are given 30 complimentary room nights per year which are transferrable across all the Company's condotels in the Philippines.

Since 2007, the Company has completed 15 Condotel projects including but not limited to Sotogrande Katipunan, Sotogrande Davao and Sotogrande Iloilo. It is currently developing and constructing 2 Condotel projects. This prospectus relates to one of the 17 Condotel projects.



Sotogrande Katipunan



Sotogrande Davao

### *Commercial Properties*

#### **1. Mall**

Sta. Lucia East Grand Mall ("SLEGM"). The SLEGM is a comprehensive commercial, entertainment, and leisure facility with a full range department store, supermarket, movie theater, fast food chains, bookstore, specialty boutiques for clothing, accessories, telecommunication, and hobby stores. The SLEGM is comprised of three four-storey buildings with a gross floor area ("GFA") of 180,000 sqm and a gross leasable area of 89,940 sqm. The SLEGM is located at Marcos Highway cor. Felix Ave., Cainta, Rizal.

In 2014, the Company opened the expansion mall called Il Centro, which is comprised of a three-storey building with a GFA of 50,000 sqm and a gross leasable area of 9,136.62 sqm. The expansion mall has a 20,000 sqm parking to cater to residential tenants and mall clients.

Currently, the mall has 99,076 sqm gross leasable space of which 87.50% is leased.



## 2. Business Center

Sta. Lucia Business Center. The Company aims to expand its recurring income base by developing offices, malls and hotels as well as potentially entering into strategic partnerships for commercial asset management or development. In October 2020, the Company completed its six-storey Sta. Lucia Business Center in Cainta, Rizal, which offers 26,011 square meters of gross leasable office space. As of June 30, 2025, this building is 20% leased.



Sta. Lucia Business Center (outside view)



Sta. Lucia Business Center (inside view)

### 3. Commercial Lots

The commercial properties of the Company are complementary to existing residential projects and are being offered to existing established retail partners. There are a total of 1,436 commercial lots covering 142.14 hectares adjacent to the Company's projects nationwide. There is an allocation for an average commercial space ranging from 300 to 2,000 sqm in the majority of the Company's projects. The Company intends to expand its retail portfolio by offering these commercial properties through 3 main options: (i) outright sale of the commercial lots, (ii) lease of the commercial lot to retailers, and (iii) building of the Company's own malls in these commercial properties and leasing commercial space to retailers.

### The Project



This Prospectus relates to the Certificate of Participation of one of the SLIs residential vertical projects -- the Arterra Residences At Discovery Bay, which commenced operations in 2018 and is within a 20-storey residential condominium – condotel building located at the northeast end of Barangay Punta Engaño, Lapu-Lapu City, Cebu.

The building is composed of a concrete tile roof deck at the topmost floor of the building, reinforced concrete structural framings, floorings, and foundations. Plastered cement and textured paint finish at the exterior walls, painted plastered cement finish on the interior walls, homogeneous ceramic tile floor finishes for the hallways and stairs, plain cement finish on concrete soffit ceiling, plain cement finish on driveway and parking area, aluminum framed and fixed glass windows, glass panels on entrance door and wooden flush door type. The building is equipped with central security system, electronic fire detection and automatic fire suppression system, integrated building

management, 100% backup power supply, potable and non-potable water system, provision for internet and cable TV system, four (4) high-speed elevators and four-level podium parking.



It is approximately 4.50 kilometers northeast from the Mactan Shrine, some 5.0 kilometers northeast from the intersection of M.L. Quezon National Highway and Punta Engaño Road, about 5.3 kilometers northeast from the intersection of Mactan Airport Road and M.L. Quezon National Highway, or roughly 7.0 kilometers northeast from Basak-Cagodoy-Bankal-Buaya Road.

Arterra Residences At Discovery Bay, completed in 2018, is perched at the very edge of the famed diving destination on Mactan Island, granting you a truly panoramic view of the ocean. Apart from breath taking sight, the location is as brilliantly strategic. Arterra Residences At Discovery Bay sits on a 6,389.40 sqm meter property with 180 rooms, function hall, dining area, amenities area and lobby lounge. For the units Arterra Residences At Discovery Bay has Studio- Type Unit constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, two (2) single bed furniture, chair, toilet and bath, tv set with Ocean View and City View, One Bedroom Unit with one (1) queen-sized bed furniture, sofa and Two (2) Bedroom Unit with one (1) queen-sized bed furniture, one (1) single bed furniture, dining table and chair set, mirror, wood accent wall, granite countertop, refrigerator, kitchen set. The Project's occupancy rates are 0%, 0% and 10 % in 2022, 2023 and 2024 respectively.



### *Building Description*

Arterra Residences At Discovery Bay was composed of a concrete tile roof deck at the topmost floor of the building, reinforced concrete structural framings, floorings, and foundations. Plastered cement and textured paint finish at the exterior walls, painted plastered cement finish on the interior walls, homogeneous ceramic tile floor finishes for the hallways and stairs, plain cement finish on concrete soffit ceiling, plain cement finish on driveway and parking area, aluminum framed and fixed glass windows, glass panels on entrance door and wooden flush door type. The building is equipped with central security system, electronic fire detection and automatic fire suppression system, integrated building management, 100% backup power supply, potable and non-potable water system, provision for internet and cable TV system, four (4) high-speed elevators and four-level podium parking.



### *Unit Description*



#### **Studio-Type Unit**

This condotel unit is constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, two (2) single bed furniture, chair, toilet and bath, tv set.

#### **Studio-Type Unit (Ocean View)**

This condotel unit is constructed of a painted ceiling finish, painted wall finish, homogeneous floor tiles, built-up cabinet, toilet and bath.



#### **Studio-Type Unit (City View)**

This condotel unit is constructed of a painted ceiling finish, painted wall finish, homogeneous floor tiles, built-up cabinet, toilet and bath.

#### **One (1) Bedroom Unit**

This condotel unit is constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, one (1) queen-sized bed furniture, chair, tv set, sofa, toilet and bath.

#### **Two (2) Bedroom Unit**

This condotel unit is constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, one (1) queen-sized bed furniture, chair, one (1) single bed furniture, sofa, dining table and chair set, mirror, wood accent wall, granite countertop, refrigerator, built-up cabinets, kitchen set, toilet and bath.

As of June 30, 2025, 30 Units are available for sale.

### Rental Program

In general, when the Company develops a project, it will identify the units, floors or towers that will be sold and later on operated as a condotel. Should the prospective buyer opt to purchase a Condotel Unit instead of a condominium unit, the Pooling Investment Agreement section in the Contract to Sell will apply.

Condominium Units pooled together to be operated as a Condotel, which shall be managed by SLI or the hotel management corporation to be designated by SLI for a period of fifteen (15) years from the date of completion. In particular, the management and operation of the Project has been contracted to Arterra Residences At Discovery Bay Hotel Inc. pursuant to a Management Agreement dated 18 September 2025.

Key provisions of the Pooling Investment Agreement are as followings:

The Unit Owner is entitled to a profit share equivalent to 70% of the Net Profits earned by the pooled units computed as follows:

$$\text{Return of Investment} = (\text{Percentage Interest}) \times (70\% \text{ of Net Profit})$$

Percentage interest is computed as follows:

$$\frac{\text{Floor Area of Buyer's Unit}}{\text{Total Floor Area of the Pooled Units}} = \text{Percentage Interest}$$

Net Profit shall mean profits earned by the pooled units made available as hotel rooms for paying guests less (a) all ordinary and regular expenses in operating the hotel; and (b) all project assessments which include without limitation (i) association dues, (ii) real estate taxes and assessments on the Land and Unit, (iii) management fees, (iv) maintenance expenses such as expenses for maintenance of generators, pumps, tanks, transformers, and other similar facilities, within the Project (v) utility charges (vi) expenses for administrative, security, messengerial, janitorial and collection services, (vii) professional fees such as legal and accounting fees, (viii) insurance premium, and such other costs and expenses provided for in the Master Deed and Declaration of Restrictions, the Articles of Incorporation and By-Laws of the Condominium Corporation, and the House Rules.

In addition, upon prior arrangement with the Issuer or the designated hotel management corporation, the Unit Owner may occupy the unit for personal use (i.e., for personal use or any person designated by him) for thirty (30) room rights per day per year, non-cumulative, under the following conditions:

- i. All bookings of the Unit Owner shall be done on the basis of availability of the Condotel Unit;
- ii. If the Condotel Unit is not available, the closest equivalent room may be assigned in lieu of the Condotel Unit;
- iii. The Unit Owner has the option to use three (3) of the abovementioned thirty (30) room rights per year in other hotels of the Issuer, subject to availability; and
- iv. A Unit Owner who will occupy the Condotel Unit shall upon arrival check in at the reception desk and complete a registration form, and comply with all other procedures required by the Issuer or the designated hotel management corporation.

For the duration of the Pooling Investment Agreement, SLI will hold the voting rights that pertain to the Condotel Unit and pre-termination of the Pooling Investment Agreement is not allowed.

Under the Pooling Investment Agreement, SLI or the designated hotel management corporation shall make all necessary repairs and maintenance works therein. The expenses of such repair and maintenance works shall form part of the operating expenses of the hotel. SLI is also allowed to install in the Unit such additional ornamental improvements or fixtures or furniture, as it may see fit, to the end that the Unit's value as a hotel room may be enhanced, without need for the approval of the Unit Owner.

*Principal Services and their markets indicating the relative contribution to sales or revenues*

The Project is operated like a hotel. It has amenities like lobby registration and a cleaning service. Arterra Residences At Discovery Bay offers 180 fully air-conditioned rooms featuring Studio- Type Unit constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, two (2) single bed furniture, chair, toilet and bath, tv set with Ocean View and City View, One Bedroom Unit with one (1) queen-sized bed furniture, sofa and Two (2) Bedroom Unit with one (1) queen-sized bed furniture, one (1) single bed furniture, dining table and chair set, mirror, wood accent wall, granite countertop, refrigerator, kitchen set.

Arterra Residences At Discovery Bay has a function hall, swimming pool, gym, restaurant, bar and lobby lounge.

The Issuer's hospitality/condotel operations have a 0.43% for year 2024 contribution to its revenue mix. While the majority of revenue continues to come from real estate sales, rental income and hotel / condotel operations are significant secondary sources. Arterra Residences At Discovery Bay is considered among the more mature and high-visibility condotel projects contributing income through its profit-sharing and leaseback arrangements

*Sources and availability of Raw Materials and major existing supply contract*

The Issuer relies primarily on domestic suppliers for its raw material needs, including cement, steel, aggregates, finishing materials, plumbing, electrical supplies, and concrete. Some ready-mix and concrete supply may be procured through its affiliate or subsidiary operations in regions where the Issuer has established local support infrastructure.

The Issuer faces standard industry risks related to volatile material prices, transportation and logistics delays (especially in provincial projects), and potential shortages of specialized materials. To mitigate these risks, the Issuer maintains multiple supplier relationships, local sourcing where feasible, contingency budgeting, and explores in-house supply capacity (e.g. ready-mix concrete).

Should material cost increases or supply disruptions occur, these may affect project timelines, margins, or require adjustments in pricing or contract terms. The Issuer believes it is positioned to manage such risks through its scale, geographic diversification, and purchasing practices, though no guarantee can be made that all material supply risks can be fully controlled.

### Customers

The Project has a broad market base including local and foreign individuals and does not have a customer who/which accounts for twenty percent (20%) or more of the Company's sales.

The Company's main target markets are the OFWs and middle class. A major percentage of the Company's number of units sold come from OFWs and their families, [15%] come from SME business owners, and [15%] come from middle class employees.

OFW revenues are distributed among the Middle East, Asia, and the U.S. Approximately 64% of total OFW revenues come from the Europe, 14% from the Asia, 22% from Middle East.

The Company's target markets for the hotel operations are from OFW families, SME Business Owners, Employees, LGUs and guests of events (weddings, birthdays, anniversaries, etc.)

### Effect of existing government regulations on the business

In the operation of the Condotel Project, the Company ensures that it remains compliant with government regulations dealing with operation of a hotel business. Laws dealing with hotel enterprises include the following:

a. Philippine Tourism Act (RA 9593) and Department of Tourism Certificate of Accreditation RA 9593, or the Philippine Tourism Act of 2009.

Based on the foregoing laws, primary tourism enterprises, such as accommodation establishments (e.g., hotels and resorts), are required to secure accreditation from the Department of Tourism ("DOT"). A DOT Certificate of Accreditation is a precondition to the issuance by the pertinent LGU of a license or permit to operate a primary tourism enterprise. Moreover, only accredited enterprises are entitled to participate in the DOT's promotional, training and other programs.

b. Hotel Code of 1987

The DOT promulgated the Hotel Code of 1987 in order to govern the business and operation of all hotels in the Philippines. Investors who wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations and other municipal ordinances. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification.

### Cost and effect of compliance with environment laws

Expenses incurred by the Company for purposes of complying with environmental laws that consist primarily of payments for Government regulatory fees that are standard in the industry and are minimal. These are already included in securing the necessary permits, licenses and hotel operating expenses. The Company is compliant with all existing regulations and will ensure continuous compliance.

### Market forces significant impact on the rental property, such as changes in climate change, changes in consumer taste that alters what products are grown or raised, global competition

The Issuer's rental property operations are subject to significant external market forces that may adversely affect revenues, profitability, and asset values. These include the following:]

1. **Climate Change and Environmental Risks:** Climate change is expected to increase the frequency and severity of typhoons, flooding, and other extreme weather events in the Philippines. Properties located in low-lying or coastal areas may suffer damage, leading to higher repair and maintenance costs, business interruption, and higher insurance premiums. Regulatory pressures to adopt sustainable building standards may also require substantial capital expenditures for retrofitting older assets. Failure to comply with emerging environmental standards may reduce tenant demand, lower occupancy, or negatively impact asset valuations.
2. **Changes in Consumer Preferences:** Tenant and consumer preferences in the rental property market are rapidly evolving: In retail, demand is shifting away from traditional shopping formats toward experiential, service-oriented, and digitally integrated spaces, driven partly by the growth of e-commerce. In hospitality, travelers increasingly demand wellness-oriented amenities, sustainability certifications, and digital service integration. Properties that do not keep pace may experience lower occupancy and reduced revenue per available unit. In office spaces, tenants are adopting hybrid work arrangements and prefer green, flexible layouts. Failure to adjust to these preferences may cause declining rental demand and pressure on rental rates. If the Issuer does not adapt its rental property offerings in line with these trends, it may lose tenants and guests to more responsive competitors.
3. **Global Competition:** The Issuer's rental and hospitality assets compete not only locally but also with properties in other regional markets (e.g., Vietnam, Thailand, Malaysia, Indonesia) that may attract tourists, foreign investors, or outsourcing tenants. Large international hotel chains and global property managers also compete directly in the condotel and hospitality segment, leveraging their brand recognition, global reservation systems, and loyalty programs. Additionally, fluctuations in foreign exchange, interest rates, and global capital flows may affect both the demand for rental spaces and the investment appetite for Philippine real estate assets. Prolonged global competition or adverse macroeconomic conditions could weaken Sta. Lucia's pricing power and occupancy levels.

In response to the market forces and risks described above, the Issuer has adopted and continues to refine strategies designed to protect the performance of its rental property segment:

- **Disaster-resilient design and engineering:** New projects are planned and constructed with flood-mitigation systems, elevated structures, and stronger building materials to reduce vulnerability to extreme weather events.
- **Retail repositioning:** Mall and retail spaces are being repositioned to emphasize experiential tenants (dining, leisure, wellness, services) that complement, rather than compete with, e-commerce.

- Hospitality upgrades: Condotel projects are being enhanced with wellness amenities, digital booking systems, partnerships with online booking platforms and eco-friendly features to appeal to new traveler expectations.
- Focus on value-driven markets: Rather than competing head-to-head with international premium brands, the Issuer targets mid-market investors and domestic tourism segments, where its price-value proposition and existing network are competitive advantages.
- Diversification of locations: By maintaining a geographic spread of projects nationwide, the Issuer reduces dependence on a single market and spreads exposure to global competition and regional demand cycles.
- Multiple revenue streams: The Issuer continues to strengthen recurring rental income alongside property sales, reducing reliance on any single market cycle.

## Business Operations

In addition to Arterra Residences At Discovery Bay, the Issuer owns sixteen other Condotels:

|    | Name                                   | Location                           | JV Partner                            | Status           |
|----|----------------------------------------|------------------------------------|---------------------------------------|------------------|
| 1  | Aqua Mira At Saddle                    | Tanza, Cavite                      | N/A                                   | Completed - 2020 |
| 2  | Sotogrande Bauan (Catalina Residences) | Balayong & Manghiniao I, Batangas  | N/A                                   | Completed – 2025 |
| 3  | East Bel-Air Residences (Stradella)    | Cainta, Rizal                      | N/A                                   | Completed – 2014 |
| 4  | Crown Residences At Harbor Springs     | Boracay, Puerto Princesa           | Carino Development & Management Corp. | Completed – 2019 |
| 5  | La Breza Tower                         | Mother Ignacia Street, Quezon City | Bagong Anyo Textile Enterprises       | Completed – 2011 |
| 6  | La Mirada Tower                        | Lapu-Lapu City, Cebu               | N/A                                   | Completed – 2010 |
| 7  | Sotogrande Neopolitan                  | Fairview, Quezon City              | N/A                                   | Completed – 2015 |
| 8  | Nivel Hills Cebu                       | Lahug, Cebu City                   | Diamond Hilands Inc.                  | Ongoing – 2027   |
| 9  | Sotogrande Baguio                      | Leonard Wood Road, Baguio City     | N/A                                   | Completed – 2023 |
| 10 | Sotogrande Davao                       | Davao City, Davao                  | N/A                                   | Completed – 2019 |
| 11 | Sotogrande Iloilo                      | Jaro, Iloilo City                  | Sta Lucia Realty                      | Completed – 2018 |
| 12 | Sotogrande Katipunan                   | Katipunan Ave., Quezon City        | Sta Lucia Realty                      | Completed – 2023 |
| 13 | Sotogrande Palawan                     | Tagburos, Puerto Princesa City     | N/A                                   | Completed – 2023 |
| 14 | Splendido Taal Towers                  | Laurel, Batangas                   | JAKA Tagaytay Holdings                | Completed – 2015 |
| 15 | Sta. Lucia Residenze - Santorini       | Cainta, Rizal                      | N/A                                   | Completed – 2018 |
| 16 | Sotogrande Tomas Morato (The Tribute)  | Tomas Morato, Quezon City          | N/A                                   | Ongoing – 2025   |

Out of the 17 Condotel Projects of the Company, only 2 are still ongoing construction. As of 30 June 2025, Nivel Hills Cebu and Sotogrande Tomas Morato (The Tribute) are at 78.75% and 92.70% completion, respectively.

## Operational Metrics

The Project was completed in 2018. As of June 30, 2025, out of the 180 Condotel Units available for sale, 30 units, representing 83% of the inventory, have been sold.

The average occupancy and average daily rate of the Project for the past years are as follows:

|                        | 2022 | 2023 | 2024    |
|------------------------|------|------|---------|
| Average Daily Rate     | ₱ 0  | ₱ 0  | ₱ 1,636 |
| Average Occupancy Rate | 0%   | 0%   | 10%     |

### *Booking and Reservation*

Hotel accommodations under the Arterra Residences At Discovery Bay are made available to the general public through (i) direct booking with the Issuer or its designated hotel operator, and (ii) online travel agencies and digital platforms such as Booking.com, Hotels.com, and similar channels. Unit owners participating in the condotel program may also avail themselves of complimentary room nights annually, subject to the terms of their management agreement.

### *Room Types and Facilities*

The project offers a range of unit configurations designed to cater to various market segments, including: Studio Units (approx.31 sqm), One- Bedroom Units (approx.62-65 sqm) and Two-Bedroom Units with Balcony (approx. 63-97 sqm).

The property features modern amenities, including an outdoor swimming pool, children's pool, on-site dining, Wi-Fi connectivity, and parking facilities. Certain units are fitted with balconies or kitchenettes to enhance guest convenience.

### *Price Range*

For Hotel Stays: Nightly room rates on public booking platforms typically range from ₱ 2,567 to ₱ 3,851, subject to room type, inclusions, and prevailing promotional rates. Pricing is variable and determined by market demand.

### *Seasonality of Demand*

The condotel is subject to seasonal variations in occupancy and average room rates. Demand generally increases during domestic holiday periods, school breaks, and weekends, driven primarily by local staycationers and Metro Manila travelers. Occupancy may be further influenced by nearby commercial activities and special events in Lapu-Lapu City, Cebu. Conversely, weekday demand outside of peak periods is relatively lower, resulting in more competitive pricing.

### *Renewal and Term*

The condotel operation is governed by a management contract with an initial term of fifteen (15) years.

At the end of this term, the Issuer, at its sole option, may:

- Renew or extend the arrangement for another term of similar or shorter duration; or
- Terminate the arrangement and return full possession and control of the units to their respective owners.

Renewal or extension is not automatic and will depend upon prevailing market conditions, performance of the project, and the Issuer's strategic considerations.

In the event that the Issuer decides not to operate the condotel project for another term, or should the project cease operations for any other reason, including sustained operating losses, the following provisions will apply:

- **Return of Unit Control:** Full ownership rights and possession of each condotel unit shall revert exclusively to the registered unit owner(s). Unit owners shall thereafter have sole discretion to use, lease, or otherwise manage their units independently of the Issuer.
- **Settlement of Net Proceeds:** All revenues earned by the project up to the effective date of termination shall be consolidated, and after deduction of operating expenses, taxes, and obligations lawfully incurred by the project, the net proceeds shall be distributed pro rata to the unit owners in accordance with the revenue-sharing agreement then in effect.
- **No Obligation to Cover Losses:** It should be noted that the Issuer shall not be obligated to reimburse unit owners for losses arising from normal business operations, market downturns, or adverse economic conditions, except to the extent of unearned or unapplied fees as described above.

## Permits and Licenses

Detailed below are all the major permits and licenses necessary for the Company to operate its business, the failure to possess any of which would have a material adverse effect on our business and operations:

| Permits                              | License/Registrant                             | Issuing Authority                                                          | Permit Number     | Issuance Date     | Expiration Date   |
|--------------------------------------|------------------------------------------------|----------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Business Permit                      | Sta. Lucia Land, Inc.                          | Municipality of Cainta                                                     | 2025-6794         | March 14, 2025    | December 31, 2025 |
| Business Permit                      | ARTERRA HOTEL AND RESORT INC.                  | City of Lapu-Lapu                                                          | 02207146          | March 31, 2025    | December 31, 2025 |
| License to Sell                      | ARTERRA BAYFRONT RESIDENCES                    | Office of the President Housing and Land Use Regulatory Board              | 030337            | August 26, 2015   | N/A               |
| Certificate of Registration          | ARTERRA BAYFRONT RESIDENCES                    | Office of the President Housing and Land Use Regulatory Board              | 27046             | August 26, 2015   | N/A               |
| Certificate of Occupancy             | Sta. Lucia Land & Devt. Inc                    | City's Engineer's Office                                                   | 0717511799        | August 9, 2017    | N/A               |
| Development Permit                   | Sta. Lucia Realty and Development, Inc., ET AL | Office of the President Housing and Urban Development Coordinating Council | CVR-014-0325      | January 24, 2014  | N/A               |
| Environmental Compliance Certificate | Ms. Crystal I. Prado                           | DENR                                                                       | ECC-R07-1411-0246 | November 21, 2014 | N/A               |

## Competition

The Company considers Vista Land and Filinvest Land, Inc. as its competitors. The Company believes that the strengths of these competitors lie in their larger land bank holdings and historically, their ability to access funding through the capital markets.

In order to effectively compete, the Company has long adopted the strategy of focusing on the provincial areas that are largely ignored and under-served by its bigger competitors whose projects have, until recently, been concentrated in the Metro Manila which is already congested and near saturation. SLI is present in 15 regions across the country. The Company believes that sustained growth will come from the provinces and major cities outside of Metro Manila, and has therefore prioritized establishing its presence there. The Company believes that its expertise and knowledge in these areas will prove significant as it continues to expand its property footprint in these largely under-served areas. The Company will continue using its sales force to target a specific customer segments in specific geographic locations. Once identified, potential clients are reached through aggressive advertising and personalized sales services, including after sales support. Such services include assistance in documentation and facilitation of access to credit. Its capability to reach out to different locations is made possible through its vast marketing channels, which, by sheer number of sales agents, was able to capture a good portion of the market. The international offices of its marketing arms also made it possible to move closer to offshore markets. Open houses, discounts and promotion are some of the marketing tools the Company employs as part of its sales and marketing strategy.

The Issuer operates in two overlapping markets for its condotel projects: (a) residential condominium development and (b) hotel/short-stay accommodations / hospitality product (the “condotel” hybrid). In both markets the Issuer faces competition from large national property developers that have strong balance sheets, established brands, large sales channels, and in some cases integrated hotel/wellness operations. The Issuer’s condotel model (a revenue-sharing scheme for unit owners and mixed residential/hotel operation) also competes with traditional hotel chains, branded condo-hotels, and independent short-stay providers (including professionally managed Airbnb rentals).

### *Competitors*

- Megaworld Corporation — a major public township developer that actively develops resort-style and condotel projects across high-traffic tourism and entertainment nodes. Large pre-sales, diversified township ecosystem (retail, offices, hotels) and very strong 2024 earnings demonstrate scale and financial firepower to underwrite large hospitality projects. Megaworld competes on integrated township offerings and branded leisure locations.
- SM Development Corporation (SMDC) / SM Group affiliates — benefits from the SM ecosystem (malls, retail, leasing) and broad marketing reach to mass and mid-market buyers. SMDC’s projects also include condo units positioned for short-stay and investor markets; the SM group’s financial strength and retail funnel are key competitive advantages.
- Other established developers (Ayala Land / Robinsons / Filinvest / Vista / Federal Land) — these firms are large, well-capitalized, and increasingly moving into higher-margin, upper-mid to premium developments. Their strengths are brand reputation, access to capital, track record with institutional investors, and ability to cross-sell (office, retail, hospitality). Industry reports show top developers shifting to higher-end projects to protect margins.

In addition to these developer competitors, Sta. Lucia faces competition from hotel operators and short-stay platforms (local hotels, international chains, and online short-stay managers) for the same pool of leisure and business travelers.

Sta. Lucia's competitive approach to its condotel projects can be summarized under three pillars:

1. *Integrated, value-positioned developments*  
The Issuer leverages its existing assets (e.g., Sta. Lucia Mall / Sta. Lucia Residenze masterplans, adjacent residential communities and landbank) to offer condotels that are conveniently located near retail, transport and community amenities. This integration helps attract both retail buyers (investor-owners) and steady footfall for hotel operations, allowing the Issuer to offer attractive pricing relative to premium township developers while maintaining demand.
2. *Unique condotel revenue model and owner incentives*  
The Issuer's condotel structure typically includes a revenue-sharing mechanism and owner usage allocation (example: quarterly dividends from condotel net profit and allotted room-nights for personal use). These terms create a distinct investor proposition versus pure residential condos or conventional hotel investments — appealing to investors seeking income plus personal use. This model is used as a differentiator in marketing and investor communications.
3. *Compete on value, amenities and targeted markets rather than top-end luxury*  
Rather than attempting to out-spend the largest premium developers, Sta. Lucia commonly competes on (a) competitive pricing and payment terms for mid-market buyers, (b) well-packaged amenity sets (pool, gym, function rooms, secure lobby and parking), and (c) operational tie-ins with existing retail/leasing assets to generate recurring demand. This strategy targets owner-investors and stay-market segments that favor convenience and ROI over ultra-premium finishes

#### Market Comparables

| Location                                                                                   | Unit Type | Floor Area (sq m) | Asking Price |          |
|--------------------------------------------------------------------------------------------|-----------|-------------------|--------------|----------|
|                                                                                            |           |                   | PHP          | PHP/sq m |
| 1 Arterra Residences<br>Lapu-Lapu City, Cebu<br>Jonathan Maureal<br>0917.153.3921          | studio    | 27.00             | 4,892,000    | 181,185  |
| 2 Tower B, Amisa Residences<br>Lapu-Lapu City, Cebu<br>Team Haller Realty<br>0917.106.8136 | studio    | 45.00             | 6,500,000    | 144,444  |
| 3 Arterra Residences<br>Lapu-Lapu City, Cebu<br>Alexa Villejo<br>facebook.com              | studio    | 31.00             | 4,500,000    | 145,161  |

#### Marketing & Sales Strategy

1. Boost brand awareness and strengthen brand equity

SLI believes that a strong brand is vital to thrive in an evolving consumer landscape. With this in mind, the Company plans to further invest in cultivating a highly recognizable and trusted brand focused on family values and aspirations as reflected in its slogan, "Building Dreams".

To improve brand building with the goal of boosting brand awareness and strengthening brand equity, the Company intends to recalibrate its marketing materials and messaging to highlight the Sta. Lucia brand.

The Company plans to execute its branded marketing strategy primarily by tapping brand ambassadors (celebrity endorser, influencers, etc), traditional media (newspapers and billboards), and social media platforms.

The focus on brand building will help SLI be more recognizable to its existing and potential customers, translating to sustainable improvement in sales.

## 2. Promotions

Sta. Lucia Land promotes its projects using a combination of traditional and digital marketing strategies. These include social media campaigns, online property listings, email marketing, and print advertisements such as billboards to create an awareness. The company also boosts brand exposure through participation in both local and international real estate events and expos, particularly targeting OFWs and Upper/Middle Class. In line with expanding market reach, SLI through their marketing arms runs recruitment campaigns to attract new sales agents and brokers, helping boost visibility and strengthen its selling network.

## 3. Sales Channels (Online, Retail, Distributor, etc.)

The Company uses a variety of sales and marketing channels to engage and convert buyers. Digital platforms, such as the company website, social media, and online property listing portals, serve as part of the key lead sources, while traditional methods include sales teams nationwide where projects are situated along with licensed brokers and salespersons, sales team both local and international, who handle direct transactions. The company also capitalizes on on-ground real estate events or related to connect with both domestic and overseas markets.

## 4. Customer Relationship Management

The Company, together with its marketing arm, Santalucia Ventures, Inc., ensures that all customer inquiries, complaints, and suggestions are addressed promptly and professionally. Both Sta. Lucia Land, as the developer, and Sta. Lucia Ventures have dedicated customer care teams in charge of handling concerns. Inquiries are managed by trained in-house sales partners via email, phone, and chat, while complaints and feedback are properly recorded, acknowledged, and resolved within a reasonable timeframe to ensure a responsive and customer-focused service experience.

## 5. Positive Customer Testimonials

The Company regularly features positive feedback from satisfied clients in its marketing efforts. Many customers, especially OFWs, share their journey of owning a property in the Philippines. They highlight how SLI made the process easy, secure, and fulfilling. These stories help build trust and encourage others within their networks to invest with confidence.

*5/5 "Such a lovely place to stay. My room and toilet were super clean and spacious, and the view was absolutely spectacular. It felt like I was constantly looking at a living painting, with boats passing, changing skies, and so much to see throughout the day. There was such a great variety of pillows, and I had the best sleep I've had in the Philippines. The staff were honestly the best part of my stay. I had read mixed reviews before booking, especially about the staff, but my experience was completely different. They were all so kind and welcoming. Everyone made me feel taken care of, always with a smile and support when needed. A special thank you to Rohonda, who truly*

*made my stay. She was warm, funny, super polite, always available, and felt like a friend I could talk to throughout the day. But really, everyone was lovely, from the security team to James who escorted me to my room, as well as room service, restaurant staff, and reception. They all made the experience feel personal and comforting. I would come back in a heartbeat. Super recommended!"* [Lucia Rebollo Comandari](#)

5/5 "Amazing 🍻 place , relaxed" - [Levie Manayon](#)

4/5 "Located on the end of a peninsula, this hotel offers some incredible views with a quiet and tranquil setting. I definitely enjoyed waking up early and watching the sunrise on the sea. The staff and service are friendly and helpful." [John Bochenek](#)  
Source: Google Reviews

## **Employees**

Neither the Company nor the Arterra Hotel and Resort Inc. employees are unionized or parties to collective bargaining agreements.

There has been no strike or threat of strike of the Company's employees over that last three (3) years

Vacation leaves, sick leaves, 13th month pay and retirement benefits are provided to employees, among others, subject to company policies and procedures. In addition, the Company contracted Etiga, a health maintenance organization, to provide health support services to its officers and employees . The contract has a term of one (1) year, from 1 July 2025 to 30 June 2026, which is deemed automatically renewed for another year unless a written notice was served by either party at least 30 days prior to the expiry date.

## **Labor Requirements**

On 18 September 2025, the Issuer and Arterra Residences At Discovery Bay Hotel Inc. entered into a Management Agreement whereby the latter was appointed as the Condotel Manager with respect to the Project. The Condotel Manager is responsible for the day-to-day operations of the Condotel as well as the development and implementation of the short and long-term strategic direction for the business.

The Condotel Manager will review and recommend adequate number of qualified, properly trained, and screened personnel necessary for the hotel operation and establish the required organization and the duties and responsibilities of each manager and employee for proper management and operation.

As of June 30, 2025, the Project has 46 manpower complement:

| Type of Work<br>(e.g. front desk house keeping,<br>etc.) | Number of<br>Workers<br>Needed | Wage per<br>person per<br>day | Man-Days<br>Per Week | Type of<br>engagement<br>of employees* |
|----------------------------------------------------------|--------------------------------|-------------------------------|----------------------|----------------------------------------|
| F&B Service                                              | 7                              | ₱ 501.00                      | 6                    | Permanent                              |
| F&B Production                                           | 6                              | ₱ 501.00                      | 6                    | Permanent                              |
| F&B Supervisor                                           | 1                              | ₱ 616.38                      | 6                    | Permanent                              |
| Front Office                                             | 4                              | ₱ 501.00                      | 6                    | Permanent                              |
| Admin & General                                          | 8                              | ₱ 501.00                      | 6                    | Permanent                              |
| Housekeeping                                             | 6                              | ₱ 501.00                      | 6                    | Permanent                              |
| Security                                                 | 7                              | ₱ 501.00                      | 6                    | Permanent                              |
| Sport & Recreation                                       | 1                              | ₱ 501.00                      | 6                    | Permanent                              |
| POMECH                                                   | 1                              | ₱ 501.00                      | 6                    | Permanent                              |
| Sales & Reservations                                     | 4                              | ₱ 501.00                      | 6                    | Permanent                              |
| Hotel Manager                                            | 1                              | ₱ 1,153.85                    | 6                    | Permanent                              |
| <b>TOTAL</b>                                             | <b>46</b>                      |                               |                      |                                        |

\*Disclose whether contractual, permanent or seasonal.

## Properties

With reference to the Project, the Issuer owns the land, with an area of 6,389.40 sqm, on which the condominium complex, including Arterra Residences At Discovery Bay is built. The Issuer also owns the building, improvements, and all the furniture and equipment thereon.

As of the date hereof, the Company has registered the following trademarks:

| Design mark/ logo                                                                   | Registration No. | Trademark                 | Status                          | Expiration Date   |
|-------------------------------------------------------------------------------------|------------------|---------------------------|---------------------------------|-------------------|
|  | 4/2020/00502228  | Sta. Lucia<br>Land, Inc.  | Registered February<br>21, 2021 | February 21, 2031 |
|  | 4/2020/00517470  | ARTERRA<br>RESIDENCE<br>S | Registered July 23,<br>2021     | July 23, 2031     |

The above trademark is important because name recognition and exclusivity of use are contributing factors to the success of the Company's development. In the Philippines, certificates of registration of a trademark issued by the Intellectual Property Office are generally effective for a period of 10 years, unless terminated earlier.

The Company is also the owner of one domain name: [www.stalucialand.com.ph](http://www.stalucialand.com.ph).

To the best of the Issuer's knowledge, none of the above Project-related properties is subject to any mortgage, lien or encumbrance.

The Project is not leasing any property.

Aside from appliance, furniture and/or equipment bought in the ordinary course of business to replace worn items, the Company does not intend to acquire any properties in relation to the Project.

### Legal Proceedings of Company, its Subsidiaries and/or Affiliates

The Project is not subject to nor is it involved in any pending legal proceedings instituted by or against the Issuer. The Issuer, in its normal operations, the Company and its subsidiaries are involved in the pending legal proceedings listed in Annex A.

### Transactions with and/or Dependence on Related Parties

The related amounts and outstanding balances from related party transactions (RPT) in 2024, 2023 and 2022 follow:

|                                                | 2024          |                    |                     |               |
|------------------------------------------------|---------------|--------------------|---------------------|---------------|
|                                                | Volume        | Outstanding        | Terms               | Conditions    |
| <b>Trade receivables</b> (Note 6)              |               | <b>546,654,861</b> |                     |               |
| <i>Ultimate Parent Company (SLRDI) (a)</i>     |               |                    |                     |               |
| Sharing of expenses                            | 12,054,231    |                    | Due and demandable; | Unsecured; no |
| collection from buyers collected by SLRDI,     | 60,338,164    |                    | noninterest-bearing | impairment    |
| unremitted share of SLRDI                      | (115,295,450) |                    |                     | (Note 15)     |
| marketing fee                                  | 8,382,555     |                    |                     |               |
| <i>Affiliates</i>                              |               |                    |                     |               |
| Management fees and advances                   |               |                    | Due and demandable; | Unsecured; no |
| (Note 15) (b)                                  | 34,774,868    | 44,942,471         | noninterest-bearing | impairment    |
| Rental income (b) (c)                          | 59,341,141    | 151,957,512        | Due and demandable; | Unsecured; no |
|                                                |               |                    | noninterest-bearing | impairment    |
|                                                |               | <b>743,554,844</b> |                     |               |
| <b>Key officers and directors</b> (Note 6) (d) | 22,793,141    | 136,559,689        | Due and demandable; | Unsecured; no |
|                                                |               |                    | noninterest-bearing | impairment    |
| <b>Trade payables</b> (Note 12)                |               |                    |                     |               |
| <i>Ultimate Parent Company (SLRDI)</i>         |               |                    |                     |               |
| Advances (a)                                   | 6,500,000     | 5,254,988          | Payable on demand;  | Unsecured     |
|                                                |               |                    | noninterest bearing |               |
| <i>Advances from shareholders</i>              |               |                    |                     |               |
| Advances (f)                                   | —             | 14,711,492         | Payable on demand;  | Unsecured     |
|                                                |               |                    | noninterest bearing |               |
|                                                |               | <b>19,966,480</b>  |                     |               |
| <b>Short-term Debt</b> (Note 14) €             |               |                    |                     |               |
| <i>Ultimate Parent Company (SLRDI)</i>         |               |                    |                     |               |
| Principal                                      | —             | 1,800,000,000      | Payable on demand;  | Unsecured     |
|                                                |               |                    | interest bearing    |               |
| Interest expense                               | 79,858,333    | 12,325,000         |                     |               |

| 2023                                           |              |               |                                            |                                          |
|------------------------------------------------|--------------|---------------|--------------------------------------------|------------------------------------------|
|                                                | Volume       | Outstanding   | Terms                                      | Conditions                               |
| <b>Trade receivables</b> (Note 6)              |              |               |                                            |                                          |
| <i>Ultimate Parent Company (SLRDI) (a)</i>     |              | 636,694,088   |                                            |                                          |
| Sharing of expenses                            | 16,694,624   |               | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment<br>(Note 15) |
| collection from buyers collected by SLRDI,     | 29,055,136   |               |                                            |                                          |
| unremitted share of SLRDI                      | (97,050,083) |               |                                            |                                          |
| marketing fee                                  | 13,012,829   |               |                                            |                                          |
| <i>Affiliates</i>                              |              |               |                                            |                                          |
| Management fees and advances                   | 17,924,332   | 39,579,368    | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| (Note 15) (b)                                  |              |               |                                            |                                          |
| Rental income (b) (c)                          | 68,068,893   | 118,010,004   | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
|                                                |              | 794,283,460   |                                            |                                          |
| <b>Key officers and directors</b> (Note 6) (d) | 20,462,934   | 126,915,864   | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| <b>Trade payables</b> (Note 12)                |              |               |                                            |                                          |
| <i>Ultimate Parent Company (SLRDI)</i>         |              |               |                                            |                                          |
| Advances (a)                                   | –            | 3,361,710     | Payable on demand;<br>noninterest bearing  | Unsecured                                |
| <i>Advances from shareholders</i>              |              |               |                                            |                                          |
| Advances (f)                                   | –            | 14,711,492    | Payable on demand;<br>noninterest bearing  | Unsecured                                |
|                                                |              | 18,073,202    |                                            |                                          |
| <b>Short-term Debt</b> (Note 14) €             |              |               |                                            |                                          |
| <i>Ultimate Parent Company (SLRDI)</i>         |              |               |                                            |                                          |
| Principal                                      | 300,000,000  | 1,800,000,000 | Payable on demand;<br>interest bearing     | Unsecured                                |
| Interest expense                               | 79,858,333   | 10,525,000    |                                            |                                          |
| 2022                                           |              |               |                                            |                                          |
|                                                | Volume       | Outstanding   | Terms                                      | Conditions                               |
| <b>Trade receivables</b> (Note 6)              |              |               |                                            |                                          |
| <i>Ultimate Parent Company (SLRDI) (a)</i>     |              | 733,324,305   |                                            |                                          |
| Sharing of expenses,                           | 314,986,066  |               | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment<br>(Note 15) |
| collection from buyers collected by SLRDI,     | 61,342,279   |               |                                            |                                          |
| unremitted share of SLRDI                      | (66,173,716) |               |                                            |                                          |
| marketing fee                                  | 16,107,072   |               |                                            |                                          |
| <i>Affiliates</i>                              |              |               |                                            |                                          |
| Management fee (Note 15) (b)                   | 29,299,546   | 51,066,801    | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| Rental income (b) (c)                          | 69,539,697   | 71,910,759    | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
|                                                |              | 856,301,865   |                                            |                                          |
| <b>Key officers and directors</b> (Note 6) (d) | 25,992,751   | 107,402,765   | Due and demandable;<br>noninterest-bearing | Unsecured; no<br>impairment              |
| <b>Trade payables</b> (Note 12)                |              |               |                                            |                                          |
| <i>Ultimate Parent Company (SLRDI)</i>         |              |               |                                            |                                          |
| Advances (a)                                   | 13,947,839   | 17,202,827    | Payable on demand;<br>noninterest bearing  | Unsecured                                |
| <i>Advances from shareholders</i>              |              |               |                                            |                                          |
| Advances (f)                                   | –            | 14,711,492    | Payable on demand;<br>noninterest bearing  | Unsecured                                |
|                                                |              | 31,914,319    |                                            |                                          |
| <b>Short-term Debt</b> (Note 14) (e)           |              |               |                                            |                                          |
| <i>Ultimate Parent Company (SLRDI)</i>         |              |               |                                            |                                          |
| Principal                                      | –            | 1,500,000,000 | Payable on demand;<br>interest bearing     | Unsecured                                |
| Interest expense                               | 59,083,333   | 5,900,000     |                                            |                                          |

The significant transactions with related parties follow:

- (a) The Parent Company, in the normal course of business, has transactions with the Ultimate Parent Company consisting of non-interest bearing advances for working capital requirements with no fixed repayment terms. This includes noninterest-bearing cash

advances for various charges for reimbursements of expenses on gasoline consumption of service vehicles, repairs and maintenance, supplies and other operating expenses. These advances amounted to 12.05 million, 16.69 million and 314.99 million in 2024, 2023 and 2022, respectively.

Other advances include the rentals for project exhibits and advertising/marketing costs amounting to 13.01 million, 16.11 million and 27.88 million in 2023, 2022 and 2021, respectively.

Other advances include the rentals for project exhibits and advertising/marketing costs amounting to 8.38 million, 13.01 million and 16.11 million in 2024, 2023 and 2022, respectively.

The amount of deductions applied or offset against the advances for the year amounted to 20.44 million, 29.7 million, and 331.10 million in 2024, 2023, and 2022, respectively.

Other advances also include the collection from buyers collected by SLRDI. This pertains to the monthly amortization payment from the buyers of the Parent Company, collected by the Ultimate Parent Company, and due to be remitted to the Parent Company. The amount collected by SLRDI amounted to 60.34 million, 29.06 million and 61.34 million in 2024, 2023 and 2022, respectively.

In 2014, SLLI and SLRDI entered into several memorandums of agreements wherein SLLI undertakes the development and marketing of the several projects of SLRDI and has assumed the position of the development contractor and marketing arm. In consideration of the services rendered by SLLI, SLRDI has agreed to the following:

- Colinas Verdes Bulacan Project - SLRDI has entered into a joint arrangement with Araneta Properties, Inc. (API) for a proceed sharing agreement of 60% - SLRDI - 40% API share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project;
- Green Meadows Iloilo Project - SLRDI has entered into a joint arrangement with AFP-Retirement and Separation Benefits System (ARSBS) for a lot sharing agreement of 55% -SLRDI - 45% ARSBS share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project;
- Ponte Verde Davao Project- SLRDI has entered into a joint arrangement with Green Sphere Realty Corporation (GSRC) for a lot sharing agreement of 60% - SLRDI - 40% GSRC share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project; and
- Valle Verde Davao Project - SLRDI has entered into a joint arrangement with GSRC for a lot sharing agreement of 60% - SLRDI - 40% GSRC share. SLLI shall be entitled to 75% of SLRDI's share in the joint arrangement and 12% marketing fee on the gross selling price of all sales made from the project.

Total share from the proceeds of SLRDI from the joint operations amounted to 461.18 million, 388.20 million and 264.69 million in 2024, 2023 and 2022, respectively.

The share amounting 115.30 million, 97.05 million and 66.17 million are still to be remitted or offset against the receivable from SLRDI as of December 31, 2024, 2023 and 2022, respectively.

The Parent made cash advances from SLRDI to be used for various administrative and operating expenses. In 2024 and 2023, advances were made from SLRDI amounting to 6.50 million and nil, respectively.

- (b) SLECC and the Parent Company entered into a management services agreement effective October 1, 2014 wherein SLECC will provide property management and business development services, leveraging its knowledge in the mall operations from the past years. In exchange of SLECC's services, the Parent Company shall pay SLECC a management fee equivalent to 5% of the gross rental revenue for managing mall operations including repairs and maintenance and collection of space rental from storeowners or tenants. Management fee from SLECC amounted to 29.41 million, 29.41 million and 23.43 million in 2024, 2023 and 2022, respectively.

The Parent Company made noninterest-bearing cash advances to SLECC for various operating expenses to be offset against payable to SLECC amounting to 34.77 million, 17.92 million and 29.30 million in 2024, 2023 and 2022, respectively.

As of date, the Company has outstanding receivables from SLECC amounting to 44.94 million and 39.58 million in 2024 and 2023, respectively.

- (c) The Parent Company has receivables from affiliated mall tenants. This pertains to accrued rental income amounting to 115.98 million and 118.01 million in 2024 and 2023, respectively. Rental income from affiliated tenants amounted to 59.34 million, 68.07 million and 69.54 million in 2024, 2023 and 2022, respectively.
- (d) The Parent Company made noninterest-bearing cash advances to officers and directors which is subject to liquidation. These advances amounted to 22.79 million, 20.46 million and 25.99 million in 2024, 2023 and 2022, respectively. The remaining unliquidated receivables amounted to 136.56 million, 126.22 million and 107.40 million as of December 31, 2024, 2023 and 2022, respectively.
- (e) In September 2023, the Group availed loan from SLRDI amounting 300.00 million with 6% annual interest rates. In May 2021, the Group obtained unsecured short-term loans from SLRDI amounting to 300.00 million with an annual interest rate ranging from 3.75 to 4.25%. Also in March 2020, unsecured 3-months loans were borrowed from SLRDI amounting to 1,200.00 million with 5% annual interest rates. Total outstanding loans from SLRDI amounted to 1,800.00 million as of December 31, 2024 and 2023. The related interest expense on these loans amounted to 109.80 million, 79.86 million and 59.08 million in 2024, 2023 and 2022, respectively.
- (f) In order to support the commercial operations of the SLVI, several shareholders and the Ultimate Parent Company provided advances. As of December 31, 2024 and 2023, the remaining unpaid balances amounted to 14.71 million.

As of December 31, 2024 and 2023, the Group has not made any provision for ECL relating to amounts owed by related parties. There have been no guarantees and collaterals provided or received for any related party receivables or payables. This assessment of the Group is

undertaken each financial year by examining the financial position and operating cash flows of the related party and the market in which the related party operates.

#### Key Management Personnel

Compensation of key management personnel by benefit type follows:

|                                    | <b>2024</b>       | <b>2023</b>       |
|------------------------------------|-------------------|-------------------|
| Short-term employee benefits       | <b>20,502,059</b> | <b>18,638,235</b> |
| Post-employment benefits (Note 20) | <b>775,283</b>    | <b>704,803</b>    |
|                                    | <b>21,277,342</b> | <b>19,343,038</b> |

#### Approval requirements and limits on the amount and extent of related party transactions

Material related party transaction (MRPT) are transactions amounting to ten percent (10%) or more of the total consolidated assets of the Group and shall be identified taking into account the related party registry. The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement.

All individual MRPTs shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a twelve (12)-month period that breaches the materiality threshold shall be required when the aggregate RPT transactions meets and exceeds the materiality threshold covering the same related party.

## USE OF PROCEEDS

### Net Proceeds

The net proceeds of the offering are as follows:

|                                         | Amount (Php)           |
|-----------------------------------------|------------------------|
| <b>Gross Proceeds from the Offering</b> | <b>₱ 12,900,000.00</b> |
| Less: Expenses                          |                        |
| SEC Registration Fee                    | <b>₱150,000.00</b>     |
| UP Legal Research Fee                   | <b>₱1,500.00</b>       |
| Documentary Stamp                       | <b>₱ 96,750.00</b>     |
| Legal Fees                              | <b>₱400,000.00</b>     |
| Others (Specify)                        | <b>₱141,000.00</b>     |
| <b>Net Proceeds from the Offering</b>   | <b>₱ 12,110,750.00</b> |

### Detailed Use of Net Proceeds

The Issuer Company intends to use the net proceeds of the Offer after deducting registration fees and other estimated expenses for the following purposes in order of priority:

| Details of Use of Proceeds            | Amount                 | %   | Disbursement Period |
|---------------------------------------|------------------------|-----|---------------------|
| Pre-Operating Expenses                | ₱ 6,055,375.00         | 50% | 2025                |
| Working capital for the next 6 months | ₱ 6,055,375.00         | 50% | 2026                |
| <b>TOTAL</b>                          | <b>₱ 12,110,750.00</b> |     |                     |

Where less than all of the certificates to be offered may be sold and more than one use is listed for the proceeds, the registrant shall indicate the order of priority of such purposes and discuss its plans if substantially less than the maximum proceeds are obtained.

If any material amounts of other funds are necessary to accomplish the specified purpose(s) for which the offering is made, the registrant shall state the amounts and sources of such other funds needed.

## SUMMARY OF THE OFFER

*Set forth below is information relating to the Offer and the features of the Certificates of Participation. This information is only a summary and is further qualified by reference to the applicable laws and regulations within the Philippines, the Articles of Incorporation and By-laws of the Issuer, as may be amended from time to time, and the Master Deed of the Project, as may be amended from time to time.*

### Description of the Offer

#### *The Offer*

The Securities being offered are Certificates of Participation.

On June 20, 2025, the Board of Directors of **Sta. Lucia Land, Inc.** (the “**Issuer**”) authorized the offer of Certificates of Participation in relation to the Arterra Residences At Discovery Bay Project. The Corporation is authorized to issue a total of one hundred eighty (180) Certificates of Participation (the “**Offer**”), which corresponds to the one hundred eighty (180) Condotel Units in the Arterra Residences At Discovery Bay, classified further on the basis of room types/ unit categories, broken down as follows:

| Description / Class | Number of<br>Certificates Per Class |
|---------------------|-------------------------------------|
| Studio Unit         | 162                                 |
| 1 Bedroom Unit      | 6                                   |
| 2 Bedroom Unit      | 12                                  |
| <b>Total</b>        | <b>180</b>                          |

#### *Offer Price*

In addition to the purchase price for the right to use and possess the units, the Unit Owners shall pay the Issuer the participation fee in the form of the Offer Price. The Offer Price for each class of Certificate of Participation is computed based on the value of the fee that corresponds to the type of Condotel Unit purchased. The Offer Price for each class of Certificate of Participation is as follows:

| Description / Class | Offer Price per Class |
|---------------------|-----------------------|
| Studio Unit         | ₱ 70,000.00           |
| 1 Bedroom Unit      | ₱ 80,000.00           |
| 2 Bedroom Unit      | ₱ 90,000.00           |

The Issuer shall deliver the Certificate after the Unit Owner satisfies the eligibility requirements described below on issue date (the “**Issue Date**”).

To the extent that there are current Unit Owners who have acquired the Condotel Units and are qualified to hold Certificate by satisfying the Eligibility Requirements below, the Issuer shall inform these Unit Owners about the availability of the Certificates and the mechanics for claiming the same, including the payment of Administrative Fee.

#### *Eligibility Requirements*

The following conditions to be satisfied by a Unit Owner to be eligible to hold the Certificates on Issue Date:

- (a) Full payment of the Offer Price;
- (b) Full payment of the purchase price for the Condotel Unit; and
- (c) Execution of all documents required for the transfer of ownership over the Condotel Unit in favor of the Unit Owner.

In case of sale or transfer by the Unit Owner of the Certificate of Participation, together with the Condotel Unit, the following conditions that need to be satisfied are as follows:

- 1. Submission of the Certificate Authorizing Registration issued by the BIR for such sale or transfer; or the Condominium Certificate of Title (“**CCT**”) over the Condotel Unit, issued by the Register of Deeds in the name of the transferee;
- 2. Payment of the applicable Administrative Fee; and
- 3. Surrender of the original Certificate of Participation.

The Certificate and the CCT may not be transferred, assigned, encumbered, or alienated separately by the Unit Owner. This is based on the principle that the accessory follows the principal such that the purchase of the Condotel Unit being the principal, gives the buyer the right to participate in the Project, subject to the satisfaction of the Eligibility Requirements as defined herein.

#### *Entitlements of Unit Owners*

As holders of the Certificates of Participation, the Unit Owners have the following rights and benefits:

- 1. Payment of share in the net profits earned by the pooled units made available as hotel rooms for paying guests; and
- 2. Use of the unit for personal use (i.e., for the personal use of the Unit Owner or any person designated by him) for thirty (30) room rights per day per year.

#### **a. Share in the Profits**

The Issuer or the Condotel Manager shall remit to the Unit Owner its/his/her return of investment equivalent to the Unit Owner’s percentage interest on the 70% of the net profits earned by the pooled units made available as hotel rooms to paying guests. The amount shall be paid on quarterly basis.

|                                                                                                  |
|--------------------------------------------------------------------------------------------------|
| $\text{Return of Investment} = (\text{Percentage Interest}) \times (70\% \text{ of Net Profit})$ |
|--------------------------------------------------------------------------------------------------|

The percentage interest of the Unit Owner shall be equal to the percentage which the floor area of the Condotel Unit bears to the total gross area of the pooled units.

|                                                                                                                                                                              |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <div style="text-align: center;"> Floor Area of Unit Owner's Unit<br/> <hr style="border-top: 1px dashed black;"/> Interest<br/> Total Floor Area of the Pooled Units </div> | = Percentage |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|

For this purpose, “net profits” shall mean profits earned by the pooled units made available as hotel rooms for paying less (i) all ordinary and regular expenses in operating the hotel; and (ii) all project assessments which include without limitation (i) association dues, (ii) real estate taxes and assessments on the land and the Condotel Unit, (iii) management fees, (iv) maintenance expenses such as expenses for maintenance of generators, pumps, tanks, transformers and other similar facilities within the Project, (v) utility charges, (vi) expenses for administrative, security, messengerial, janitorial and collection services, (vii) professional fees such as legal and accounting fees, (viii) insurance premium and such other costs and expenses provided for in the Master Deed and Declaration of Restrictions, the Articles of Incorporation and By-Laws of the Condominium Corporation, and the House Rules.

**b. Room Use Privileges**

Upon prior arrangement with the Issuer or the Condotel Manager, the Unit Owner may occupy the unit for personal use (i.e., for personal use or any person designated by him) for thirty (30) room rights per day per year, non-cumulative, under the following conditions:

- v. All bookings of the Unit Owner shall be done on the basis of availability of the Condotel Unit;
- vi. If the Condotel Unit is not available, the closest equivalent room may be assigned in lieu of the Condotel Unit;
- vii. The Unit Owner has the option to use three (3) of the abovementioned thirty (30) room rights per year in other hotels of the Issuer, subject to availability; and
- viii. A Unit Owner who will occupy the Condotel Unit shall upon arrival check in at the reception desk and complete a registration form, and comply with all other procedures required by the Issuer or the designated Condotel Manager.

*Obligations of the Issuer / Hotel Management Corporation*

1. The Issuer or the Condotel Manager shall remit the return of investment to the Unit Owner in accordance with the profit sharing above, net of taxes, without the necessity of express demand.
2. The Issuer or the Condotel Manager shall keep the Condotel Unit in good and habitable condition, making all necessary repairs and maintenance works therein, without need of prior notification to the Unit Owner. The expenses of such repair and maintenance works shall form part of the operating expenses of the hotel.
3. Any improvements or alterations on the Condotel Unit and fixtures therein shall become the property of the Unit Owner at the expiration of the Pooling Investment Agreement.

This shall not apply to ornamental improvements and removal fixtures and furniture, which the Issuer or the Condotel Manager may install.

4. During the effectivity of the Pooling Investment Agreement, the Issuer or the Condotel Manager shall pay for all the charges for water, electric current, telephone and such other services provided to the Condotel Unit, which constitute part of the operating expenses of the hotel.
5. During the effectivity of the Pooling Investment Agreement, the Issuer or the Condotel Manager shall be entitled to 30% of the net profits as management fee.
6. Upon termination of the Pooling Investment Agreement, the Issuer or the Condotel Manager shall peacefully surrender and yield to the Unit Owner the Condotel Unit, in substantially the same condition it was at the beginning subject to ordinary wear and tear of the ornamental improvements, fixtures or furniture which shall be assumed by the Unit Owner.

#### *Rights and Obligations of the Unit Owner*

1. During the effectivity of the Pooling Investment Agreement, the Unit Owner shall be liable for the payment of the following, which shall be deducted from the gross profits, if there is any, prior to remittance of the return of investment provided that the Condotel is operational:
  - a. The condominium association dues;
  - b. The real estate taxes on the land and the Condotel Unit;
  - c. The insurance premiums on the Condotel Unit, if any, which become due and payable during the effectivity of the Pooling Investment Agreement;
  - d. The Unit Owner's share, if any, of the real estate taxes on the common areas and of the insurance premiums on the building; and
  - e. Any other assessments on the Condotel Unit, on the building or on its facilities and improvements.
2. The Unit Owner shall be entitled to its/his/her dividends or return of investment and 30-day room rights per year upon occurrence of the following conditions:
  - a. The Condotel is fully operational; and
  - b. Full payment of the purchase price of the Condotel Unit and the Offer Price for the Certificate of Participation.
3. During the effectivity of the Pooling Investment Agreement, the Issuer or the Condotel Manager shall irrevocably be entitled to exercise the Unit Owner's voting rights in the Condominium Corporation. The Issuer or the Condotel Manager shall be entitled to exercise all other rights and shall assume all obligations which may pertain to the Unit Owner by virtue of the membership in the Condominium Corporation.

#### *Pre-termination of the Condominium Pooling Investment Agreement*

There shall be no pre-termination of the Pooling Investment Agreement by either the Issuer or the Unit Owner during the initial fifteen (15) year period of the agreement. Should either party not wish to renew the Pooling Investment Agreement after the expiration of the initial fifteen-year period, the said party shall serve a written notice to the other party not later than one (1) year prior to the expiration of the 15<sup>th</sup> year of the Pooling Investment Agreement.

The renewal of the Pooling Investment Agreement shall be subject to approval of both parties.

### **Target Market**

The Company's main target markets are the OFWs and middle class. A major percentage of the Company's number of units sold come from OFWs and their families, [15%] come from SME business owners, and [15%] come from middle class employees.

The Company's target markets for the hotel operations are from OFW families, SME Business Owners, Employees, LGUs and guests of events (weddings, birthdays, anniversaries, etc.)

### **Determination of the Offer Price**

The Offer Price for each class of Certificate of Participation is as follows:

| <b>Description / Class</b> | <b>Offer Price per Class</b> |
|----------------------------|------------------------------|
| Studio Unit                | ₱ 70,000.00                  |
| 1 Bedroom Unit             | ₱ 80,000.00                  |
| 2 Bedroom Unit             | ₱ 90,000.00                  |

The various factors considered in determining the foregoing Offer Price include the total estimated cost of the following:

- (i) average operating expenses covering six (6) months of expenses pertaining to salaries and wages, human resource training programs, sales and marketing activities, utilities and simulation costs,
- (ii) condotel expenses for the three (3) months of operations,
- (iii) service fees to the third-party operator/s, and
- (iv) working capital buy-outs which includes guest supplies, housekeeping equipment and cleaning supplies, engineering supplies, office furniture and office supplies, guest and service vehicle, and information technology and communications; and
- (v) Other factors considered are the marketability, target clientele, and growth expectations.

No mark-up was added for brokers' commissions.

Since the Company and the Certificates are not listed on any stock exchange, there is no market information for the Offer and there has been no market price for the Certificates derived from day-to-day trading.

### **Investor Restrictions**

- The Certificate of Participation are sold in conjunction with the Condotel Unit. Accordingly, one may not be purchased separately from the other.
- The Certificate and the CCT may not be transferred, assigned, encumbered, or alienated separately by the Unit Owner. This is based on the principle that the accessory follows the principal such that the purchase of the Condotel Unit being the principal, gives the buyer the right

to participate in the Project, subject to the satisfaction of the Eligibility Requirements as defined herein.

- During the effectivity of the Pooling Investment Agreement, the Issuer or the Condotel Manager shall irrevocably be entitled to exercise the Unit Owner's voting rights in the Condominium Corporation.

## PLAN OF DISTRIBUTION

Both the Certificates and the Condotel Units, evidenced by the Condominium Certificate of Title, will be sold by the Issuer.

In order to reach the Company's target market, the Company engaged an affiliate, SantaLucia Ventures, Inc. ("**SVI**"), to market the Condotel Units. SVI's marketing program involves the usual protocols followed by marketing outfits. Promotion shall make use of advertising, billboards, sign boards, direct mailing to target market, print and media exposure, and satellite offices in target locations shall also be utilized.

SVI's marketing group is composed of permanent and contractual personnel employed on a salary or commission basis. Selling agents of the Condotel will earn their commissions only from the sale of the Units.

With respect to the Certificates of Participation, the Issuer has not engaged any selling agents, external brokers, or dealers to separately market or sell the Certificates, considering that the Certificates are sold in conjunction with the condominium units. The Certificates shall be sold by the Issuer.

The Company shall not be responsible for any payment of commission and any commission on the sale of the units will be paid for by the Developer. Neither will the Offer be underwritten. The Issuer has not engaged any finders, promoters or underwriters for the Offer. The Offer shall be offered to the public in general and the Issuer has not designed any of the Certificates to be sold to any specified person.

The Offer will not be listed in a stock exchange and none of the Certificates will be sold or traded through a stock exchange.

List the person/s who will offer and sell the Certificate of Participation on behalf of the Issuer:

| Name            | Relationship to Issuer | Address                                             | Tel. No.                            | Compensation received for selling securities |
|-----------------|------------------------|-----------------------------------------------------|-------------------------------------|----------------------------------------------|
| Liezl T. Magpoc | Marketing Arm          | Sta. Lucia Mall Bldg 3, Marcos Hiway, Cainta, Rizal | (+632) 8370-0807 / (+632) 8681-7332 | Commission                                   |

## CAPITALIZATION

### Capital Stock

As of the date of this Prospectus, SLI has an authorized capital stock of ₱ 16,000,000,000.00, divided into 16,000,000,000 common shares with a par value of ₱ 1.00 per share, of which 8,196,450,000 common shares and 2,600,000,000 treasury shares are issued as of the date of this Prospectus.

In summary:

|                           |   |                              |
|---------------------------|---|------------------------------|
| Authorized Capital Stock  | : | ₱ 16,000,000,000.00          |
| Par Value                 | : | ₱ 1.00 per share             |
| Capital Stock             | : | 16,000,000,000 common shares |
| Outstanding Capital Stock | : | 8,196,450,000 common shares  |
| Treasury Shares           | : | 2,600,000,000 common shares  |
| Listed Shares             |   | 10,796,450,000 common shares |

The Issuer only has one class of shares and does not have any unpaid subscription.

## OUTSTANDING SECURITIES

The Offer covers three (3) types of Certificates of Participation which are differentiated based on the type of Condotel Units and the size.

| Class of Certificates                       | Certificates Outstanding | Certificates the Issuer is Authorized to Issue |
|---------------------------------------------|--------------------------|------------------------------------------------|
| Certificate of Participation - Studio       | 0                        | 162                                            |
| Certificate of Participation – Studio – 1BD | 0                        | 6                                              |
| Certificate of Participation – Studio – 2BD | 0                        | 12                                             |
| <b>TOTAL</b>                                | <b>0</b>                 | <b>180</b>                                     |

These Certificates have identical rights and entitlements.

### Stockholders

#### *Original Stockholders*

The Issuer was incorporated on December 6, 1966. Upon incorporation, it had an authorized capital stock of ₱ 10,000,000 divided into 10,000,000 shares of stock with a par value of ₱ 1.00 per share of which 500,000 shares are Founders' shares and 950,000 shares are common shares.

Its original stockholders are as follows:

| No | Name                  | No of Shares     | Amount Subscribed | %    |
|----|-----------------------|------------------|-------------------|------|
| 1  | Almario Mendoza       | 300,000          | ₱ 300,000.00      | 60%  |
| 2  | Manuel Santamaria     | 60,000           | ₱ 60,000.00       | 12%  |
| 3  | Miriam Santamaria     | 50,000           | ₱ 50,000.00       | 10%  |
| 4  | Agerico Cansino       | 50,000           | ₱ 50,000.00       | 10%  |
| 5  | E. Mike Alora, Jr     | 40,000           | ₱ 40,000.00       | 8%   |
|    | Total Founders Shares | 500,000          | ₱ 500,000.00      | 100% |
| 1  | Almario Mendoza       | 900,000          | ₱ 900,000         | 60%  |
| 2  | Manuel Santamaria     | 300,000          | ₱ 300,000         | 20%  |
| 3  | Miriam Santamaria     | 180,000          | ₱ 180,000         | 12%  |
| 4  | Agerico Cansino       | 120,000          | ₱ 120,000         | 8%   |
|    | Total Common Shares   | 1,500,000        | 1,500,000         | 100% |
|    | <b>TOTAL</b>          | <b>2,000,000</b> | <b>2,000,000</b>  |      |

At incorporation, the Founders' Shares were fully paid while the common shares were all not paid.

## DESCRIPTION OF PROPERTY

The Arterra Residences At Discovery Bay, which commenced operations in 2018 and is a single tower of 20-storey residential condominium – condotel building located at the northeast end of Barangay Punta Engaño, Lapu-Lapu City, Cebu . The building is composed of a concrete tile roof deck at the topmost floor of the building, reinforced concrete structural framings, floorings, and foundations. Plastered cement and textured paint finish at the exterior walls, painted plastered cement finish on the interior walls, homogeneous ceramic tile floor finishes for the hallways and stairs, plain cement finish on concrete soffit ceiling, plain cement finish on driveway and parking area, aluminum framed and fixed glass windows, glass panels on entrance door and wooden flush door type. The building is equipped with central security system, electronic fire detection and automatic fire suppression system, integrated building management, 100% backup power supply, potable and non-potable water system, provision for internet and cable TV system, four (4) high-speed elevators and four-level podium parking.

It is approximately 4.50 kilometers northeast from the Mactan Shrine, some 5.0 kilometers northeast from the intersection of M.L. Quezon National Highway and Punta Engaño Road, about 5.3 kilometers northeast from the intersection of Mactan Airport Road and M.L. Quezon National Highway, or roughly 7.0 kilometers northeast from Basak-Cagoday-Bankal-Buaya Road.

Arterra Residences At Discovery Bay, completed in 2018, is perched at the very edge of the famed diving destination on Mactan Island, granting you a truly panoramic view of the ocean. Apart from breath taking sight, the location is as brilliantly strategic. Arterra Residences At Discovery Bay sits on a 6,389.40 sqm meter property with 180 rooms, function hall, dining area, amenities area and lobby lounge. For the units Arterra Residences At Discovery Bay has Studio- Type Unit constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, two (2) single bed furniture, chair, toilet and bath, tv set with Ocean View and City View, One Bedroom Unit with one (1) queen-sized bed furniture, sofa and Two (2) Bedroom Unit with one (1) queen-sized bed furniture, one (1) single bed furniture, dining table and chair set, mirror, wood accent wall, granite countertop, refrigerator, kitchen set. The Project's occupancy rates are 0%, 0% and 10 % in 2022, 2023 and 2024 respectively.

### *Building Description*

Arterra Residences At Discovery Bay was composed of a concrete tile roof deck at the topmost floor of the building, reinforced concrete structural framings, floorings, and foundations. Plastered cement and textured paint finish at the exterior walls, painted plastered cement finish on the interior walls, homogeneous ceramic tile floor finishes for the hallways and stairs, plain cement finish on concrete soffit ceiling, plain cement finish on driveway and parking area, aluminum framed and fixed glass windows, glass panels on entrance door and wooden flush door type. The building is equipped with central security system, electronic fire detection and automatic fire suppression system, integrated building management, 100% backup power supply, potable and non-potable water system, provision for internet and cable TV system, four (4) high-speed elevators and four-level podium parking.

Figure 1: Photos of the Property



Ground Floor Lobby



Dining Area



Amenities Area



Function Hall

### Unit Description

### Unit Description

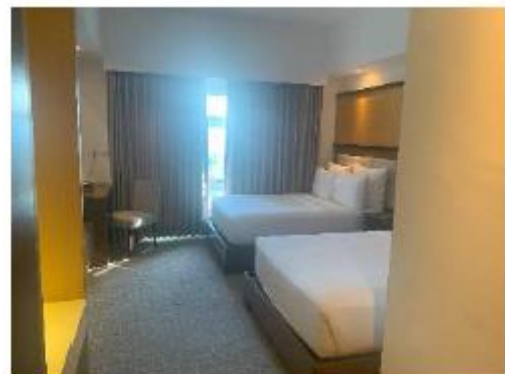


### Studio-Type Unit

This condotel unit is constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, two (2) single bed furniture, chair, toilet and bath, tv set.

### Studio-Type Unit (Ocean View)

This condotel unit is constructed of a painted ceiling finish, painted wall finish, homogeneous tiles, built-up cabinet, toilet and bath.



floor



### **Studio-Type Unit (City View)**

This condotel unit is constructed of a painted ceiling finish, painted wall finish, homogeneous floor tiles, built-up cabinet, toilet and bath.



### **One (1) Bedroom Unit**

This condotel unit is constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, one (1) queen-sized bed furniture, chair, tv set, sofa, toilet and bath.





### **Two (2) Bedroom Unit**

This condotel unit is constructed of a painted ceiling finish, painted wall finish, built-up headboard and lighting fixture, built-in window curtain, floor carpet, homogeneous floor tiles, built-up dresser, built-up cabinet, one (1) queen-sized bed furniture, chair, one (1) single bed furniture, sofa, dining table and chair set, mirror, wood accent wall, granite countertop, refrigerator, built-up cabinets, kitchen set, toilet and bath.

As far as the Issuer is aware, the properties making up the Project are not encumbered.

## BOARD OF DIRECTORS

### Directors

The table below sets forth each member of the Board of Directors of the Issuer as of the date of the Prospectus:

| No | Name                | Age | Position                         | Citizenship | Year Appointed |
|----|---------------------|-----|----------------------------------|-------------|----------------|
| 1  | Vicente R. Santos   | 68  | Chairman                         | Filipino    | 2007           |
| 2  | Exequiel D. Robles  | 70  | Director and President           | Filipino    | 2007           |
| 3  | Mariza Santos- Tan  | 66  | Director and Treasurer           | Filipino    | 2007           |
| 4  | Aurora D. Robles    | 58  | Director and Assistant Treasurer | Filipino    | 2007           |
| 5  | Antonio D. Robles   | 60  | Director                         | Filipino    | 2007           |
| 6  | Simeon S. Cua       | 68  | Director                         | Filipino    | 2007           |
| 7  | Orestes R. Santos   | 63  | Director                         | Filipino    | 2007           |
| 8  | Renato C. Francisco | 76  | Independent Director             | Filipino    | 2021           |
| 9  | Danilo A. Antonio   | 70  | Independent Director             | Filipino    | 2021           |

### Business and Work Experience

The business experience of each of the directors and advisors in the last five years or more is set forth below.

**VICENTE R. SANTOS**, Chairman of the Company. He is also Executive Vice President of the Sta. Lucia Realty & Development, Inc.; Chairman of the Board of Directors of Sta. Lucia East Cinema Corp, Sta. Lucia East Supermarket Corp., Santalucia Ventures, Inc. and Sta. Lucia East Bowling Center, Inc.; and member of the Board of Directors of Sta. Lucia East Commercial Corp., Sta. Lucia East Department Store, Inc., SLLI Global Marketing Inc. and Sta. Lucia Homes, Inc. Mr. Santos holds a Bachelor's degree in Management from San Sebastian College.

**EXEQUIEL D. ROBLES**, President and Director of the Company. He is also the President of Sta. Lucia Realty & Development, Inc., Sta. Lucia East Cinema Corp., Sta. Lucia East Commercial Corp., Sta. Lucia East Department Store Inc., and Sta. Lucia East Supermarket Corp. He is a Director of SLLI Global Marketing Inc., Santalucia Ventures, Inc., Sta. Lucia Homes, Inc. and Sta. Lucia East Bowling Center, Inc. Mr. Robles holds a Bachelor's degree in Business Administration/Accounting from San Sebastian College.

**MARIZA R. SANTOS-TAN**, Director and Treasurer of the Company. She is also a Director and the Corporate Secretary of Sta. Lucia Realty & Development, Inc., Sta. Lucia East Cinema Corporation, Sta. Lucia East Commercial Corp., Sta. Lucia East Bowling Center, Inc., Sta. Lucia East Department Store Inc.; and Sta. Lucia East Supermarket Corp. Ms. Santos-Tan holds a Bachelor's degree in Management from San Sebastian College. She also completed the Strategic Business Economics Program from the University of Asia and the Pacific.

**AURORA D. ROBLES**, Director and Assistant Treasurer of the Company. She is also the Purchasing Manager of Sta. Lucia Realty & Development, Inc.; Chief Administrative Officer of Sta. Lucia East Cinema Corp.; Treasurer of Sta. Lucia East Supermarket Corp., and a Director of Sta. Lucia East Bowling

Center, Inc, Sta. Lucia East Department Store Inc. and Sta. Lucia East Commercial Corp. Ms. Robles holds a Bachelor's degree in Management from St. Paul College.

**ANTONIO D. ROBLES**, Director of the Company. He is also a Director of Sta. Lucia Homes Inc. Mr. Robles holds a Bachelor's degree in Psychology from the University of Sto. Tomas.

**SIMEON S. CUA**, Director of the Company. He serves as the President of the Philippine Racing Club, Inc. and Cualoping Securities Corporation, and currently sits as an Independent Director of AREIT, Inc. Mr. Cua obtained his Bachelor of Law degree from Ateneo de Manila University.

**ORESTES R. SANTOS**, Director of the Company. He holds a Bachelor's degree in Marketing from San Sebastian College.

**RENATO C. FRANCISCO**, Independent Director of the Company. He served as Associate Justice of the Court of Appeals from 2012 to 2018 and Presiding / Executive Judge of the Regional Trial Court - Malolos Bulacan from 1996 to 2012, Assistant Prosecutor - Makati City, Assistant Provincial Prosecutor – Rizal and OIC Legal Division of Metrobank. Mr. Francisco holds a Bachelor of Arts in English and Philosophy from San Beda College Manila and Bachelor of Laws from Ateneo De Manila University.

**DANILO A. ANTONIO**, Independent Director of the Company. He serves as CEO of Land-Excel Consulting Inc, President of West Palawan Premiere, and is a Professor of Entrepreneurship at the Ateneo De Manila Graduate School of Business. Mr. Antonio holds a Bachelor of Arts in Economics from De La Salle University (summa cum laude) and Master in Business Management from the Asian Institute of Management (with distinction). Mr. Antonio previously served as President of Eton Properties, Head of Business Development of Rockwell, Managing Director of Filinvest Malls, President BDO Realty Corp., Chairman of the Board of Tagaytay Glassland & Canyon Resort Club, Co-Founder & COO of Landco Pacific Corp., President SM Cinemas Manpower Corporation and Senior Manager of Ayala Land Inc. He also served as undersecretary of the Office of the Presidential Assistant for Rehabilitation and Recovery (OPARR), Professor of Business Management at the Asian Institute of Management and Management Committee Member and Advisor AIM Conference Center Manila.

#### **Certain Relationships and Related Transaction**

In 2007, SLRDI entered into a Property-for-Equity Swap with the Issuer in exchange for 10,000,000,000 shares of the latter. As of 30 June 2025, the Corporation has a total of 2,500,000,000 treasury shares which arose from the settlement of intercompany advances between the Registrant and SLRDI.

The Company's President, Exequiel D. Robles, is the President of SLRDI. The Company's directors, Antonio D. Robles, a stockholder of SLRDI, and Aurora D. Robles, the Purchasing Manager of SLRDI, are siblings of Exequiel D. Robles who are all first cousins of Mariza R. Santos-Tan, the Vice-President for Sales of SLRDI, Vicente R. Santos, the Executive Vice-President of SLRDI, and Orestes R. Santos, Project Manager of SLRDI, who, in turn, are siblings.

The President of Philippine Racing Club Inc. and Cualoping Securities Corporation, namely Simeon S. Cua, is also a director of the Issuer.

Apart from the foregoing, the Issuer does not know of any other parties that fall outside the definition "related parties" under SFAS/IAS No. 24, but with whom the Issuer or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

#### **Other Directorship of Independent Directors**

| Name of Independent Director | Reporting Company                                                                                                                                                                                       | Year Appointed                                               |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Renato C. Francisco          | Acesite (Phils) Hotel Corporation - Independent Director<br>Forum Pacific Inc. - Independent Director<br>Philippine Estates Corporation - Independent Director<br>The Wellex Inc - Independent Director | 2019-present<br>2020-present<br>2020-present<br>2021-present |
| Danilo A. Antonio            | N/A                                                                                                                                                                                                     | N/A                                                          |

### Security Ownership of Directors

The following table shows the security ownership of directors in the common shares of the Company as of June 30, 2025:

| Name                 | Amount and Nature of Beneficial Ownership |          | Citizenship | No. of Common Shares | % Ownership |
|----------------------|-------------------------------------------|----------|-------------|----------------------|-------------|
|                      | Direct                                    | Indirect |             |                      |             |
| Vicente R. Santos    | 712,494                                   | 233,000  | Filipino    | 945,494              | 0.01%       |
| Exequiel D. Robles   | 712,500                                   | 230,000  | Filipino    | 942,500              | 0.01%       |
| Mariza R. Santos-Tan | 1                                         | 0        | Filipino    | 1                    | 0%          |
| Aurora D. Robles     | 1                                         | 0        | Filipino    | 1                    | 0%          |
| Simeon S. Cua        | 999                                       | 0        | Filipino    | 999                  | 0%          |
| Antonio D. Robles    | 1                                         | 0        | Filipino    | 1                    | 0%          |
| Orestes R. Santos    | 1                                         | 0        | Filipino    | 1                    | 0%          |
| Danilo A. Antonio    | 1,000                                     | 0        | Filipino    | 1,000                | 0%          |
| Renato C. Francisco  | 1,000                                     | 0        | Filipino    | 1,000                | 0%          |

## MANAGEMENT

### Officer, Manager and Key Person

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                | David M. Dela Cruz                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Age                 | 59                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Position            | Executive Vice-President, Chief Financial Officer, and Chief Risk Officer                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Education           | Mr. Dela Cruz holds a Bachelor's Degree in Economics and BSC Accounting, and Masters in Business Administration, from De La Salle University. He attended a management program in mergers and acquisitions at Stanford University and placed 9th in the 1987 CPA board examinations                                                                                                                                                                                                                    |
| Business Experience | He served as Vice President and Chief Financial Officer of Atlas Consolidated Mining and Development Corp., SAVP of Corporate Credit Risk Management – BDO– AC&D Corporate Partners; Vice President / Head of Sales of Amsteel Securities Philippines Inc; Senior Manager – Investment Banking for Deutsche Morgan Grenfell Hong Kong Limited; Acting General Manager & Marketing Head for UBP Securities / Manager – Investment Banking for UBP Capital Corporation; and Senior Auditor for SGV & Co. |

|                     |                                                                                                                                                                                        |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                | Hanani B. Palmon                                                                                                                                                                       |
| Age                 | 37                                                                                                                                                                                     |
| Position            | VP – Controller and Data Protection Officer                                                                                                                                            |
| Education           | She holds a Bachelor of Science degree in Accountancy from Ateneo De Davao University and a Master's in Business Administration from Ateneo De Manila University                       |
| Business Experience | Mrs. Palmon brings with her valuable expertise acquired during her tenure at SGV & Co., where she accumulated four years of experience auditing real estate and foundation industries. |

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                | Jeremiah T. Pampolina                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Age                 | 48                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Position            | Chief Compliance Officer and VP for Investor Relations & Corporate Planning, Chief Sustainability Officer                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Education           | AB Management Economics at the Ateneo De Manila University and MBA Graduate with Distinction (Silver Medal), Top 6% of Graduating MBA batch and Dean's Honors List at the De La Salle Graduate School of Business                                                                                                                                                                                                                                                                                                                              |
| Business Experience | He previously served as Junior Bank Officer of Union Bank of the Philippines, Strategic Planning & Business Development Manager of P. J. Lhuillier Group of Companies, Supply Chain and Operations Manager of Technomarine Philippines and Business Development & Operations Manager of Aboitiz-Jepsen. He was also an Associate Lecturer at De La Salle University teaching Strategic Management. Last Jan 2022, he was awarded as Asia FP&A Lead of the Year 2022 (Finalist) issued by CXociety Leadership Practice Awards 2022 (Singapore). |

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                | Patricia A. O. Bunye                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Age                 | 56                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Position            | Corporate Secretary                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Education           | Atty. Bunye holds a Bachelor's degree in Legal Management from Ateneo de Manila University, and obtained her Juris Doctor degree from Ateneo de Manila University School of Law.                                                                                                                                                                                                                                                        |
| Business Experience | She is a Senior Partner of Cruz Marcelo & Tenefrancia; the Founding President / Trustee of Diwata-Women in Resource Development, Inc. and the Corporate Secretary of PTFC Redevelopment Corporation. She served as President of the Integrated Bar of the Philippines (Pasay, Parañaque, Las Piñas & Muntinlupa Chapter) and Licensing Executives Society Philippines; and Secretary, 15th House of Delegates National Convention, IBP. |

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                | Erik T. Dykimching                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Age                 | 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Position            | Assistant Corporate Secretary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Education           | Mr. Dykimching obtained his Juris Doctor degree from Ateneo de Manila Law School in 2008 and was admitted to the Philippine Bar in 2009.<br><br>He is also a Certified Public Accountant since 2013. He earned his Bachelor of Science in Accountancy from La Consolacion College Manila in 2011 and Bachelor of Science in Legal Management from De La Salle University in 2004.                                                                                                                                                                                                                                                                                                                                      |
| Business Experience | He is a Partner in the Corporate & Special Projects Department of Cruz Marcelo & Tenefrancia. He is a member of the Integrated Bar of the Philippines and the Philippine Bar Association. He is also a Certified Public Accountant. He serves as the Assistant Corporate Secretary of BBR Rail Automation Philippines, Inc., Tewet Philippines, Inc., Vice Cosmetics Group, Inc., and other listed companies (Kepwealth Properties, Inc. and PTFC Redevelopment Corporation). He is also a consultant (Joint Venture Specialist) of the Asian Development Bank and has been assisting the Public-Private Partnership (PPP) Center on PPP and joint venture projects of government agencies and local government units. |

|                     |                                                                                                                                                              |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                | Crystal I. Prado                                                                                                                                             |
| Age                 | 44                                                                                                                                                           |
| Position            | Assistant Corporate Secretary                                                                                                                                |
| Education           | Atty. Prado holds a Bachelor's degree in Secondary Education from the University of Santo Tomas, and Bachelor of Laws degree from the University of the East |
| Business Experience | She serves as Legal Counsel of Sta. Lucia Realty & Development, Inc.; Corporate Secretary of Santalucia Ventures, Inc. and Sta. Lucia Homes,                 |

|  |                                                                                                                                                                                                                                                                                                                                                |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Inc.; Assistant Corporate Secretary of The Mills Country Club, Inc.; College Instructor of St. Joseph's College of Quezon City; Program Coordinator and Director for Education of Sta. Lucia Foundation, Inc.; and Consultant for Sta. Lucia Leisure, Inc., Sta. Lucia Volleyball Club, Firestarters Productions, Inc. and Siddharta Techwork. |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Security Ownership of Officers, Managers and Key Persons

The following table shows the security ownership of management in the **common shares** of the Company as of June 30, 2025.

| Name                  | Amount and Nature of Beneficial Ownership |          | Citizenship | Number of Shares | % Ownership |
|-----------------------|-------------------------------------------|----------|-------------|------------------|-------------|
|                       | Direct                                    | Indirect |             |                  |             |
| David M. Dela Cruz    | 0                                         | 0        | Filipino    | 0                | 0           |
| Hanani B. Palmon      | 0                                         | 0        | Filipino    | 0                | 0           |
| Jeremiah T. Pampolina | 0                                         | 0        | Filipino    | 0                | 0           |
| Patricia A. O. Bunye  | 0                                         | 0        | Filipino    | 0                | 0           |
| Crystal I. Prado      | 0                                         | 0        | Filipino    | 0                | 0           |
| Erik T. Dykimching    | 0                                         | 0        | Filipino    | 0                | 0           |

### Compensation

Compensation paid by the Issuer to the Chief Executive Officers and four (4) most highly compensated officers other than the CEO, all of whom shall be individually named during the last fiscal year:

#### Summary Compensation Table

#### Projected Compensation 2025 (in Thousands)

| Name and Principal Position                                    | Year | Salary    | Bonus     | Other Annual Compensation |
|----------------------------------------------------------------|------|-----------|-----------|---------------------------|
| <b>Executive Officers</b>                                      |      | Estimated | Estimated | Estimated                 |
| Vicente R. Santos – Chairman                                   | 2025 | XXX       | XXX       | XXX                       |
| Exequiel D. Robles – President/Director                        | 2025 | XXX       | XXX       | XXX                       |
| David M. Dela Cruz – Executive Vice President                  | 2025 | XXX       | XXX       | XXX                       |
| Mariza Santos-Tan – Treasurer/Director                         | 2025 | XXX       | XXX       | XXX                       |
| Aurora D. Robles – Assistant Treasurer/Director                | 2025 | XXX       | XXX       | XXX                       |
| Total for Above                                                |      | 7,450     | 2,580     | XXX                       |
| <b>CEO and Four Most Highly Compensated Executive Officers</b> |      | 7,450     | 2,580     | XXX                       |
| <b>All Other Officers as a Group Unnamed</b>                   |      | 2,130     | 365       | XXX                       |

#### Actual Compensation

2024  
(in Thousands)

| Name and Principal Position                                    | Year | Salary | Bonus | Other Annual Compensation |
|----------------------------------------------------------------|------|--------|-------|---------------------------|
| <b>Executive Officers</b>                                      |      |        |       |                           |
| Vicente R. Santos – Chairman                                   | 2024 | XXX    | XXX   | XXX                       |
| Exequiel D. Robles – President/Director                        | 2024 | XXX    | XXX   | XXX                       |
| David M. Dela Cruz – Executive Vice President                  | 2024 | XXX    | XXX   | XXX                       |
| Mariza Santos-Tan – Treasurer/Director                         | 2024 | XXX    | XXX   | XXX                       |
| Aurora D. Robles – Assistant Treasurer/Director                | 2024 | XXX    | XXX   | XXX                       |
| Total for Above                                                |      | 7,450  | 2,580 | XXX                       |
| <b>CEO and Four Most Highly Compensated Executive Officers</b> |      | 7,450  | 2,580 | XXX                       |
| <b>All Other Officers as a Group Unnamed</b>                   |      | 2,130  | 365   | XXX                       |

**Actual Compensation**  
2023  
(in Thousands)

| Name and Principal Position                                    | Year | Salary | Bonus | Other Annual Compensation |
|----------------------------------------------------------------|------|--------|-------|---------------------------|
| <b>Executive Officers</b>                                      |      |        |       |                           |
| Vicente R. Santos – Chairman                                   | 2023 | XXX    | XXX   | XXX                       |
| Exequiel D. Robles – President/Director                        | 2023 | XXX    | XXX   | XXX                       |
| David M. Dela Cruz – Executive Vice President                  | 2023 | XXX    | XXX   | XXX                       |
| Mariza Santos-Tan – Treasurer/Director                         | 2023 | XXX    | XXX   | XXX                       |
| Aurora D. Robles – Assistant Treasurer/Director                | 2023 | XXX    | XXX   | XXX                       |
| Total for Above                                                |      | 7,450  | 2,580 | XXX                       |
| <b>CEO and Four Most Highly Compensated Executive Officers</b> |      | 7,450  | 2,580 | XXX                       |
| <b>All Other Officers as a Group Unnamed</b>                   |      | 2,130  | 365   | XXX                       |

**Actual Compensation**  
2022  
(in Thousands)

| Name and Principal Position                                    | Year | Salary | Bonus | Other Annual Compensation |
|----------------------------------------------------------------|------|--------|-------|---------------------------|
| <b>Executive Officers</b>                                      |      |        |       |                           |
| Vicente R. Santos – Chairman                                   | 2022 | XXX    | XXX   | XXX                       |
| Exequiel D. Robles – President/Director                        | 2022 | XXX    | XXX   | XXX                       |
| David M. Dela Cruz – Executive Vice President                  | 2022 | XXX    | XXX   | XXX                       |
| Mariza Santos-Tan – Treasurer/Director                         | 2022 | XXX    | XXX   | XXX                       |
| Aurora D. Robles – Assistant Treasurer/Director                | 2022 | XXX    | XXX   | XXX                       |
| Total for Above                                                |      | 7,450  | 2,580 | XXX                       |
| <b>CEO and Four Most Highly Compensated Executive Officers</b> |      | 7,450  | 2,580 | XXX                       |
| <b>All Other Officers as a Group Unnamed</b>                   |      | 2,130  | 365   | XXX                       |

**Arrangements with Officers, Directors, Managers and Key Person**

## Standard Arrangements

Other than payment of reasonable per diem in the amount of Fifteen Thousand Pesos (PhP15,000.00), there are no standard arrangements pursuant to which directors of the Registrant are compensated, directly or indirectly, for any services provided as a director for the last completed fiscal year and the ensuing year.

## Other Arrangements

There are no other arrangements pursuant to which any director of the Registrant was compensated, or is to be compensated, directly or indirectly, during the Registrant's last completed year, and the ensuing year, for any service provided as a director.

The Issuer does not expect any material change in compensation next year and it does not owe anyone compensation for prior years.

The Issuer has not entered into any formal employment agreements, non-compete arrangements, or similar contractual restrictions with its Officers, Managers, Directors, or other Key Persons. Presently, all members of the Issuer's leadership and management team serve under the authority of the Board of Directors and in accordance with the Company's By-Laws and applicable corporate governance policies. Compensation, allowances, and benefits are determined and adjusted by the Board on an as-needed basis, and leadership roles are performed pursuant to trust, professional competence, and aligned interests in the success of the Issuer.

The absence of such agreements reflects the Issuer's operating philosophy of maintaining flexibility in organizational management and avoiding long-term contractual obligations that may unduly restrict future strategic decisions. This approach allows the Company to quickly adapt to market conditions, reallocate resources, and make leadership adjustments in response to evolving project needs, especially within the highly dynamic real estate and hospitality sectors where the Issuer's condotel projects are positioned.

While the Issuer recognizes that certain corporations utilize employment contracts or non-compete covenants to secure key executives and mitigate risks of talent loss, management believes that its current structure is appropriate given the depth of experience, long-standing professional relationships, and shared alignment of interest among its current leadership team. The Issuer's executives and directors have a track record of delivering large-scale projects for the Group, and their performance and compensation are closely monitored by the Board and its Committees.

At this time, the Board does not anticipate instituting employment contracts or non-compete arrangements. Should the scale of operations, regulatory environment, or investor considerations require additional measures in the future, the Issuer remains open to adopting best-practice governance standards that balance management retention, accountability, and organizational flexibility.

In summary, the Issuer currently relies on corporate governance oversight, reputation, and long-standing professional commitment rather than formal contractual employment or restrictive covenants, and considers this structure to be sufficient and appropriate for its present stage of operations.

## **Insolvency Legal Proceedings of Management and Key Personnel**

None of the Company's directors, officers, management or key personnel:

- (a) has filed or been the subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive either at the time of the bankruptcy or within two (2) years prior to that time;
- (b) persons been named as the subject of a pending felony or misdemeanor criminal proceeding, except as disclosed below and excluding traffic violations or other minor offenses not related to fraud or a financial crime;
- (c) has been the subject of an order, judgment, decree, sanction or administrative findings imposed by any government agency, administrative agency, self-regulatory organization, civil court, or administrative court in the last five (5) years related to his or her involvement in any type of business, securities, insurance, or banking activity;
- (d) is the subject of a pending civil, administrative, or self-regulatory action related to his or her involvement in any type of business, securities, insurance, or banking activity; or
- (e) has any civil action, administrative proceeding, or self-regulatory proceeding been threatened against any of the above-listed persons related to his or her involvement in any type of business, securities, insurance or banking activity.

#### Certain Legal Proceedings

The table below provides a summary of the proceedings that involve the Issuer's directors and officers with their status as of 30 June 2025:

| Name                 | Position:<br>D = Director<br>ID –<br>Independent Director<br>O - Officer | C<br>i<br>v<br>i<br>l | C<br>r<br>i<br>m<br>i<br>n<br>a<br>l | A<br>d<br>m<br>i<br>n<br>i<br>s<br>t<br>r<br>a<br>t<br>i<br>v<br>e | B<br>a<br>n<br>k<br>r<br>u<br>p<br>t<br>c<br>y | Case Details       |
|----------------------|--------------------------------------------------------------------------|-----------------------|--------------------------------------|--------------------------------------------------------------------|------------------------------------------------|--------------------|
| Vicente R. Santos    | D/O                                                                      | X                     | ✓                                    | ✓                                                                  | X                                              | Please see Annex A |
| Exequiel D. Robles   | D/O                                                                      | ✓                     | ✓                                    | ✓                                                                  | X                                              | Please see Annex A |
| Mariza R. Santos-Tan | D/O                                                                      | X                     | ✓                                    | X                                                                  | X                                              | Please see Annex A |
| Aurora D. Robles     | D/O                                                                      | X                     | X                                    | X                                                                  | X                                              | N/A                |
| Simeon S. Cua        | D                                                                        | X                     | X                                    | X                                                                  | X                                              | N/A                |
| Antonio D. Robles    | D                                                                        | X                     | X                                    | X                                                                  | X                                              | N/A                |
| Orestes R. Santos    | D                                                                        | X                     | X                                    | X                                                                  | X                                              | N/A                |
| Danilo A. Antonio    | ID                                                                       | X                     | X                                    | X                                                                  | X                                              | N/A                |

|                       |    |   |   |   |   |     |
|-----------------------|----|---|---|---|---|-----|
| Renato C. Francisco   | ID | X | X | X | X | N/A |
| David M. Dela Cruz    | O  | X | X | X | X | N/A |
| Hanani B. Palmon      | O  | X | X | X | X | N/A |
| Jeremiah T. Pampolina | O  | X | X | X | X | N/A |
| Patricia A. O. Bunye  | O  | X | X | X | X | N/A |
| Erik T. Dykimching    | O  | X | X | X | X | N/A |
| Crystal I. Prado      | O  | X | X | X | X | N/A |

### **Litigation**

The Issuer has not been involved in litigation or subject to administrative action in the last five (5) years that has had a material effect upon the Issuer's business, financial condition or operations. Current pending litigation involving the Issuer is listed down in Annex A.

The Issuer does not have any pending litigation or administrative action that may have a material effect upon the Issuer's business, financial condition, or operations.

To the best of its knowledge, there is currently no threatened by litigation or administrative action that may have a material effect upon the Issuer's business, financial condition, or operations.

### **Family Relationship**

The Company's President, Exequiel D. Robles, is the President of SLRDI. The Company's directors, Antonio D. Robles, a stockholder of SLRDI, and Aurora D. Robles, the Purchasing Manager of SLRDI, are siblings of Exequiel D. Robles who are all first cousins of Mariza R. Santos-Tan, the Vice-President for Sales of SLRDI, Vicente R. Santos, the Executive Vice-President of SLRDI, and Orestes R. Santos, Project Manager of SLRDI, who, in turn, are siblings.

### **Certain Relationship and Related Party Transactions**

Except as otherwise disclosed herein, the Issuer:

- (a) has not made loans to an Officer, Manager, Director or Principal Stockholders within the last two (2) years;
- (b) does not have any outstanding loans with an Officer, Manager, Director or Principal Stockholder in the future;
- (c) has not done other business not associated with this offer with current Officer, Manager, Director, or Principal Stockholder within the last two (2) years; or
- (d) does not plan to do other business not associated with this offering with a current Officer, Manager, Director, or Principal Stockholder in the future.

## FINANCIAL INFORMATION

### Management Discussion and Analysis (MD&A) or Plan of Operation

*The following discussion of the Company's financial results should be read in conjunction with the independent auditors' reports and the Company's audited consolidated financial statements and notes and interim consolidated financial statements thereto contained in this Prospectus and the section entitled "Summary Financial and Operating Information" on page [\*].*

*This discussion contains forward-looking statements and reflects the current views of the Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "Risk Factors" on page [\*] and elsewhere in this Prospectus.*

### Period ended June 30, 2025 compared to period ended June 30, 2024

#### **Result of Operations**

**(Six months period ended June 30, 2025 compared to the six months period ended June 30, 2025)**

#### Revenue

The financial performance of the Group has shown a decline, reflected in a 29% decrease in total revenue, amounting to ₱1,892.73 million, compared to the corresponding period last year. This downturn is primarily attributed to the decrease in real estate sales, which amounted to ₱1,974.71 million or a 37% decrease. The decline in residential sales was driven by shifting and slow market demand in key regional areas such as Cebu, Cavite, Iloilo, Davao, and Laguna. These conditions have led to lower sales absorption and reduced transaction volumes across the Group's residential portfolio.

Commission income saw a material increase, reaching ₱49.10 million, driven by the Group's marketing subsidiaries effectively optimizing the sale of existing project developments. This strategic focus significantly enhanced commission earnings during the period. Conversely, other revenue declined by 10%, amounting to ₱60.80 million, primarily due to lower collections from penalties, surcharges, and property repossessions, which had previously contributed to non-operating income.

Overall, while the Group has maintained a level of stability through its ongoing marketing efforts, the decline in core real estate sales and ancillary revenues highlights emerging pressures within regional markets to attract potential buyers despite the headwinds experienced by the real estate industry. These trends have the Group reassess its current strategies to better align with evolving market conditions and to support its long-term financial sustainability.

#### Cost and Expense

The Group has experienced a 27% decline, totaling ₱689.31 million, in its total costs and expenses compared to the corresponding period in the previous year. This decrease can be attributed to the decrease in cost of real estate sales and various expense categories. The cost of sales and services decreased by 35%, amounting to ₱554.20 million. The cost of real estate sales decreased by 44%, or ₱567.11 million, which can be directly linked to the decrease in real estate sales. The cost of rental income increased by 4%, or ₱12.90 million, primarily linked to an increase in rental income for the period.

Selling and administrative expenses decreased by 15%, amounting to ₱135.11 million, due to lower commission expenses, repair and maintenance and advertising expense.

Interest expense increase by 1%, or ₱9.74 million, driven by an increase in the volume of the Group's borrowings during the period as well as rising interest rates due to current market conditions. Additionally, income tax decreased by 38%, or ₱302.65 million, attributable to lower taxable income for the period.

The Group has expressed its commitment to closely monitoring its cost structure to ensure sustainable growth and profitability. To attain this objective, the company is actively considering strategies to diversify its revenue streams. Additionally, the Group acknowledges the importance of maintaining a prudent approach to borrowing. These efforts are expected to be crucial in successfully navigating the financial challenges presented by these factors. By carefully managing expenses and exploring new revenue opportunities, the Group aims to strengthen its financial position and drive long-term success.

### Comprehensive Income

Over the span of six months leading up to June 30, 2025, the collective total comprehensive income of the organization demonstrated a decrease of 45%. This decrease corresponds to a downturn of ₱ 1,092.67 million compared to the same period in the prior year. This downturn was mainly triggered by lower earnings derived from real estate deals, commission income, other revenue and interest gains throughout this specified duration.

### Financial Condition

***(Six months ended June 30, 2025 compared to year ended December 31, 2024)***

#### Total Assets

The Company's financial condition, as reflected in its total assets, showed a modest increase of 1% from December 31, 2024 to June 30, 2025. This growth was primarily driven by higher levels of receivables and real estate inventories.

Notably, real estate inventories rose by 3%, amounting to ₱1,280.26 million, as a result of the substantial deployment of capital funds aimed at accelerating project development and launching new projects to meet the growing demand for real estate products.

The Company remains committed to effectively managing its assets, optimizing sales performance, and maintaining a robust balance sheet to sustain its strong financial position and support future expansion initiatives.

#### Total Liabilities

As of the June 30, 2025, the Group's total obligations have decreased by 2%, reflecting a more conservative financial position as compared to corresponding period in previous year. This reduction in liabilities is primarily attributable to a 12% decline in short-term debt, which amounted to ₱846.06 million. The decrease in short-term borrowings indicates the Group's strategic effort to manage liquidity and reduce exposure to near-term financial obligations. This shift is attributed to improved cash flow management, selective refinancing activities, and the settlement of maturing debt instruments.

### Key Performance Indicators

|                                | June 30, 2025  | December 31, 2024 |
|--------------------------------|----------------|-------------------|
| <b>Current Ratio</b>           | <b>3.09</b>    | <b>2.80</b>       |
| <b>Debt to Equity</b>          | <b>0.80</b>    | <b>0.83</b>       |
| <b>Interest Coverage Ratio</b> | <b>310.11%</b> | <b>398.18%</b>    |
| <b>Return on Asset</b>         | <b>2.17%</b>   | <b>6.23%</b>      |
| <b>Return on Equity</b>        | <b>4.73%</b>   | <b>14.06%</b>     |

\*Notes to Key Performance Indicator:

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current

- liabilities (*accounts payable, customer deposit, current portion of bank loans and income tax payables*).
- Debt to Equity = Total debt over shareholder's equity.
  - Interest Coverage Ratio= Earnings before Income Tax and Interest Expense over Interest Expense
  - Return on Asset = Net Income over Total Assets
  - Return on Equity = Net Income over shareholder's equity.

**Material Changes in the Balance Sheet (+/- 5%) as of June 30, 2025 versus the Balance Sheet as of December 31, 2024**

|                                                                                 |                  |                      | HORIZONTAL<br>ANAYSIS |         | VERTICAL<br>ANALYSIS |                      |             |
|---------------------------------------------------------------------------------|------------------|----------------------|-----------------------|---------|----------------------|----------------------|-------------|
|                                                                                 | June 30,<br>2025 | December<br>31, 2024 | Change<br>Amount      | %       | June 30,<br>2025     | December<br>31, 2024 | %<br>Change |
| In ₱ millions, except per share figures                                         |                  |                      |                       |         |                      |                      |             |
| ASSETS                                                                          |                  |                      |                       |         |                      |                      |             |
| Current Assets                                                                  |                  |                      |                       |         |                      |                      |             |
| Cash and cash equivalents                                                       | ₱2,356           | ₱3,391               | ₱(1,035)              | (30.5%) | 3.4%                 | 5.0%                 | (1.6%)      |
| Receivables                                                                     | 5,908            | 6,032                | (125)                 | (2.1%)  | 8.6%                 | 8.9%                 | (0.3%)      |
| Contract assets                                                                 | 2,633            | 2,600                | 33                    | 1.3%    | 3.8%                 | 3.8%                 | 0.0%        |
| Real estate inventories                                                         | 41,365           | 40,085               | 1,280                 | 3.2%    | 60.2%                | 58.9%                | 1.3%        |
| Other current assets                                                            | 3,826            | 2,835                | 991                   | 35.0%   | 5.6%                 | 4.2%                 | 1.4%        |
| Total Current Assets                                                            | 56,087           | 54,943               | 1,145                 | 2.1%    | 81.6%                | 80.8%                | 0.8%        |
| Noncurrent Assets                                                               |                  |                      |                       |         |                      |                      |             |
| Installment contracts receivables - net of<br>current portion                   | 1,824            | 1,556                | 268                   | 17.2%   | 2.7%                 | 2.3%                 | 0.4%        |
| Contract assets - net of current portion                                        | 2,734            | 2,698                | 36                    | 1.3%    | 4.0%                 | 4.0%                 | 0.0%        |
| Investment properties                                                           | 6,711            | 6,722                | (10)                  | (0.2%)  | 9.8%                 | 9.9%                 | (0.1%)      |
| Property and equipment                                                          | 82               | 70                   | 13                    | 18.4%   | 0.1%                 | 0.1%                 | 0.0%        |
| Financial assets at fair value through<br>other comprehensive income<br>(FVOCI) | 625              | 760                  | (134)                 | (17.7%) | 0.9%                 | 1.1%                 | (0.2%)      |
| Other noncurrent assets                                                         | 658              | 1,273                | (615)                 | (48.3%) | 1.0%                 | 1.9%                 | (0.9%)      |
| Total Noncurrent Assets                                                         | 12,635           | 13,078               | (443)                 | (3.4%)  | 18.4%                | 19.2%                | (0.8%)      |
|                                                                                 | ₱68,723          | ₱68,021              | ₱702                  | 1.0%    | 100.0%               | 100.0%               |             |
| LIABILITIES AND EQUITY                                                          |                  |                      |                       |         |                      |                      |             |
| Current Liabilities                                                             |                  |                      |                       |         |                      |                      |             |
| Short-term debt                                                                 | ₱6,199           | ₱7,045               | (₱846)                | (12.0%) | 9.0%                 | 10.4%                | (1.3%)      |
| Accounts and other payables                                                     | 6,757            | 7,456                | (699)                 | (9.4%)  | 9.8%                 | 11.0%                | (1.1%)      |
| Income tax payable                                                              | 14               | 107                  | (92)                  | (86.6%) | 0.0%                 | 0.2%                 | (0.1%)      |
| Contract liabilities - current portion                                          | 220              | 440                  | (221)                 | (50.1%) | 0.3%                 | 0.6%                 | (0.3%)      |
| Long-term debt - current portion                                                | 5,097            | 4,597                | 500                   | 10.9%   | 7.4%                 | 6.8%                 | 0.7%        |
| Total Current Liabilities                                                       | 18,287           | 19,645               | (1,358)               | (6.9%)  | 26.6%                | 28.9%                | (2.3%)      |
| Noncurrent Liabilities                                                          |                  |                      |                       |         |                      |                      |             |
| Long-term debt - net of current portion                                         | 13,891           | 13,372               | 519                   | 3.9%    | 20.2%                | 19.7%                | 0.6%        |
| Contract liabilities - net of current portion                                   | 168              | 336                  | (169)                 | (50.1%) | 0.2%                 | 0.5%                 | (0.3%)      |
| Deferred tax liabilities – net                                                  | 4,853            | 4,499                | 354                   | 7.9%    | 7.1%                 | 6.6%                 | 0.4%        |
| Retirement liabilities                                                          | 15               | 15                   | (0)                   | (0.3%)  | 0.0%                 | 0.0%                 | 0.0%        |
| Total Noncurrent Liabilities                                                    | 18,927           | 18,222               | 704                   | 3.9%    | 27.5%                | 26.8%                | 0.8%        |
| Total Liabilities                                                               | 37,213           | 37,867               | (654)                 | (1.7%)  | 54.2%                | 55.7%                | (1.5%)      |
| Equity                                                                          |                  |                      |                       |         |                      |                      |             |
| Capital stock                                                                   | 10,796           | 10,796               | –                     | 0.0%    | 15.7%                | 15.9%                | (0.2%)      |
| Additional paid-in capital                                                      | 580              | 580                  | –                     | 0.0%    | 0.8%                 | 0.9%                 | 0.0%        |
| Retained earnings                                                               | 21,564           | 20,074               | 1,490                 | 7.4%    | 31.4%                | 29.5%                | 1.9%        |
| Treasury shares                                                                 | (1,600)          | (1,600)              | –                     | 0.0%    | (2.3%)               | (2.4%)               | 0.0%        |
| Net unrealized gain on fair value of<br>financial assets at FVOCI               | 168              | 303                  | (134)                 | (44.4%) | 0.2%                 | 0.4%                 | (0.2%)      |
| Remeasurement gains on pension - net of<br>tax                                  | (1)              | (1)                  | –                     | 0.0%    | 0.0%                 | 0.0%                 | 0.0%        |

|                     |                |         |       |      |               |        |      |
|---------------------|----------------|---------|-------|------|---------------|--------|------|
| <b>Total Equity</b> | <b>31,510</b>  | 30,154  | 1,356 | 4.5% | <b>45.8%</b>  | 44.3%  | 1.5% |
|                     | <b>₱68,723</b> | ₱68,021 | ₱ 702 | 1.0% | <b>100.0%</b> | 100.0% |      |

**31% decrease in cash and cash equivalents**

*Cash and cash equivalents decreased primarily due to settlement of maturing obligations, funding of project development costs during the first half of 2025.*

**35% increase in other current assets**

*Increase is driven mainly by higher prepaid expenses, and advances to suppliers related to ongoing construction and development activities.*

**17% increase in intallment contracts receivables – non current**

*The increase is driven by the recognition of revenue under the percentage of completion (POC) method for real estate sales, where payment terms extend beyond 12 months.*

**18% increase in property and equipment**

*The increase is attributable to acquisitions of office equipment and leasehold improvements to support expanded operations.*

**18 decrease financial asset at FVOCI**

*The declined is due to unrealized fair value losses on equity investments amid market volatility.*

**48% decrease in other noncurrent asset**

*Other noncurrent assets decreased is due to the reclassification of certain deposits and advances to current assets and amortization of deferred charges.*

**12% decrease in short-term debt**

*There's a 12% decrease in short-term debt, following the repayment of maturing loans and refinancing through long-term facilities.*

**9% decrease in Accounts Payable**

*The decrease in accounts payable is due to settlement of trade obligations and lower accruals for construction costs.*

**86% decrease in income tax payable**

*Income tax payable dropped due to payment of prior period taxes and timing differences in tax accruals..*

**50% decrease in contract liabilities**

*Contract liabilities is decreased due to construction milestones achieved, resulting in revenue recognition under POC and corresponding reduction in deferred revenue.*

**7% increase in long-term debt**

*Long-term debt increased due to new borrowings to finance project development and reclassification of maturing obligations to current liabilities.*

**8% increase in deferred tax liabilities**

*The decrease is primarily due to temporary differences arising from revenue recognition and fair value adjustments.*

**15% increase in retained earnings**

*Increase in retained earnings is attributable to the net income recognized during the period.*

**44% decrease in net unrealized gain on fair value of financial assets at FVOCI**

*The decrease is in line with the decrease in fair value of financial assets.*

**Material Changes in the Income Statement (+/-5%) for the Six-Month Period Ended June 30, 2025 versus the Income Statement for the Six-Month Period Ended June 30, 2024**

| In ₱ millions, except per share figures                                                          | HORIZONTAL ANALYSIS |               |               |          | VERTICAL ANALYSIS |               |          |
|--------------------------------------------------------------------------------------------------|---------------------|---------------|---------------|----------|-------------------|---------------|----------|
|                                                                                                  | June 30, 2025       | June 30, 2024 | Change Amount | Change % | June 30, 2025     | June 30, 2024 | % Change |
| <b>REVENUE</b>                                                                                   |                     |               |               |          |                   |               |          |
| Real estate sales                                                                                | ₱ 3,322             | ₱5,296        | ( ₱1,975)     | (37.3%)  | 70.0%             | 79.9%         | (9.9%)   |
| Rental income                                                                                    | 373                 | 362           | 11            | 2.9%     | 7.9%              | 5.5%          | 2.4%     |
| Interest income on receivables and contract assets                                               | 342                 | 259           | 83            | 32.1%    | 7.2%              | 3.9%          | 3.3%     |
| Commission income                                                                                | 122                 | 73            | 49            | 66.9%    | 2.6%              | 1.1%          | 1.5%     |
| Other revenue                                                                                    | 563                 | 624           | (61)          | (9.7%)   | 11.9%             | 9.4%          | 2.5%     |
|                                                                                                  | 4,722               | 6,615         | (1,893)       | (28.6%)  | 99.5%             | 99.8%         | (0.3%)   |
| <b>OTHER INCOME</b>                                                                              |                     |               |               |          |                   |               |          |
| Interest income on cash and cash equivalents and short-term investments                          | 21                  | 12            | 8             | 67.4%    | 0.4%              | 0.2%          | 0.2%     |
| Dividend income                                                                                  | 2                   | 0             | 1             | 395.5%   | 0.0%              | 0.0%          | 0.0%     |
|                                                                                                  | 22                  | 12            | 10            | 76.5%    | 0.5%              | 0.2%          | 0.3%     |
|                                                                                                  | 4,744               | 6,627         | (1,883)       | (28.4%)  | 100.0%            | 100.0%        | 0.0%     |
| <b>COST OF SALES AND SERVICES</b>                                                                |                     |               |               |          |                   |               |          |
| Cost of real estate sales                                                                        | 731                 | 1,298         | (567)         | (43.7%)  | 15.4%             | 19.6%         | (4.2%)   |
| Cost of rental income                                                                            | 302                 | 289           | 13            | 4.5%     | 6.4%              | 4.4%          | 2.0%     |
|                                                                                                  | 1,032               | 1,587         | (554)         | (34.9%)  | 21.8%             | 23.9%         | (2.2%)   |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>                                                       |                     |               |               |          |                   |               |          |
| Commissions                                                                                      | 452                 | 588           | (136)         | (23.1%)  | 9.5%              | 8.9%          | 0.7%     |
| Taxes, licenses and fees                                                                         | 140                 | 127           | 13            | 10.6%    | 3.0%              | 1.9%          | 1.0%     |
| Salaries and wages and other benefits                                                            | 81                  | 72            | 9             | 12.1%    | 1.7%              | 1.1%          | 0.6%     |
| Transportation, travel, office supplies and miscellaneous                                        | 38                  | 31            | 7             | 22.8%    | 0.8%              | 0.5%          | 0.3%     |
| Representation                                                                                   | 31                  | 23            | 8             | 34.0%    | 0.6%              | 0.3%          | 0.3%     |
| Advertising                                                                                      | 13                  | 21            | (8)           | (37.3%)  | 0.3%              | 0.3%          | 0.0%     |
| Professional fees                                                                                | 10                  | 13            | (3)           | (22.9%)  | 0.2%              | 0.2%          | 0.0%     |
| Depreciation and amortization                                                                    | 7                   | 23            | (16)          | (69.3%)  | 0.1%              | 0.3%          | (0.2%)   |
| Utilities                                                                                        | 5                   | 8             | (3)           | (43.1%)  | 0.1%              | 0.1%          | 0.0%     |
| Legal expense                                                                                    | 4                   | 2             | 2             | 70.5%    | 0.1%              | 0.0%          | 0.1%     |
| Repairs and maintenance                                                                          | 3                   | 4             | (1)           | (18.7%)  | 0.1%              | 0.1%          | 0.0%     |
| Insurance expense                                                                                | 2                   | 2             | (0)           | (8.2%)   | 0.0%              | 0.0%          | 0.0%     |
| Surcharges and penalties                                                                         | 1                   | 8             | (7)           | (86.8%)  | 0.0%              | 0.1%          | (0.1%)   |
|                                                                                                  | 788                 | 923           | (135)         | (14.6%)  | 16.6%             | 13.9%         | 2.7%     |
| <b>INTEREST EXPENSE</b>                                                                          | 943                 | 933           | 10            | 1.0%     | 19.9%             | 14.1%         | 5.8%     |
| <b>INCOME BEFORE INCOME TAX</b>                                                                  | 1,981               | 3,185         | (1,203)       | (37.8%)  | 41.8%             | 48.1%         | (6.3%)   |
| <b>PROVISION FOR INCOME TAX</b>                                                                  | 491                 | 794           | (303)         | (38.1%)  | 10.4%             | 12.0%         | (1.6%)   |
| <b>NET INCOME</b>                                                                                | 1,490               | 2,391         | (901)         | (37.7%)  | 31.4%             | 36.1%         | (4.7%)   |
| <b>OTHER COMPREHENSIVE INCOME</b>                                                                |                     |               |               |          |                   |               |          |
| Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods |                     |               |               |          |                   |               |          |
| Unrealized losses on fair value of financial assets at FVOCI                                     | (134)               | 57            | (192)         | (334.6%) | (2.8%)            | 0.9%          | (3.7%)   |
| Remeasurement gains on pension - net of tax                                                      | —                   | —             | —             | 0.0%     | 0.0%              | 0.0%          | 0.0%     |
|                                                                                                  | (134)               | 57            | (192)         | (334.6%) | (2.8%)            | 0.9%          | (3.7%)   |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                                                | ₱1,356              | ₱2,448        | ( ₱1,093)     | (44.6%)  | 28.6%             | 36.9%         | (8.4%)   |
| <b>Basic/Diluted Earnings Per Share</b>                                                          | ₱0.18               | ₱0.29         |               |          |                   |               |          |

**37% decrease in real estate sales**

*Real estate sales declined is primarily due to shifting and slow market demand in different key areas resulting to lower sales. This impacted overall topline performance and contributed to the decline in net income.*

**32% increase in interest income on receivables and contract asset**

*The increase is driven by higher installment receivables and contract assets resulting from extended payment terms and increased financing activity.*

**67% increase in commission income**

*The Group's marketing subsidiary was able to maximize the sale of existing project developments resulting to increase in commission income during the period.*

**10% decrease in other revenue**

*Other sources of income demonstrated a significant decrease due to lower miscellaneous income from non-core activities and reduced service fees..*

**44% increase in cost of real estate sales**

*The decrease in cost of real estate sales is in line with the decline in real estate revenue and lower construction activity during the period.*

**23% decrease in commission expense**

*The decrease is consistent with the drop in real estate sales and related selling activity.*

**11% increase in taxes, licenses and fees**

*The increase was primarily attributable to higher regulatory charges and expanded project compliance requirements.*

**27% increase in salaries, wages and other benefits**

*This increase reflects the annual merit increases, new hires, and expanded operations support.*

**23% increase in transportation and travel office supplies and miscellaneous**

*The increase is due to the higher travel and mobility costs associated with site visits, project monitoring, and client meetings. Increased office supply consumption due to expanded operations and onboarding of new personnel.*

**34% increase in representation**

*The increase is due to enhanced client engagement efforts, including events, presentations, and hospitality for prospective buyers and partners.*

**69% decrease in depreciation and amortization**

*Depreciation and amortization decrease due to fully depreciated assets and lower capital expenditures.*

**43% decrease in utilities**

*The decrease is due to energy-saving initiatives implemented across office and project sites and cost management effort.*

**71% increase in legal expense**

*The increase is attributed to higher professional fees incurred in connection with ongoing regulatory compliance, contract reviews, and corporate governance matters. And increased legal advisory services related to property acquisitions, joint ventures, and documentation for new project launches.*

**19% decrease in repairs and maintenance**

*The decrease is the result of fewer corrective maintenance activities required during the period, as assets remained in good operational condition. And completion of major repair works in the prior year, resulting in lower recurring maintenance needs in 2025.*

**8% decrease in insurance expense**

*The decrease is due to streamlining of coverage across assets, eliminating redundancies and optimizing policy structures.*

**87% decrease in surcharges and penalties**

*The decrease is the result of improved compliance with regulatory and contractual obligations, resulting in fewer late payments and violations. And enhanced internal controls and monitoring systems, which helped prevent lapses and ensure timely settlements.*

**38% decrease in provision for income tax**

*The decrease is in line with the decline in taxable income.*

**335% decrease in unrealized gains on the fair value of financial assets at FVOCI**

*The recorded unrealized loss on financial assets at FVOCI, is a swing from the prior year's gain, due to market volatility and fair value adjustments.*

**Year Ended December 31, 2024 compared to year ended December 31, 2023****Overview of Operations**

Throughout the year, the Group maintained a consistent pace of development and land acquisition, evident in its robust balance sheet and outstanding financial performance. With increased funding to bolster expansive operations across the country and improved collection of buyers receivables, coupled with successful fundraising endeavors, the Group yielded a 10% growth in total assets compared to the corresponding period last year.

**Revenue**

Due to increased demand, property values outside of Metro Manila have also incremented which ultimately resulted to the increased of Group's real estate sales during the year. The gross revenue for the period is increased by 7% or ₱792 million as compared to prior year. As a result of the slow pace of real estate market this year, the Group experienced decrease in real estate sales by 3% or ₱241 million. Commission income during the period had increased by 16% or ₱19 million as compared to previous year. Interest income on receivables and contract assets increased by 17% or ₱124 million while interest income on cash in banks had decreased by 8% or 3 million, respectively as compared to prior year. Other revenue increased by 85% or ₱893 million, which composed of gains from repossession of inventory, penalties and surcharges, processing and registration fees, and other miscellaneous income. Despite the increased of major revenue stream of the group, its commercial group experienced a decreased of 0.3% or ₱2 million in 2024. The primary reason of the decreased is due to the vacancy of its BPO office. Nevertheless, it is expected to be rented-out in upcoming years as the Group have already been received some advance payments from tenants.

**Cost and Expense**

The Group's total costs and expenses recognized in 2024 was ₱7,863 million. There had been an increase of 4% or ₱281 million as opposed to 2023. The total cost of sales decreased by 11% or ₱2,659 million, mainly due to the cost actualization of newly completed projects during the year. The total selling and administrative expenses increased by 9% or ₱160 million. The increase was primarily attributed to the rise in commission expenses resulting from the heightened real estate sales.

Commission expenses recorded at ₱946 million or decreased by 3% in 2024. Due to the unfavorable economic condition globally, the interest rate had significantly increased as compared to the previous years. The Group recognized an increase of 18% or ₱291 million on its interest expense during the year.

#### Net Income

Directly benefiting from the upsurge in property prices beyond Metro Manila and the increase in demands of properties located in the fringes, the Group's net income increased by a whopping 14% or ₱506 million during the year

### **PROJECT AND CAPITAL EXPENDITURES**

In 2024, the Group apportioned ₱6,784 million for project and capital expenditures to meet the rising demand for real estate. Part of the allotted amount, ₱1,072 million were incurred to acquire raw lands for future developments and expansions of its existing horizontal and vertical projects. A daring attempt on the part of the Group to emerge as the top real estate company in the nation, not just in terms of size, but also in terms of more significant quality projects, quality business plans, growth, returns, and innovation. The amount is accounted for the continuous development of the Registrant's existing residential and commercial projects and finance newly developed projects.

### **FINANCIAL CONDITION**

#### Assets

During the year, the Group's total assets demonstrated resilience, reaching ₱68 billion or 10% increase from the 2023 balance of ₱62 billion. Notably, the increase in total assets is attributable to the more aggressive land banking and project development and expansions, which resulted to the 15% or ₱5,219 billion increased in Group's real estate inventories during the year. The total receivables recognized in 2024 was ₱7,588 million or 12% increased from 2023. The upward movement on the total receivables was relatively connected to the increased of real estate sales during the year.

#### Liabilities

The Group showed efforts in sustaining a robust liquidity position amidst reduced cash inflows from operations, the Group strategically leveraged the debt markets to secure additional funding. Total liabilities for the year 2024 reached ₱37,867 million, reflecting a 7% increase compared to the prior year's reported total liabilities of ₱35,384 million. Primarily, the Group sourced a significant portion of its borrowings through long-term loans, resulting in a substantial growth of 16%, escalating from ₱15,495 million in 2023 to ₱17,969 million in 2024. The Group's deferred tax liabilities also exhibited an increase of ₱966 million or 27% from the previous year.

#### Equity

Total shareholders' equity surged by ₱3,638 million or 14%, mainly driven by the realized net income throughout the year. On November 7, 2024, the board announced special cash dividends at ₱0.04 per share for shareholders recorded as of November 28, 2024 and payment date on December 20, 2024. sourced from its unrestricted retained earnings.

### Key Performance Indicators

|                         | 31-Dec-24 | 31-Dec-23 |
|-------------------------|-----------|-----------|
| Current Ratio           | 2:80:1    | 2.29      |
| Debt to Equity          | 0.83:1    | 0.90      |
| Interest Coverage Ratio | 398.18%   | 309.89%   |
| Return on Asset         | 6.23      | 6.03%     |
| Return on Equity        | 14.06%    | 14.08%    |

\*Notes to Key Performance Indicators:

1. Current Ratio = current assets (cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset) over current liabilities (accounts payable, customer deposit, current portion of bank loans, income tax payable, and deferred tax liabilities).
2. Debt to Equity = Total debt over shareholder's equity.
3. Interest Coverage Ratio = Earnings before tax over Interest expense.
4. Return on Asset = Net Income over Total Assets.
5. Return on Equity = Net Income over shareholder's equity.

There are no events that will trigger any direct or contingent financial obligation that is material to the Registrant, including any default or acceleration of an obligation.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2024.

### Material Changes in the Balance Sheet (+/- 5%) as of December 31, 2024 versus the Balance Sheet as of December 31, 2023

| In ₱ millions, except per share figures                                   | HORIZONTAL ANALYSIS |                   |                |               | VERTICAL ANALYSIS |                   |               |
|---------------------------------------------------------------------------|---------------------|-------------------|----------------|---------------|-------------------|-------------------|---------------|
|                                                                           | December 31, 2024   | December 31, 2023 | Change Amount  | %             | December 31, 2024 | December 31, 2023 | % Change      |
| <b>ASSETS</b>                                                             |                     |                   |                |               |                   |                   |               |
| <b>Current Assets</b>                                                     |                     |                   |                |               |                   |                   |               |
| Cash and cash equivalents                                                 | ₱ 3,391             | ₱2,968            | ₱423           | 14.3%         | 5.0%              | 4.8%              | 0.2%          |
| Receivables                                                               | 6,032               | 5,198             | 834            | 16.1%         | 8.9%              | 8.4%              | 0.5%          |
| Contract assets                                                           | 2,600               | 2,825             | (225)          | (8.0%)        | 3.8%              | 4.6%              | (0.7%)        |
| Real estate inventories                                                   | 40,085              | 34,866            | 5,219          | 15.0%         | 58.9%             | 56.3%             | 2.6%          |
| Other current assets                                                      | 2,835               | 2,611             | 223            | 8.5%          | 4.2%              | 4.2%              | (0.1%)        |
| <b>Total Current Assets</b>                                               | <b>54,943</b>       | <b>48,467</b>     | <b>6,475</b>   | <b>13.4%</b>  | <b>80.8%</b>      | <b>78.3%</b>      | <b>2.5%</b>   |
| <b>Noncurrent Assets</b>                                                  |                     |                   |                |               |                   |                   |               |
| Installment contracts receivables - net of current portion                | 1,556               | 1,600             | (44)           | (2.7%)        | 2.3%              | 2.6%              | 0.3%          |
| Contract assets - net of current portion                                  | 2,698               | 3,359             | (662)          | (19.7%)       | 4.0%              | 5.4%              | 1.5%          |
| Investment properties                                                     | 6,722               | 6,559             | 163            | 2.5%          | 9.9%              | 10.6%             | (0.7%)        |
| Property and equipment                                                    | 70                  | 76                | (7)            | (8.9%)        | 0.1%              | 0.1%              | 0.0%          |
| Financial assets at fair value through other comprehensive income (FVOCI) | 760                 | 727               | 32             | 4.5%          | 1.1%              | 1.2%              | (0.1%)        |
| Other noncurrent assets                                                   | 1,273               | 1,109             | 164            | 14.8%         | 1.9%              | 1.8%              | 0.1%          |
| <b>Total Noncurrent Assets</b>                                            | <b>13,078</b>       | <b>13,432</b>     | <b>(354)</b>   | <b>(2.6%)</b> | <b>19.2%</b>      | <b>21.7%</b>      | <b>(2.5%)</b> |
|                                                                           | <b>₱ 68,021</b>     | <b>₱61,899</b>    | <b>₱ 6,122</b> | <b>9.9%</b>   | <b>100.0%</b>     | <b>100.0%</b>     | <b>0.0%</b>   |

## LIABILITIES AND EQUITY

|                                                                |                 |                 |                |               |               |               |               |
|----------------------------------------------------------------|-----------------|-----------------|----------------|---------------|---------------|---------------|---------------|
| <b>Current Liabilities</b>                                     |                 |                 |                |               |               |               |               |
| Short-term debt                                                | ₱ 7,045         | ₱ 8,345         | ₱ (1,300)      | (15.6%)       | 10.4%         | 13.5%         | (3.1%)        |
| Accounts and other payables                                    | 7,456           | 6,122           | 1,334          | 21.8%         | 11.0%         | 9.9%          | 1.1%          |
| Income tax payable                                             | 107             | 100             | 7              | 6.8%          | 0.2%          | 0.2%          | 0.0%          |
| Contract liabilities - current portion                         | 440             | 1,518           | (1,077)        | (71.0%)       | 0.6%          | 2.5%          | (1.8%)        |
| Long-term debt - current portion                               | 4,597           | 5,072           | (475)          | (9.4%)        | 6.8%          | 8.2%          | (1.4%)        |
| <b>Total Current Liabilities</b>                               | <b>19,645</b>   | <b>21,157</b>   | <b>(1,512)</b> | <b>(7.1%)</b> | <b>28.9%</b>  | <b>34.2%</b>  | <b>(5.3%)</b> |
| <b>Noncurrent Liabilities</b>                                  |                 |                 |                |               |               |               |               |
| Long-term debt - net of current portion                        | 13,372          | 10,423          | 2,949          | 28.3%         | 19.7%         | 16.8%         | 2.8%          |
| Contract liabilities - net of current portion                  | 336             | 257             | 79             | 30.8%         | 0.5%          | 0.4%          | 0.1%          |
| Deferred tax liabilities - net                                 | 4,499           | 3,533           | 966            | 27.4%         | 6.6%          | 5.7%          | 0.9%          |
| Retirement liabilities                                         | 15              | 15              | (0)            | -2.7%         | 0.0%          | 0.0%          | 0.0%          |
| <b>Total Noncurrent Liabilities</b>                            | <b>18,222</b>   | <b>14,228</b>   | <b>3,995</b>   | <b>28.1%</b>  | <b>26.8%</b>  | <b>23.0%</b>  | <b>3.8%</b>   |
| <b>Total Liabilities</b>                                       | <b>37,867</b>   | <b>35,384</b>   | <b>2,483</b>   | <b>7.0%</b>   | <b>55.7%</b>  | <b>57.2%</b>  | <b>(1.5%)</b> |
| <b>Equity</b>                                                  |                 |                 |                |               |               |               |               |
| Capital stock                                                  | 10,796          | 10,796          | -              | 0.0%          | 15.9%         | 17.4%         | (1.6%)        |
| Additional paid-in capital                                     | 580             | 580             | -              | 0.0%          | 0.9%          | 0.9%          | (0.1%)        |
| Retained earnings                                              | 20,074          | 16,469          | 3,605          | 21.9%         | 29.5%         | 26.6%         | 2.9%          |
| Treasury shares                                                | (1,600)         | (1,600)         | -              | 0.0%          | (2.4%)        | (2.6%)        | 0.2%          |
| Net unrealized gain on fair value of financial assets at FVOCI | 303             | 271             | 32             | 12.0%         | 0.4%          | 0.4%          | 0.0%          |
| Remeasurement gains on pension - net of tax                    | 0               | (1)             | 1              | (138.8%)      | 0.0%          | 0.0%          | 0.0%          |
| <b>Total Equity</b>                                            | <b>30,153</b>   | <b>26,515</b>   | <b>3,639</b>   | <b>13.7%</b>  | <b>44.3%</b>  | <b>42.8%</b>  | <b>1.5%</b>   |
|                                                                | <b>₱ 68,021</b> | <b>₱ 61,899</b> | <b>₱ 6,122</b> | <b>9.9%</b>   | <b>100.0%</b> | <b>100.0%</b> | <b>0.0%</b>   |

14% increase in cash and cash equivalents

*Increase in cash and cash equivalents is primarily attributable to the collection of account receivable. The increase in cash was also evident by the increased due to repayment of mature long-term and short-term borrowings, and availed new lines of loans for working capital and for future project expansion.*

12% increase in receivables

*Decrease in receivables within the Group was primarily driven by the substantial increase in recognized real estate sales throughout the year.*

8% decrease in current portion of contract assets

*The decrease was due to enhanced efforts in billing and collection, which led to reduction in current contract assets observed throughout the year.*

15% increase in real estate inventories

*With ample cash available to support operations, a substantial portion of capital expenditures was allocated to project developments and land banking activities, resulting in a rise in real estate inventories.*

9% increase in other current assets

*The increase was primarily driven by an additional 100 million in short-term investments, reflecting a strategic allocation of funds to capitalize on market opportunities and enhance liquidity*

3% decrease in noncurrent portion of installment contract receivables

*The decrease in the noncurrent portion of installment receivable was driven by several new projects that is still under development.*

20% decrease in noncurrent portion of contract assets

*The decrease in the noncurrent portion of contract assets was primarily due to reduction of collections.*

14% decrease in property and equipment

*The decrease in property and equipment is due to the depreciation expense recognize for the year.*

4% increase in financial assets at fair value through other comprehensive income

*The increase was attributed to the incline in the fair market value of investment securities, particularly in Philippine Racing Inc. and Manila Jockey Club Inc.*

15% increase in other noncurrent assets

*The increase was primarily driven by the increase in escrow payments with the regulatory bodies for the upcoming projects.*

16% decrease in short-term debt

*As the Group optimized its funding strategies by securing long-term loans, short-term credit lines were repaid over the course of the year.*

7% increase in income tax payable

*Directly related to the recognized revenue for year 2024.*

71% decrease in contract liabilities - current

*Advance collections initially recorded as liabilities from buyers whose properties were yet to be developed were recognized as income due to increased project development accomplishments during the period.*

9% decrease in long term debts - current portion

*The decrease was primarily attributable to the ₱7,520.70 term loan facility with RCBC falling due in 2024, as well as some portion of the principal of the outstanding term-loans of the Group.*

28% increase in long term debts - noncurrent portion

*The increase in the noncurrent portion of long-term debts was primarily due to the ₱3,000 million both in CBC and RCBC term-loans in December 2024.*

31% increase in contract liabilities – noncurrent

*As project development milestones were launched during the period, advance payments from several buyers of properties yet to be constructed, classified as contract liabilities, are higher than the recognized income.*

27% increase in deferred tax liabilities-net

*The increase in deferred tax liabilities was mainly attributable to timing differences in revenue recognition for real estate transactions and other purposes.*

24% decrease in retirement liabilities

*Primarily due to the decrease in retirement liabilities was due to payments made towards contributions to the retirement fund.*

22% increase in retained earnings

The increase was mainly attributable to the significant revenue generation of the Group during the period, with net income showing a notable increase compared to the previous year.

54% decrease in unrealized gain on fair value of available-for-sale financial assets

The movement was due to the decrease in the market price of investment securities, particularly in Philippine Racing Inc. and Manila Jockey Club Inc.

174% increase in unrealized gain on pension liabilities

The increase resulted from changes in estimates for retirement liability as valued by the independent actuary.

**Material Changes in the Income Statement (+/- 5%) for the year ended December 31, 2024 versus the Income Statement for the year ended December 31, 2023**

| In ₱ millions, except per share figures                                 | HORIZONTAL ANALYSIS |                   |         |         | VERTICAL ANALYSIS |                   | % Change |
|-------------------------------------------------------------------------|---------------------|-------------------|---------|---------|-------------------|-------------------|----------|
|                                                                         | December 31, 2024   | December 31, 2023 | Amount  | Change  | December 31, 2024 | December 31, 2023 |          |
| REVENUE                                                                 |                     |                   |         |         |                   |                   |          |
| Real estate sales                                                       | ₱8,213              | ₱ 8,454           | ₱ (241) | (2.9%)  | 67.9%             | 74.7%             | (6.9%)   |
| Rental income                                                           | 760                 | 763               | (2)     | (0.3%)  | 6.3%              | 6.7%              | (0.5%)   |
| Interest income on receivables and contract assets                      | 856                 | 733               | 124     | 16.9%   | 7.1%              | 6.5%              | 0.6%     |
| Commission income                                                       | 136                 | 117               | 19      | 16.1%   | 1.1%              | 1.0%              | 0.1%     |
| Other revenue                                                           | 2,092               | 1,199             | 893     | 74.5%   | 17.3%             | 10.6%             | 6.7%     |
|                                                                         | 12,057              | 11,265            | 792     | 7.0%    | 99.6%             | 99.6%             | 0.1%     |
| OTHER INCOME                                                            |                     |                   |         |         |                   |                   |          |
| Interest income on cash and cash equivalents and short-term investments | 42                  | 45                | (3)     | (7.7%)  | 0.3%              | 0.4%              | (0.1%)   |
| Dividend income                                                         | 4                   | 6                 | (1)     | (26.1%) | 0.0%              | 0.1%              | 0.0%     |
|                                                                         | 46                  | 51                | (5)     | (9.8%)  | 0.4%              | 0.4%              | (0.1%)   |
|                                                                         | 12,102              | 11,315            | 787     | 7.0%    | 100.0%            | 100.0%            | 0.0%     |
| COST OF SALES AND SERVICES                                              |                     |                   |         |         |                   |                   |          |
| Cost of real estate sales                                               | 2,034               | 2,406             | (372)   | (15.5%) | 16.8%             | 21.3%             | (4.5%)   |
| Cost of rental income                                                   | 625                 | 599               | 26      | 4.4%    | 5.2%              | 5.3%              | (0.1%)   |
|                                                                         | 2,659               | 3,005             | (346)   | (11.5%) | 22.0%             | 26.6%             | (4.6%)   |
| SELLING AND ADMINISTRATIVE EXPENSES                                     |                     |                   |         |         |                   |                   |          |
| Commissions                                                             | 947                 | 972               | (25)    | (2.6%)  | 7.8%              | 8.6%              | (0.8%)   |
| Taxes, licenses and fees                                                | 288                 | 209               | 79      | 37.8%   | 2.4%              | 1.8%              | 0.5%     |
| Salaries and wages and other benefits                                   | 166                 | 132               | 33      | 25.3%   | 1.4%              | 1.2%              | 0.2%     |
| Transportation, travel, office supplies and miscellaneous               | 87                  | 116               | (29)    | (25.0%) | 0.7%              | 1.0%              | (0.3%)   |
| Representation                                                          | 80                  | 68                | 12      | 17.5%   | 0.7%              | 0.6%              | 0.1%     |
| Advertising                                                             | 41                  | 34                | 7       | 21.7%   | 0.3%              | 0.3%              | 0.0%     |
| Professional fees                                                       | 51                  | 17                | 34      | 196.2%  | 0.4%              | 0.2%              | 0.3%     |
| Depreciation and amortization                                           | 32                  | 24                | 8       | 32.5%   | 0.3%              | 0.2%              | 0.1%     |
| Utilities                                                               | 23                  | 21                | 1       | 6.9%    | 0.2%              | 0.2%              | 0.0%     |
| Legal expense                                                           | 11                  | 12                | (1)     | (8.9%)  | 0.1%              | 0.1%              | 0.0%     |
| Repairs and maintenance                                                 | 153                 | 127               | 25      | 19.9%   | 1.3%              | 1.1%              | 0.1%     |
| Insurance expense                                                       | 6                   | 5                 | 0       | 9.5%    | 0.0%              | 0.0%              | 0.0%     |
| Surcharges and penalties                                                | 45                  | 30                | 15      | 51.1%   | 0.4%              | 0.3%              | 0.1%     |
|                                                                         | 1,923               | 1,762             | 160     | 9.1%    | 15.9%             | 15.6%             | 0.3%     |
| INTEREST EXPENSE                                                        | 1,889               | 1,597             | 291     | 18.2%   | 15.6%             | 14.1%             | 1.5%     |
| INCOME BEFORE INCOME TAX                                                | 5,632               | 4,951             | 681     | 13.8%   | 46.5%             | 43.8%             | 2.8%     |
| PROVISION FOR INCOME TAX                                                | 1,392               | 1,217             | 175     | 14.4%   | 11.5%             | 10.8%             | 0.7%     |
| NET INCOME                                                              | 4,240               | 3,734             | 506     | 13.6%   | 35.0%             | 33.0%             | 2.0%     |

**OTHER COMPREHENSIVE INCOME**

|                                                                                                  |                |                |              |              |              |              |             |
|--------------------------------------------------------------------------------------------------|----------------|----------------|--------------|--------------|--------------|--------------|-------------|
| Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods |                |                |              |              |              |              |             |
| Unrealized losses on fair value of financial assets at FVOCI                                     | 32             | 70             | (38)         | (53.7%)      | 0.3%         | 0.6%         | (0.4%)      |
| Remeasurement gains on pension - net of tax                                                      | 1              | (2)            | 3            | (173.8 %)    | 0.0%         | 0.0%         | 0.0%        |
|                                                                                                  | 34             | 68             | (35)         | (50.6%)      | 0.3%         | 0.6%         | (0.3%)      |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                                                | <b>₱ 4,274</b> | <b>₱ 3,802</b> | <b>₱ 472</b> | <b>12.4%</b> | <b>35.3%</b> | <b>33.6%</b> | <b>1.7%</b> |
| <b>Basic/Diluted Earnings Per Share</b>                                                          | <b>₱0.51</b>   | <b>₱0.45</b>   |              |              |              |              |             |

3% decrease in real estate sales

*As a result of the slow pace of real estate market this year, The Group experienced decrease in real estate sales by 3% or ₱241million.*

17% increase in interest income

*With the Group's portfolio of over 90% inhouse financing, the Company was able to collect the interest income from buyers reaching the amortization stage.*

3% increase in commission income

*The increase in commission income was directly attributable to the rise in recognized real estate sales during 2023.*

26% decrease in dividend income

*Lower dividend payouts were attributed to reduced dividends declared from the Group's investments in Philippine Racing Inc. during the period.*

75% increase in other income

*The increase was due to the repossessed properties of the Company during the year that was sold previously and recorded gain.*

15% decrease in cost of real estate sales

*The decrease is relative to the decrease in real estate sales for the year and sale of higher gross profit margin projects.*

3% decrease in commission expense

*Due to the slow pace of the market, commission expenses decreased.*

38% increase in taxes, licenses, and fees

*The increase was primarily attributable to higher real property taxes paid during the period due to project developments and land acquisitions.*

25% increase in salaries, wages and other benefits

*Due to the increase in new employees as well as the expenditure related to recruiting and onboarding also increased.*

20% increase in repairs and maintenance

*The significant increase was due to expenses related to projects completed but not yet turned over to homeowners' associations and Condominium Corporations during the period.*

18% increase in representation

*The main reason for the increase is the operational growth of the Company covering multiple branches nationwide*

22% increase in advertising

*Considering that the heightened demand for properties outside Metro Manila stemmed directly from companies' shifts in work arrangements, promotional and advertising activities were intensified, resulting in an increase in expenses during the period.*

11% decrease in transportation, travel, office supplies and miscellaneous

*The decrease is mainly due to the gas and oil incurred not directly attributed to the project and other miscellaneous expense.*

196% increase in professional fees

*The increase is attributed to the combined costs of architect fees and appraisal services.*

32% increase in depreciation and amortization

*As capital expenditures rose for acquiring properties and equipment to support business operations, depreciation expenses also increased accordingly.*

9% decrease in legal expense

*The decrease is mainly due to lower transactions involving legal concerns.*

8% increase in utilities

*The increase in utility expenses for the year was driven by extensive project developments and an increase in the volume of office operations.*

51% increase in surcharges and penalties

*The increase is mainly attributable to the regulatory fine associated with Group's activities and projects.*

9% increase in insurance

*The main reason is the increase in the operational properties, which led to a higher amount of insurance coverage provided by the Group.*

100% decrease in software maintenance

*As a result of not subscribing to IT applications and software, along with the investment in maintaining the Group's website, resources have been allocated to other key priorities.*

57% decrease in expected credit loss

*Decreased due to improved credit management and better collection management for the year 2024.*

18% increase in interest expense

*Maximizing access to the debt market to maintain a strong liquidity position led to increased availment of long-term and short-term loans, resulting in increased recognized interest expenses during the period.*

14% increase in provision to income tax

*Due to higher income earned during the year.*

**Year Ended December 31, 2023 compared to year ended December 31, 2022**

## RESULTS OF OPERATIONS

### Overview of Operations

Throughout the year, the Group maintained a consistent pace of development and land acquisition, evident in its robust balance sheet and outstanding financial performance. With increased funding to bolster expansive operations across the country and improved collection of buyers receivables, coupled with successful fundraising endeavors, the Group yielded a 8% growth in total assets compared to the corresponding period last year. Leveraging its salesforce effectively, the Group achieved a remarkable 9% increase in real estate sales compared to the previous year.

### Revenue

Due to increased demand, property values outside of Metro Manila have also incremented which ultimately resulted to the increased of Group's real estate sales during the year. The gross revenue for the period was increased by 14% or ₱1,432 million as compared to prior year. The Group implemented strategic initiatives aimed at expanding its real estate portfolio and improving sales efficiency, which yielded a 9% or ₱664 million increased in its real estate sales. Commission income during the period had increased by 41% or ₱34 million as compared to previous year. Both interest income on receivables and contract assets and interest income on cash in banks and investments have increased by 28% or ₱159 million and 407% or ₱36 million, respectively as compared to prior year. Other revenue increased by 84% or ₱159 million, which composed of gains from repossession of inventory, penalties and surcharges, processing and registration fees, and other miscellaneous income. Despite the increased of major revenue stream of the group, its commercial group experienced a decreased of 1% or ₱9 million in 2023. The primary reason of the decreased is due to the vacancy of its BPO office. Nevertheless, it is expected to be rented-out in upcoming years as the Group have already been received some advance payments from tenants.

### Cost and Expense

The Group's total costs and expenses recognized in 2023 was ₱7,582 million. There had been an increase of 18% or ₱1,132 million as opposed to 2022. The total cost of sales increased by 18% or ₱457 million, mainly due to the cost actualization of newly completed projects during the year. The total selling and administrative expenses increased by 12% or ₱196 million. The increase was primarily attributed to the rise in commission expenses resulting from the heightened real estate sales. Commission expenses recorded at ₱971 million or increased by 14% in 2023. Due to the unfavorable economic condition globally, the interest rate had significantly increased as compared to the previous years. The Group recognized an increase of 31% or ₱378 million on its interest expense during the year.

### Net Income

Directly benefiting from the upsurge in property prices beyond Metro Manila and the increase in demands of properties located in the fringes, the Group's net income increased by a whopping 9% or ₱300 million during the year

## PROJECT AND CAPITAL EXPENDITURES

In 2023, The Group apportioned ₱5,041 million for project and capital expenditures to meet the rising demand for real estate. Part of the allotted amount, ₱1,141 million were incurred to acquire raw lands for future developments and expansions of its existing horizontal and vertical projects. A daring attempt on the part of the Group to emerge as the top real estate company in the nation, not just in terms of size, but also in terms of more significant quality projects, quality business plans, growth, returns, and innovation. The amount is accounted for the continuous development of the Registrant's existing residential and commercial projects and finance newly developed projects.

## FINANCIAL CONDITION

### Assets

During the year, the Group's total assets demonstrated resilience, reaching ₱61,899 million or 8% increase from the 2022 balance of ₱57,410 million. Notably, the increase in total assets is attributable to the more aggressive land banking and project development and expansions, which resulted to the 10% or ₱3,216 million increased in Group's real estate inventories during the year. The total receivables recognized in 2023 was ₱6,797 million or 32% increased from 2022. The upward movement on the total receivables was relatively connected to the increased of real estate sales during the year.

### Liabilities

The Group showed efforts in sustaining a robust liquidity position amidst reduced cash inflows from operations, the Group strategically leveraged the debt markets to secure additional funding. Total liabilities for the year 2023 reached ₱35,384 million, reflecting a 3% increase compared to the prior year's reported total liabilities of ₱34,367 million. Primarily, the Group sourced a significant portion of its borrowings through long-term loans, resulting in a substantial growth of 18%, escalating from ₱13,162 million in 2022 to ₱15,495 million in 2023. The Group's deferred tax liabilities also exhibited an increase of ₱896 million or 34% from the previous year.

### Equity

Total shareholders' equity surged by ₱3,470 million or 15%, mainly driven by the realized net income throughout the year. On November 10, 2023, the board announced special cash dividends at ₱0.04 per share for shareholders recorded as of December 07, 2023 and payment date on December 22, 2023, sourced from its unrestricted retained earnings.

### Key Performance Indicators

|                                | 31-Dec-23      | 31-Dec-22      |
|--------------------------------|----------------|----------------|
| <b>Current Ratio</b>           | <b>2.29</b>    | <b>2.13</b>    |
| <b>Debt to Equity</b>          | <b>0.90</b>    | <b>0.99</b>    |
| <b>Interest Coverage Ratio</b> | <b>309.89%</b> | <b>373.28%</b> |
| <b>Return on Asset</b>         | <b>6.03%</b>   | <b>5.98%</b>   |
| <b>Return on Equity</b>        | <b>14.08%</b>  | <b>9.65%</b>   |

\*Notes to Key Performance Indicators:

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current liabilities (*accounts payable, customer deposit, current portion of bank loans, income tax payable, and deferred tax liabilities*).
2. Debt to Equity = Total debt over shareholder's equity.

3. Interest Coverage Ratio = Earnings before tax over Interest expense.
4. Return on Asset = Net Income over Total Assets.
5. Return on Equity = Net Income over shareholder's equity.

There are no events that will trigger any direct or contingent financial obligation that is material to the Registrant, including any default or acceleration of an obligation.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2023.

**Material Changes in the Balance Sheet (+/- 5%) as of December 31, 2023 versus the Balance Sheet as of December 31, 2022**

| In ₱ millions, except per share figures                                   | HORIZONTAL ANALYSIS |                   |               |             | VERTICAL ANALYSIS |                   |               |
|---------------------------------------------------------------------------|---------------------|-------------------|---------------|-------------|-------------------|-------------------|---------------|
|                                                                           | December 31, 2023   | December 31, 2022 | Change Amount | %           | December 31, 2023 | December 31, 2022 | % Change      |
| <b>ASSETS</b>                                                             |                     |                   |               |             |                   |                   |               |
| <b>Current Assets</b>                                                     |                     |                   |               |             |                   |                   |               |
| Cash and cash equivalents                                                 | ₱2,968              | ₱ 3,344           | ₱ (376)       | (11.2%)     | 4.8%              | 5.8%              | (1.0%)        |
| Receivables                                                               | 5,198               | 3,990             | 1,207         | 30.3%       | 8.4%              | 7.0%              | 1.4%          |
| Contract assets                                                           | 2,825               | 2,112             | 712           | 33.7%       | 4.6%              | 3.7%              | 0.9%          |
| Real estate inventories                                                   | 34,866              | 31,650            | 3,216         | 10.2%       | 56.3%             | 55.1%             | 1.2%          |
| Other current assets                                                      | 2,611               | 3,816             | (1,204)       | (31.6%)     | 4.2%              | 6.6%              | (2.4%)        |
| <b>Total Current Assets</b>                                               | <b>48,467</b>       | <b>44,912</b>     | <b>3,556</b>  | <b>7.9%</b> | <b>78.3%</b>      | <b>78.2%</b>      | <b>0.1%</b>   |
| <b>Noncurrent Assets</b>                                                  |                     |                   |               |             |                   |                   |               |
| Installment contracts receivables - net of current portion                | 1,600               | 1,172             | 428           | 36.5%       | 2.6%              | 2.0%              | 0.5%          |
| Contract assets - net of current portion                                  | 3,359               | 3,047             | 313           | 10.3%       | 5.4%              | 5.3%              | 0.1%          |
| Investment properties                                                     | 6,559               | 6,330             | 229           | 3.6%        | 10.6%             | 11.0%             | (0.4%)        |
| Property and equipment                                                    | 76                  | 68                | 9             | 13.1%       | 0.1%              | 0.1%              | 0.0%          |
| Financial assets at fair value through other comprehensive income (FVOCI) | 727                 | 657               | 70            | 10.6%       | 1.2%              | 1.1%              | 0.0%          |
| Other noncurrent assets                                                   | 1,109               | 1,224             | (115)         | (9.4%)      | 1.8%              | 2.1%              | (0.3%)        |
| <b>Total Noncurrent Assets</b>                                            | <b>13,432</b>       | <b>12,498</b>     | <b>933</b>    | <b>7.5%</b> | <b>21.7%</b>      | <b>21.8%</b>      | <b>(0.1%)</b> |
|                                                                           | <b>₱61,899</b>      | <b>57,410</b>     | <b>4,489</b>  | <b>7.8%</b> | <b>100.0%</b>     | <b>100.0%</b>     | <b>0.0%</b>   |
| <b>LIABILITIES AND EQUITY</b>                                             |                     |                   |               |             |                   |                   |               |
| <b>Current Liabilities</b>                                                |                     |                   |               |             |                   |                   |               |
| Short-term debt                                                           | ₱ 8,345             | 9,572             | (1,227)       | (12.8%)     | 13.5%             | 16.7%             | (3.2%)        |
| Accounts and other payables                                               | 6,122               | 6,107             | 15            | 0.2%        | 9.9%              | 10.6%             | -0.7%         |
| Income tax payable                                                        | 100                 | 94                | 6             | 5.9%        | 0.2%              | 0.2%              | 0.0%          |
| Contract liabilities - current portion                                    | 1,518               | 1,966             | (449)         | (22.8%)     | 2.5%              | 3.4%              | (1.0%)        |
| Long-term debt - current portion                                          | 5,072               | 3,386             | 1,687         | 49.8%       | 8.2%              | 5.9%              | 2.3%          |
| <b>Total Current Liabilities</b>                                          | <b>21,157</b>       | <b>21,125</b>     | <b>32</b>     | <b>0.1%</b> | <b>34.2%</b>      | <b>36.8%</b>      | <b>(2.6%)</b> |
| <b>Noncurrent Liabilities</b>                                             |                     |                   |               |             |                   |                   |               |
| Long-term debt - net of current portion                                   | 10,423              | 9,776             | 646           | 6.6%        | 16.8%             | 17.0%             | (0.2%)        |
| Contract liabilities - net of current portion                             | 257                 | 818               | (561)         | (68.6%)     | 0.4%              | 1.4%              | (1.0%)        |
| Deferred tax liabilities - net                                            | 3,533               | 2,637             | 896           | 34.0%       | 5.7%              | 4.6%              | 1.1%          |
| Retirement liabilities                                                    | 15                  | 10                | 6             | 60.2%       | 0.0%              | 0.0%              | 0.0%          |
| <b>Total Noncurrent Liabilities</b>                                       | <b>14,228</b>       | <b>13,241</b>     | <b>987</b>    | <b>7.5%</b> | <b>23.0%</b>      | <b>23.1%</b>      | <b>(0.1%)</b> |
| <b>Total Liabilities</b>                                                  | <b>35,384</b>       | <b>34,366</b>     | <b>1,019</b>  | <b>3.0%</b> | <b>57.2%</b>      | <b>59.9%</b>      | <b>(2.7%)</b> |
| <b>Equity</b>                                                             |                     |                   |               |             |                   |                   |               |
| Capital stock                                                             | 10,796              | 10,796            | -             | 0.0%        | 17.4%             | 18.8%             | (1.4%)        |
| Additional paid-in capital                                                | 580                 | 580               | -             | 0.0%        | 0.9%              | 1.0%              | (0.1%)        |

|                                                                |                 |                 |                |              |               |               |             |
|----------------------------------------------------------------|-----------------|-----------------|----------------|--------------|---------------|---------------|-------------|
| Retained earnings                                              | 16,469          | 13,067          | 3,402          | 26.0%        | 26.6%         | 22.8%         | 3.8%        |
| Treasury shares                                                | (1,600)         | (1,600)         | -              | 0.0%         | (2.6%)        | (2.8%)        | 0.2%        |
| Net unrealized gain on fair value of financial assets at FVOCI | 271             | 201             | 70             | 34.9%        | 0.4%          | 0.3%          | 0.1%        |
| Remeasurement gains on pension - net of tax                    | (1)             | 1               | (2)            | (213.5%)     | 0.0%          | 0.0%          | 0.0%        |
| <b>Total Equity</b>                                            | <b>26,515</b>   | <b>23,045</b>   | <b>3,470</b>   | <b>15.1%</b> | <b>42.8%</b>  | <b>40.1%</b>  | <b>2.7%</b> |
|                                                                | <b>₱ 61,899</b> | <b>₱ 57,410</b> | <b>₱ 4,489</b> | <b>7.8%</b>  | <b>100.0%</b> | <b>100.0%</b> | <b>0.0%</b> |

11% decrease in cash and cash equivalents

*Decrease in cash and cash equivalents is primarily attributable to the repayment of mature long-term and short-term borrowings, coupled with a slight slowdown in the acquisition of new lines of loans. The decreased in cash was also evident by the increased in Group's selling and operating cost and interest expense.*

30% increase in receivables

*Increase in receivables within the Group was primarily driven by the substantial increase in recognized real estate sales throughout the year.*

34% increase in current portion of contract assets

*As the Group allocated more capital funds to its project developments, several projects reached completion during the year. With intensified sales efforts on these projects, there was a notable increase in current contract assets observed throughout the year.*

10% increase in real estate inventories

*With ample cash available to support operations, a substantial portion of capital expenditures was allocated to project developments and land banking activities, resulting in a rise in real estate inventories.*

32% decrease in other current assets

*The decrease was primarily attributable to the transfer of advances to landowners arising from land acquisitions. Initially recognized as other receivables, these advances were transferred to the Group's real estate inventories upon execution of contracts.*

36% increase in noncurrent portion of installment contract receivables

*The increase in the noncurrent portion of installment receivables was primarily driven by heightened real estate sales, particularly from projects still under development.*

10% increase in noncurrent portion of contract assets

*The increase in the noncurrent portion of contract assets was primarily due to increased real estate sales, especially from completed projects within the Group.*

13% increase in property and equipment

*In order to facilitate extensive expansion initiatives, the Group allocated additional capital funds towards acquiring property and equipment essential to support its business operations.*

11% increase in financial assets at fair value through other comprehensive income

*The increase was attributed to the incline in the fair market value of investment securities, particularly in Philippine Racing Inc. and Manila Jockey Club Inc.*

9% decrease in other noncurrent assets

*The decrease was primarily attributed to the application of prepaid commission particularly for Sta. Lucia Venutres, Inc. and Sta. Lucia Global, Inc.*

13% decrease in short-term debt

*As the Group optimized its funding strategies by securing long-term loans, short-term credit lines were repaid over the course of the year.*

6% increase in income tax payable

*Directly related to the recognized revenue for year 2023.*

23% decrease in contract liabilities - current

*Advance collections initially recorded as liabilities from buyers whose properties were yet to be developed were recognized as income due to increased project development accomplishments during the period.*

50% increase in long term debts - current portion

*The increase was primarily attributable to the ₱7,000 corporate notes falling due in March 2024, as well as some portion of the principal of the outstanding term-loans of the Group.*

7% increase in long term debts - noncurrent portion

*The increase in the noncurrent portion of long-term debts was primarily due to the ₱5,000 million term-loans in 2023.*

69% decrease in contract liabilities – noncurrent

*As project development milestones were achieved during the period, advance payments from buyers for properties yet to be constructed, previously classified as contract liabilities, are now recognized as income.*

34% increase in deferred tax liabilities-net

*The increase in deferred tax liabilities was mainly attributable to timing differences in revenue recognition for real estate transactions and other purposes.*

60% increase in retirement liabilities

*Primarily due to the increase of defined benefit obligation's present value, valued by the independent actuary*

26% increase in retained earnings

*The increase was mainly attributable to the significant revenue generation of the Group during the period, with net income showing a notable increase compared to the previous year.*

35% increase in unrealized gain on fair value of available-for-sale financial assets

*The movement was due to the increase in the market price of investment securities, particularly in Philippine Racing Inc. and Manila Jockey Club Inc.*

213% decrease in unrealized gain on pension liabilities

*The increase resulted from changes in estimates for retirement liability as valued by the independent actuary.*

**Material Changes in the Income Statement (+/- 5%) for the year ended December 31, 2023 versus the Income Statement for the year ended December 31, 2022**

HORIZONTAL

VERTICAL

| In ₱ millions, except per share figures                                                          | ANALYSIS          |                   |              |               | ANALYSIS          |                   |               |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|--------------|---------------|-------------------|-------------------|---------------|
|                                                                                                  | December 31, 2023 | December 31, 2022 | Amount       | Change %      | December 31, 2023 | December 31, 2022 | % Change      |
| <b>REVENUE</b>                                                                                   |                   |                   |              |               |                   |                   |               |
| Real estate sales                                                                                | ₱ 8,454           | ₱ 7,790           | ₱ 664        | 8.5%          | 74.7%             | 78.8%             | (4.1%)        |
| Rental income                                                                                    | 763               | 771               | (9)          | (1.1%)        | 6.7%              | 7.8%              | (1.1%)        |
| Interest income on receivables and contract assets                                               | 733               | 573               | 159          | 27.8%         | 6.5%              | 5.8%              | 0.7%          |
| Commission income                                                                                | 117               | 83                | 34           | 41.3%         | 1.0%              | 0.8%              | 0.2%          |
| Other revenue                                                                                    | 1,199             | 650               | 549          | 84.5%         | 10.6%             | 6.6%              | 4.0%          |
|                                                                                                  | <b>11,265</b>     | <b>9,867</b>      | <b>1,398</b> | <b>14.2%</b>  | <b>99.6%</b>      | <b>99.8%</b>      | <b>(0.3%)</b> |
| <b>OTHER INCOME</b>                                                                              |                   |                   |              |               |                   |                   |               |
| Interest income on cash and cash equivalents and short-term investments                          | 45                | 9                 | 36           | 407.0%        | 0.4%              | 0.1%              | 0.3%          |
| Dividend income                                                                                  | 6                 | 7                 | (1)          | (20.9%)       | 0.1%              | 0.1%              | 0.0%          |
|                                                                                                  | <b>51</b>         | <b>16</b>         | <b>35</b>    | <b>216.0%</b> | <b>0.4%</b>       | <b>0.2%</b>       | <b>0.3%</b>   |
|                                                                                                  | <b>11,315</b>     | <b>9,883</b>      | <b>1,432</b> | <b>14.5%</b>  | <b>100.0%</b>     | <b>100.0%</b>     | <b>0.0%</b>   |
| <b>COST OF SALES AND SERVICES</b>                                                                |                   |                   |              |               |                   |                   |               |
| Cost of real estate sales                                                                        | 2,406             | 1,946             | 459          | 23.6%         | 21.3%             | 19.7%             | 1.6%          |
| Cost of rental income                                                                            | 599               | 601               | (1)          | (0.2%)        | 5.3%              | 6.1%              | (0.8%)        |
|                                                                                                  | <b>3,005</b>      | <b>2,547</b>      | <b>458</b>   | <b>18.0%</b>  | <b>26.6%</b>      | <b>25.8%</b>      | <b>0.8%</b>   |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>                                                       |                   |                   |              |               |                   |                   |               |
| Commissions                                                                                      | 972               | 855               | 116          | 13.6%         | 8.6%              | 8.7%              | (0.1%)        |
| Taxes, licenses and fees                                                                         | 209               | 167               | 42           | 25.5%         | 1.8%              | 1.7%              | 0.2%          |
| Salaries and wages and other benefits                                                            | 132               | 140               | (8)          | (5.5%)        | 1.2%              | 1.4%              | (0.2%)        |
| Repairs and maintenance                                                                          | 127               | 117               | 10           | 8.6%          | 1.1%              | 1.2%              | (0.1%)        |
| Representation                                                                                   | 68                | 79                | (10)         | (13.1%)       | 0.6%              | 0.8%              | (0.2%)        |
| Advertising                                                                                      | 34                | 60                | (26)         | (43.6%)       | 0.3%              | 0.6%              | (0.3%)        |
| Transportation, travel, office supplies and miscellaneous                                        | 116               | 47                | 64           | 137.3%        | 1.0%              | 0.5%              | 0.5%          |
| Professional fees                                                                                | 17                | 21                | (4)          | (19.5%)       | 0.2%              | 0.2%              | (0.1%)        |
| Depreciation and amortization                                                                    | 24                | 20                | 4            | 18.5%         | 0.2%              | 0.2%              | 0.0%          |
| Legal expense                                                                                    | 12                | 19                | (7)          | (37.2%)       | 0.1%              | 0.2%              | (0.1%)        |
| Utilities                                                                                        | 21                | 18                | 3            | 17.6%         | 0.2%              | 0.2%              | 0.0%          |
| Surcharges and penalties                                                                         | 30                | 18                | 12           | 70.3%         | 0.3%              | 0.2%              | 0.1%          |
| Insurance expense                                                                                | 5                 | 6                 | (1)          | (15.6%)       | 0.0%              | 0.1%              | 0.0%          |
|                                                                                                  | <b>1,762</b>      | <b>1,567</b>      | <b>196</b>   | <b>12.5%</b>  | <b>15.6%</b>      | <b>15.9%</b>      | <b>(0.3%)</b> |
| <b>INTEREST EXPENSE</b>                                                                          | <b>1,597</b>      | <b>1,219</b>      | <b>379</b>   | <b>31.1%</b>  | <b>14.1%</b>      | <b>12.3%</b>      | <b>1.8%</b>   |
| <b>INCOME BEFORE INCOME TAX</b>                                                                  | <b>4,951</b>      | <b>4,550</b>      | <b>400</b>   | <b>8.8%</b>   | <b>43.8%</b>      | <b>46.0%</b>      | <b>(2.3%)</b> |
| <b>PROVISION FOR INCOME TAX</b>                                                                  | <b>1,217</b>      | <b>1,117</b>      | <b>100</b>   | <b>9.0%</b>   | <b>10.8%</b>      | <b>11.3%</b>      | <b>(0.5%)</b> |
| <b>NET INCOME</b>                                                                                | <b>3,734</b>      | <b>3,434</b>      | <b>300</b>   | <b>8.7%</b>   | <b>33.0%</b>      | <b>34.7%</b>      | <b>(1.7%)</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>                                                                |                   |                   |              |               |                   |                   |               |
| Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods |                   |                   |              |               |                   |                   |               |
| Unrealized losses on fair value of financial assets at FVOCI                                     | 70                | (25)              | 95           | (376.3 %)     | 0.6%              | (0.3%)            | 0.9%          |
| Remeasurement gains on pension - net of tax                                                      | (2)               | 0                 | (2)          | (1912.4 %)    | 0.0%              | 0.0%              | 0.0%          |
|                                                                                                  | 68                | (25)              | 93           | - 370.4%      | 0.6%              | (0.3%)            | 0.9%          |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                                                | <b>₱ 3,802</b>    | <b>₱ 3,408</b>    | <b>₱ 394</b> | <b>11.5%</b>  | <b>33.6%</b>      | <b>34.5%</b>      | <b>(0.9%)</b> |
| <b>Basic/Diluted Earnings Per Share</b>                                                          | <b>₱0.45</b>      | <b>₱0.41</b>      |              |               |                   |                   |               |

9% increase in real estate sales

*The increase in demand for properties outside Metro Manila drove up property values, boosting the Group's recognized real estate sales during the period.*

34% decrease in interest income

*Aligned with the trend of real estate sales during the year, interest income increased as well.*

41% increase in commission income

*The increase in commission income was directly attributable to the rise in recognized real estate sales during 2023.*

21% decrease in dividend income

*Lower dividend payouts were attributed to dividends declared from the Group's investments in Philippine Racing Inc. during the period.*

84% increase in other income

*The increase was a result of surcharges, penalties from customer default on payments, income from hotel operations, and gains from repossession.*

24% increase in cost of real estate sales

*The increase is mainly due to the cost actualization of newly completed projects during the year.*

14% increase in commission expense

*Parallel to the increase in recognized real estate sales during the period, commission expenses increased during the period.*

25% increase in taxes, licenses, and fees

*The increase was primarily attributable to higher real property taxes paid during the period due to project developments and land acquisitions.*

6% decrease in salaries, wages and other benefits

*As a result of reduced employee turnover, existing staff members chose to stay with the company, leading to a decrease in the expenditure associated with recruiting and onboarding new employees.*

9% increase in repairs and maintenance

*The significant increase was due to expenses related to projects completed but not yet turned over to homeowners' associations and Condominium Corporations during the period.*

13% decrease in representation

*The main reason for the decrease is the reduction in representation-related expenses covered by the Group.*

44% decrease in advertising

*Considering that increased demand for properties outside Metro Manila was a direct result of companies' shift in work arrangements, promotional and advertising activities remained unchanged, leading to a decrease in expenses during the period.*

24% increase in transportation, travel, office supplies and miscellaneous

*The increase is mainly due to the gas and oil incurred not directly attributed to the project and other miscellaneous expense.*

20% decrease in professional fees

*The decrease resulted from the termination of contracts with several consultants and professionals involved in ongoing project developments.*

19% increase in depreciation and amortization

*As capital expenditures rose for acquiring properties and equipment to support business operations, depreciation expenses also increased accordingly.*

37% decrease in legal expense

*The decrease is mainly due to fewer lawsuits and legal disputes of the Group*

18% increase in utilities

*The increase in utility expenses for the year was driven by extensive project developments and an increase in the volume of office operations.*

70% increase in surcharges and penalties

*The increase is mainly attributable to the regulatory fine associated with Group's activities and projects.*

16% decrease in insurance

*The main reason for the decrease is the reduction in insurance covered by the Group.*

72% decrease in software maintenance

*Due to lesser subscriptions of IT application and software as well as the cost incurred in maintaining the Group's website.*

322% increase in expected credit loss

*Deferred collections due to extended payment terms led to increased recognized expected credit losses for 2023.*

31% increase in interest expense

*Maximizing access to the debt market to maintain a strong liquidity position led to increased availment of long-term and short-term loans, resulting in increased recognized interest expenses during the period.*

9% increase in provision to income tax

*Due to higher income earned during the year.*

**Year Ended December 31, 2022 compared to year ended December 31, 2021**

## **RESULTS OF OPERATIONS**

### Overview of Operations

The Group continued to develop at a steady rate throughout the year as evidenced by its solid balance sheet and exceptional financial results. With the help of bigger funding to support the considerable growth operations in its landbank across the country as a result of increased buyer receivable collections and strong fundraising efforts, the total assets of the Group grew by 10% compared to the same period last year. The Group, with the help of its salesforce, was able to raise its real estate sales throughout the year by 14% compared to the real estate sales recorded the previous year as a result of the astounding increase in inventory.

The growing momentum is anticipated to continue in the upcoming years owing to the company's dedication to providing its stakeholders with high-quality land developments.

## Revenue

During the year, the Group posted a ₱1,528 million or 18% increase in its gross revenue. The increase was primarily due to the increase in real estate sales, rental income, and revenue from other sources. Real estate sales increased by ₱962 million or 14% compared to the same period last year. The increase was attributable to an increase in sales activities by the Group's marketing arms as well as the increase in property prices. The economic recovery that is taking place from the impact of the pandemic bringing back the foothold traffic to normal, offered rental concessions to its tenants had ended. The Group's revenue from its commercial activities saw a large boost of ₱305 million or 66 percent. Other income, consisting of gains from repossession of inventory, penalties and surcharges, and other miscellaneous income increased by ₱258 million or 63% during the period. Interest income increased by ₱62 million or 12% as compared to the same period last year. As compared to the experienced increase in the other revenue streams, commission income posted a downslide of ₱59 million or 42% compared to the same period last year.

## Cost and Expense

The Group incurred total cost and expenses of ₱6,465 million during the year. This represents a ₱934 million or 17% increase as compared to the same period last year. The increase was primarily attributed to the increase in the cost of rental income, interest expense, and provision for income tax. The cost incurred in its commercial operations increased by ₱229 million or 62%. Interest expense arising from outstanding and new borrowings during the year increased by ₱167 million or 16% compared to the same period last year. The increase in borrowings was made to support the massive project developments of the Group. Provision for income tax increased by ₱446 million or 66% as a result of the experienced increase in revenue during the period. Total selling and administrative expenses also increased by ₱99 million or 7% as compared to the same period last year.

## Net Income

As a result of increased sales activities as well as the increase in property prices, the Group's real estate sales rose significantly contributing to the significant increase in the recognized income for the year amounting to ₱594 million or 21%. Also, income from commercial operations and income from other sources contributed to the increase in net income during the period.

## **PROJECT AND CAPITAL EXPENDITURES**

Generating bigger funding from internally generated funds and active fundraising efforts supported the extensive project developments and continuous landbanking activities of the Group throughout the country. Having a sufficient amount of finances, the Group was able to increase its landbank value by ₱582 million during the year. To capture the increasing demand for horizontal and vertical properties as well as to support strategic commercial investments, the Group deployed ₱5,592 million in capital funds to its project developments. Overall, the Group allocated ₱6,174 million of capital funds to its landbanking and project development activities during the year.

## **FINANCIAL CONDITION**

### Assets

Maintaining its growth momentum as well as the availability of sufficient funding to support the major operating activities of the Group, total assets grew to ₱57,410 million as of the year ended December 31, 2022. This amount represents a ₱5,417 million or a 10% increase as compared to the same period

last year. The significant increase is attributable to the extensive across-the-board landbanking and project development activities of the Group during the period, as evidenced by the significant increase of ₱ 2,745 million or 9% in the real estate inventory. To support the move, the Group has deployed significant collection efforts to its receivables and maximized its access to the debt market increasing its cash and cash equivalents by ₱1,397 million or 72% compared to the same period last year. Having a sufficient amount of finances, the Group is positive to maintain the growth momentum in the succeeding years of its operations.

### Liabilities

The Group's total liabilities increased by ₱2,444 million or 8% compared to the same period last year. This had closed the Group's total liabilities to ₱34,366 million as of December 31, 2022. The increase in the amounts was directly attributable to the maximization of its access to the debt market. Total short-term debts grew by ₱1,047 million or 12% comparing the same period last year. The Group has also initiated multiple long-term fundraising activities during the period increasing its long-term debts by ₱2,335 million or 22%. The proceeds of the fundraising activities were used to finance the Group's capital commitments as well as to pay out more expensive debts. Accounts and other payables and total contract liabilities decrease by ₱646 million or 10% and ₱1,032 million or 27%, respectively. Deferred tax liabilities posted an increase of ₱735 million or a 39% increase as compared to the same period last year.

### Equity

Total shareholders' equity increased by ₱2,973 million or 15%. The increase was primarily due to the recognized net income during the year. It is also during the year that the Group sold 100 million treasury shares at ₱2.90 per share contributing to the increase in total shareholder's equity. On November 29, 2022, the board declared special cash dividends at ₱0.04 per share on record as of December 16, 2022. The dividend was declared out of its unrestricted retained earnings.

### Key Performance Indicators

|                                | 31-Dec-22      | 31-Dec-21      |
|--------------------------------|----------------|----------------|
| <b>Current Ratio</b>           | <b>2.13</b>    | <b>2.05</b>    |
| <b>Debt to Equity</b>          | <b>0.99</b>    | <b>0.96</b>    |
| <b>Interest Coverage Ratio</b> | <b>373.28%</b> | <b>333.99%</b> |
| <b>Return on Asset</b>         | <b>5.98%</b>   | <b>5.45%</b>   |
| <b>Return on Equity</b>        | <b>14.90%</b>  | <b>14.15%</b>  |

\*Notes to Key Performance Indicators:

1. Current Ratio = current assets (*cash, receivables, inventories, due from affiliates, prepaid commissions, and other current asset*) over current liabilities (*accounts payable, customer deposit, current portion of bank loans, income tax payable, and deferred tax liabilities*).
2. Debt to Equity = Total debt over shareholder's equity.
3. Interest Coverage Ratio = Earnings before tax over Interest expense.
4. Return on Asset = Net Income over Total Assets.
5. Return on Equity = Net Income over shareholder's equity.

There are no events that will trigger any direct or contingent financial obligation that is material to the Registrant, including any default or acceleration of an obligation.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships between the Registrant and unconsolidated entities were created during 2022.

**Material Changes in the Balance Sheet (+/- 5%) as of December 31, 2022 versus the Balance Sheet as of December 31, 2021**

| In ₱ millions, except per share figures                                   | HORIZONTAL ANALYSIS |                   |                |              | VERTICAL ANALYSIS |                   |               |
|---------------------------------------------------------------------------|---------------------|-------------------|----------------|--------------|-------------------|-------------------|---------------|
|                                                                           | December 31, 2022   | December 31, 2021 | Change Amount  | %            | December 31, 2022 | December 31, 2021 | % Change      |
| <b>ASSETS</b>                                                             |                     |                   |                |              |                   |                   |               |
| <b>Current Assets</b>                                                     |                     |                   |                |              |                   |                   |               |
| Cash and cash equivalents                                                 | ₱ 3,344             | ₱ 1,947           | ₱ 1,397        | 71.7%        | 5.8%              | 3.7%              | 2.1%          |
| Receivables                                                               | 3,990               | 3,024             | 967            | 32.0%        | 7.0%              | 5.8%              | 1.1%          |
| Contract assets                                                           | 2,112               | 1,465             | 647            | 44.2%        | 3.7%              | 2.8%              | 0.9%          |
| Real estate inventories                                                   | 31,650              | 28,905            | 2,745          | 9.5%         | 55.1%             | 55.6%             | (0.5%)        |
| Other current assets                                                      | 3,816               | 4,783             | (967)          | (20.2%)      | 6.6%              | 9.2%              | (2.6%)        |
| <b>Total Current Assets</b>                                               | <b>44,912</b>       | <b>40,124</b>     | <b>4,788</b>   | <b>11.9%</b> | <b>78.2%</b>      | <b>77.2%</b>      | <b>1.1%</b>   |
| <b>Noncurrent Assets</b>                                                  |                     |                   |                |              |                   |                   |               |
| Installment contracts receivables - net of current portion                | 1,172               | 1,861             | (689)          | (37.0%)      | 2.0%              | 3.6%              | (1.5%)        |
| Contract assets - net of current portion                                  | 3,047               | 2,651             | 395            | 14.9%        | 5.3%              | 5.1%              | 0.2%          |
| Investment properties                                                     | 6,330               | 5,868             | 462            | 7.9%         | 11.0%             | 11.3%             | (0.3%)        |
| Property and equipment                                                    | 68                  | 50                | 18             | 36.0%        | 0.1%              | 0.1%              | 0.0%          |
| Financial assets at fair value through other comprehensive income (FVOCI) | 657                 | 683               | (25)           | (3.7%)       | 1.1%              | 1.3%              | (0.2%)        |
| Other noncurrent assets                                                   | 1,224               | 757               | 468            | 61.8%        | 2.1%              | 1.5%              | 0.7%          |
| <b>Total Noncurrent Assets</b>                                            | <b>12,498</b>       | <b>11,869</b>     | <b>629</b>     | <b>5.3%</b>  | <b>21.8%</b>      | <b>22.8%</b>      | <b>(1.1%)</b> |
|                                                                           | <b>57,410</b>       | <b>51,993</b>     | <b>5,417</b>   | <b>10.4%</b> | <b>100.0%</b>     | <b>100.0%</b>     | <b>0.0%</b>   |
| <b>LIABILITIES AND EQUITY</b>                                             |                     |                   |                |              |                   |                   |               |
| <b>Current Liabilities</b>                                                |                     |                   |                |              |                   |                   |               |
| Short-term debt                                                           | 9,572               | 8,525             | 1,047          | 12.3%        | 16.7%             | 16.4%             | 0.3%          |
| Accounts and other payables                                               | 6,107               | 6,753             | (646)          | (9.6%)       | 10.6%             | 13.0%             | (2.4%)        |
| Income tax payable                                                        | 94                  | 99                | (4)            | (4.3%)       | 0.2%              | 0.2%              | 0.0%          |
| Contract liabilities - current portion                                    | 1,966               | 2,578             | (611)          | (23.7%)      | 3.4%              | 5.0%              | (1.5%)        |
| Long-term debt - current portion                                          | 3,386               | 1,812             | 1,573          | 86.8%        | 5.9%              | 3.5%              | 2.4%          |
| <b>Total Current Liabilities</b>                                          | <b>21,125</b>       | <b>19,767</b>     | <b>1,358</b>   | <b>6.9%</b>  | <b>36.8%</b>      | <b>38.0%</b>      | <b>(1.2%)</b> |
| <b>Noncurrent Liabilities</b>                                             |                     |                   |                |              |                   |                   |               |
| Long-term debt - net of current portion                                   | 9,776               | 9,015             | 761            | 8.4%         | 17.0%             | 17.3%             | (0.3%)        |
| Contract liabilities - net of current portion                             | 818                 | 1,239             | (421)          | (34.0%)      | 1.4%              | 2.4%              | (1.0%)        |
| Deferred tax liabilities - net                                            | 2,637               | 1,901             | 735            | 38.7%        | 4.6%              | 3.7%              | 0.9%          |
| Retirement liabilities                                                    | 10                  | -                 | 10             | 0.0%         | 0.0%              | 0.0%              | 0.0%          |
| <b>Total Noncurrent Liabilities</b>                                       | <b>13,241</b>       | <b>12,155</b>     | <b>1,086</b>   | <b>8.9%</b>  | <b>23.1%</b>      | <b>23.4%</b>      | <b>(0.3%)</b> |
| <b>Total Liabilities</b>                                                  | <b>34,366</b>       | <b>31,922</b>     | <b>2,444</b>   | <b>7.7%</b>  | <b>59.9%</b>      | <b>61.4%</b>      | <b>(1.5%)</b> |
| <b>Equity</b>                                                             |                     |                   |                |              |                   |                   |               |
| Capital stock                                                             | 10,796              | 10,796            | -              | 0.0%         | 18.8%             | 20.8%             | (2.0%)        |
| Additional paid-in capital                                                | 580                 | 330               | 250            | 75.8%        | 1.0%              | 0.6%              | 0.4%          |
| Retained earnings                                                         | 13,067              | 10,358            | 2,708          | 26.1%        | 22.8%             | 19.9%             | 2.8%          |
| Treasury shares                                                           | (1,600)             | (1,640)           | 40             | (2.4%)       | (2.8%)            | (3.2%)            | 0.4%          |
| Net unrealized gain on fair value of financial assets at FVOCI            | 201                 | 226               | (25)           | (11.2%)      | 0.3%              | 0.4%              | (0.1%)        |
| Remeasurement gains on pension - net of tax                               | 1                   | 1                 | 0              | 13.3%        | 0.0%              | 0.0%              | 0.0%          |
| <b>Total Equity</b>                                                       | <b>23,045</b>       | <b>20,072</b>     | <b>2,973</b>   | <b>14.8%</b> | <b>40.1%</b>      | <b>38.6%</b>      | <b>1.5%</b>   |
|                                                                           | <b>₱ 57,410</b>     | <b>₱ 51,993</b>   | <b>₱ 5,417</b> | <b>10.4%</b> | <b>100.0%</b>     | <b>100.0%</b>     | <b>0.0%</b>   |

*72% increase in cash and cash equivalents*

*Active fundraising activities on both debt and equity markets deployed during the year primarily contribute to the significant increase in cash and cash equivalents of the Group.*

*32% increase in receivables*

*The increase in receivables of the Group was primarily due to the significant bump in the recognized real estate sales during the year.*

*44% increase in current portion of contract assets*

*As the Group was able to deploy more capital funds to its project developments, several projects were completed during the year. On these projects, sales efforts were also increased thus contributing to the noted increase in current contract assets during the year.*

*9% increase in real estate inventories*

*With a large number of capital investments made for project developments and land banking activities during the period, real estate inventories increased.*

*20% decrease in other current assets*

*The decrease was mainly brought on by the transfer of advances to landowners resulting from land acquisitions, which were earlier recorded as other receivables as the contracts have not yet been executed.*

*37% decrease in noncurrent portion of installment contract receivables*

*The decrease in the account was directly attributable to the change in the classification of receivables. Outstanding receivables previously recognized as noncurrent receivables from completed projects are realized within twelve months.*

*15% increase in noncurrent portion of contract assets*

*Increase in the noncurrent portion of contract assets was primarily due to the increase in real estate sales especially arising from the completed projects of the Group.*

*8% increase in investment property*

*The increase in investment property account was due to the deployment of capital funds for the construction of the Sta. Lucia Mall Davao.*

*36% increase in property and equipment*

*To carry out the massive expansion activities, the Group also deployed an increase in capital funds in the acquisition of property and equipment to support its business activities.*

*62% increase in other noncurrent assets*

*Bigger advances to contractors were recognized during the period arising from the project developments, as a result, the amount reported for other non-current assets increased.*

*10% decrease in accounts and other payables*

*The settlement of outstanding payables arising from project development activities and expansions on existing properties of the Group had resulted in a decrease in accounts and other payables.*

*12% increase in short-term debts*

*The Group made the most of its access to the debt markets as a source of extra funding in 2022, increasing its short-term borrowings to maintain a healthy liquidity position.*

*24% decrease in contract liabilities - current*

*Due to an increase in project development accomplishments during the period, advance payments from buyers whose properties have not yet been constructed that were earlier reported as contract liabilities have now been recognized as income.*

*87% increase in long term debts - current portion*

*Increase in long term debts was primarily due to the active fundraising activities of the Group deployed during the year, maximizing its access to the debt market.*

*8% increase in long term debts - noncurrent portion*

*Increase in long term debts was primarily due to the active fundraising activities of the Group deployed during the year, maximizing its access to the debt market.*

*39% increase in deferred tax liabilities-net*

*Mainly attributable to timing differences of revenue recognition of real estate transactions and others for tax purposes versus accounting purposes.*

*34% decrease in contract liabilities – noncurrent*

*Due to an increase in project development accomplishments during the period, advance payments from buyers whose properties have not yet been constructed that were earlier reported as contract liabilities have now been recognized as income.*

*76% increase in additional paid-in capital*

*The increase is attributed to the selling to 100 million treasury shares at ₱2.90 per share during the year.*

*26% increase in retained earnings*

*The increase was primarily due to the Group's remarkable revenue generation during the year. Comparing the current period to the same period the previous year, net income increased significantly.*

*11% decrease in treasury shares*

*The increase is attributed to the selling to 100 million treasury shares at ₱2.90 per share during the year.*

*11% decrease in unrealized gain on fair value of available-for-sale financial assets*

*Decrease was due to the decline in market price of investment securities in Philippine Racing Inc. and Manila Jockey Club Inc.*

*13% increase in unrealized gain on pension liabilities*

*Result of changes in estimates for retirement liability as valued by the independent actuary.*

**Material Changes in the Income Statement (+/- 5%) for the year ended December 31, 2022 versus the Income Statement for the year ended December 31, 2021**

HORIZONTAL  
ANAYSIS

VERTICAL  
ANALYSIS

| In ₪ millions, except per share figures                                                          | December<br>31, 2022 | December<br>31, 2021 | Change<br>Amount | %            | December<br>31, 2022 | December<br>31, 2021 | %<br>Change   |
|--------------------------------------------------------------------------------------------------|----------------------|----------------------|------------------|--------------|----------------------|----------------------|---------------|
| <b>REVENUE</b>                                                                                   |                      |                      |                  |              |                      |                      |               |
| Real estate sales                                                                                | ₪ 7,790              | ₪ 6,827              | ₪ 963            | 14.1%        | 78.8%                | 81.6%                | (2.7%)        |
| Rental income                                                                                    | 771                  | 466                  | 305              | 65.6%        | 7.8%                 | 5.6%                 | 2.2%          |
| Interest income on receivables and contract assets                                               | 573                  | 518                  | 56               | 10.8%        | 5.8%                 | 6.2%                 | (0.4%)        |
| Commission income                                                                                | 83                   | 142                  | (59)             | (41.5%)      | 0.8%                 | 1.7%                 | (0.9%)        |
| Other revenue                                                                                    | 650                  | 408                  | 242              | 59.4%        | 6.6%                 | 4.9%                 | 1.7%          |
|                                                                                                  | <b>9,867</b>         | <b>8,360</b>         | <b>1,507</b>     | <b>18.0%</b> | <b>99.8%</b>         | <b>99.9%</b>         | <b>0.0%</b>   |
| <b>OTHER INCOME</b>                                                                              |                      |                      |                  |              |                      |                      |               |
| Interest income on cash and cash equivalents and short-term investments                          | 9                    | 2                    | 7                | 306.7%       | 0.1%                 | 0.0%                 | 0.1%          |
| Dividend income                                                                                  | 7                    | 9                    | (2)              | (17.9%)      | 0.1%                 | 0.1%                 | 0.0%          |
|                                                                                                  | 16                   | 11                   | 5                | 47.1%        | 0.2%                 | 0.1%                 | 0.0%          |
|                                                                                                  | <b>9,883</b>         | <b>8,371</b>         | <b>1,512</b>     | <b>18.1%</b> | <b>100.0%</b>        | <b>100.0%</b>        | <b>0.0%</b>   |
| <b>COST OF SALES AND SERVICES</b>                                                                |                      |                      |                  |              |                      |                      |               |
| Cost of real estate sales                                                                        | 1,946                | 1,954                | (7)              | (0.4%)       | 19.7%                | 23.3%                | (3.6%)        |
| Cost of rental income                                                                            | 601                  | 371                  | 229              | 61.7%        | 6.1%                 | 4.4%                 | 1.6%          |
|                                                                                                  | <b>2,547</b>         | <b>2,325</b>         | <b>222</b>       | <b>9.5%</b>  | <b>25.8%</b>         | <b>27.8%</b>         | <b>(2.0%)</b> |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>                                                       |                      |                      |                  |              |                      |                      |               |
| Commissions                                                                                      | 855                  | 797                  | 58               | 7.3%         | 8.7%                 | 9.5%                 | (0.9%)        |
| Taxes, licenses and fees                                                                         | 167                  | 183                  | (17)             | (9.0%)       | 1.7%                 | 2.2%                 | (0.5%)        |
| Salaries and wages and other benefits                                                            | 140                  | 99                   | 41               | 40.8%        | 1.4%                 | 1.2%                 | 0.2%          |
| Repairs and maintenance                                                                          | 117                  | 86                   | 32               | 36.8%        | 1.2%                 | 1.0%                 | 0.2%          |
| Representation                                                                                   | 79                   | 74                   | 5                | 6.6%         | 0.8%                 | 0.9%                 | (0.1%)        |
| Advertising                                                                                      | 60                   | 63                   | (3)              | (4.2%)       | 0.6%                 | 0.8%                 | (0.1%)        |
| Transportation, travel, office supplies and miscellaneous                                        | 47                   | 86                   | (40)             | (46.0%)      | 0.5%                 | 1.0%                 | (0.6%)        |
| Professional fees                                                                                | 21                   | 29                   | (8)              | (26.5%)      | 0.2%                 | 0.3%                 | (0.1%)        |
| Depreciation and amortization                                                                    | 20                   | 17                   | 3                | 15.7%        | 0.2%                 | 0.2%                 | 0.0%          |
| Legal expense                                                                                    | 19                   | 10                   | 9                | 91.0%        | 0.2%                 | 0.1%                 | 0.1%          |
| Utilities                                                                                        | 18                   | 9                    | 9                | 94.7%        | 0.2%                 | 0.1%                 | 0.1%          |
| Surcharges and penalties                                                                         | 18                   | 24                   | (6)              | (25.2%)      | 0.2%                 | 0.3%                 | (0.1%)        |
| Insurance expense                                                                                | 6                    | 6                    | (0)              | (0.4%)       | 0.1%                 | 0.1%                 | 0.0%          |
|                                                                                                  | <b>1,567</b>         | <b>1,484</b>         | <b>83</b>        | <b>5.6%</b>  | <b>15.9%</b>         | <b>17.7%</b>         | <b>(1.9%)</b> |
| <b>INTEREST EXPENSE</b>                                                                          | <b>1,219</b>         | <b>1,051</b>         | <b>168</b>       | <b>16.0%</b> | <b>12.3%</b>         | <b>12.6%</b>         | <b>(0.2%)</b> |
| <b>INCOME BEFORE INCOME TAX</b>                                                                  | <b>4,550</b>         | <b>3,511</b>         | <b>1,039</b>     | <b>29.6%</b> | <b>46.0%</b>         | <b>41.9%</b>         | <b>4.1%</b>   |
| <b>PROVISION FOR INCOME TAX</b>                                                                  | <b>1,117</b>         | <b>671</b>           | <b>446</b>       | <b>66.4%</b> | <b>11.3%</b>         | <b>8.0%</b>          | <b>3.3%</b>   |
| <b>NET INCOME</b>                                                                                | <b>3,434</b>         | <b>2,840</b>         | <b>594</b>       | <b>20.9%</b> | <b>34.7%</b>         | <b>33.9%</b>         | <b>0.8%</b>   |
| <b>OTHER COMPREHENSIVE INCOME</b>                                                                |                      |                      |                  |              |                      |                      |               |
| Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods |                      |                      |                  |              |                      |                      |               |
| Unrealized losses on fair value of financial assets at FVOCI                                     | (25)                 | (139)                | 114              | (81.8%)      | (0.3%)               | (1.7%)               | 1.4%          |
| Remeasurement gains on pension - net of tax                                                      | 0                    | 1                    | (0)              | (82.8%)      | 0.0%                 | 0.0%                 | 0.0%          |
|                                                                                                  | (25)                 | (138)                | 113              | (81.8%)      | (0.3%)               | (1.7%)               | 1.4%          |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                                                | <b>₪ 3,408</b>       | <b>₪ 2,702</b>       | <b>₪ 707</b>     | <b>26.2%</b> | <b>34.5%</b>         | <b>32.3%</b>         | <b>2.2%</b>   |
| <b>Basic/Diluted Earnings Per Share</b>                                                          | <b>₪0.41</b>         | <b>₪0.35</b>         |                  |              |                      |                      |               |

*14% increase in real estate sales*

*The increase was attributable to an upsurge in sales activities by the Group's marketing arms as well as the increase in property prices throughout the country.*

*66% increase in rental income*

*With the economic recovery that is taking place from the impact of the pandemic bringing back the foothold traffic to normal, offered rental concessions to its tenants had ended thus increasing the Group's revenue from its commercial activities.*

*12% increase in interest income*

*The trend of real estate sales during the year was paralleled by an increase in interest revenue during the year.*

*42% decrease in commission income*

*The decrease was primarily associated with the financial performance of the Sta. Lucia Ventures during the year.*

*18% decrease in dividend income*

*There was a decreased dividend payout throughout the period, which can be directly linked to the dividends announced from the Group's stake in Philippine Racing Inc. and Manila Jockey Club Inc.*

*63% increase in other income*

*An increase is brought about by the recording of surcharges and penalties for customer payment default, revenue from hotel operations, and gains from forfeiture.*

*12% increase in cost of rental income*

*The trend of commercial operations was paralleled by an increase in the cost related to its operations during the year.*

*7% increase in commission*

*The increase in commission expense during the year was comparable with the rise in real estate transactions recorded.*

*9% decrease in taxes, licenses and fees*

*The decrease was primarily attributable to the decrease in real property taxes paid as compared to the same period last year.*

*41% increase in salaries, wages and other benefits*

*The increase was primarily due to the extended hiring activities of the Group to address the manpower needs in the increasing business operations.*

*37% increase in repairs and maintenance*

*The increase in the number of projects already completed but not yet turned over to homeowners' associations and Condominium Corporations significantly increased the incurrence of expenses related to repairs and maintenance for its upkeep.*

*7% increase in representation*

*The increase was attributable to the increase project development activities and acquisition of raw land for land banking activities.*

*26% decrease in professional fees*

*Declined required external parties' support during 2022 resulted in the decrease in professional fees.*

*9% decrease in surcharges and penalties*

*An increase in operating effectiveness during the period was one of the Group's priorities to manage costs. This paved way to decreasing unnecessary and unwanted expenses for the Group.*

*16% increase in depreciation and amortization*

*With increased capital expenditures for the acquisition of properties and equipment for business operation support, attributable depreciation expense also increased.*

*9% decrease in advertising*

*An increase in operating effectiveness during the period was one of the Group's priorities to manage costs. This paved way to decreasing unnecessary and unwanted expenses for the Group.*

*91% increase in legal expense*

*Related to the acquisition of raw lands and extensive project developments, legal support costs also increased during the period.*

*95% increase in utilities*

*Extensive project developments and an increase in the volume of office operations contributed to the increase in utilities incurred during the year.*

*73% decrease in software maintenance*

*The decrease was attributable to the lesser software maintenance support required during the period.*

*13% decrease in transportation, travel, office supplies and miscellaneous*

*An increase in operating effectiveness during the period was one of the Group's priorities to manage costs. This paved way to decreasing unnecessary and unwanted expenses for the Group.*

*16% increase in interest expense*

*The increased utilization of both long-term and short-term loans contributed to increasing recognized interest expenses throughout the period.*

**FIVE (5) KEY PERFORMANCE INDICATORS**

***On Sales***

The Company's marketing arms include:

1. Orchard Property Marketing Corp.
2. Royal Homes Marketing Corp
3. Asian Pacific Realty & Brokerage Corp.
4. Fil-Estate Group of Companies
5. Mega East Properties Inc.
6. Sta. Lucia Global Marketing Inc.
7. SantaLucia Ventures, Inc.
8. 1 Premiere Land Marketing Corporation
9. Sta. Lucia Prime Marketing Corporation

These marketing companies have been proven to be effective in carrying out the business plans of the Sta. Lucia Group. The combined sales force of these marketing units totals over 135,000, catering to clients all over the Philippines.

The Company is still looking into other marketing units that may supplement its growth. The Company is specifically looking for marketing firms that will accommodate its requirements and its marketing

framework. With many projects in sight and a diversified product line, there will always be opportunities for other marketing units.

### ***On Technology Exploitation***

The Company has made use of the expertise of NOAH Galleries software that is aimed at reducing costs, improving the quality of all processes involved in development, and achieving accuracy in all of its business operations. This software covers the following modules: Project Development; Accounts Payable; Real Estate Sales; and Financials which comprise the complete operation of the Company, particularly in property development. This software is expected to increase the efficiency and productivity of the Company, as well as the quality of the processes involved in property development. The migration of data to the SAP software started in June 2013 and adjustments are continuously being made to further improve the system and cater to the Company's needs.

In addition to the software, the Company's website, developed by CETT Computer Education Network can now be accessed by prospective buyers and investors through the web address [www.stalucialand.com.ph](http://www.stalucialand.com.ph). The website contains the list of lots for sale, a lot map, and a reservation system, which will enable clients to make online reservations. This website is expected to improve client convenience and also serve as a marketing tool.

### ***On Inventory Optimization***

The Company has in its portfolio a total of 2,985 hectares of residential, commercial and mixed-use properties from the 26 properties infused by SLRDI. Moreover, the Company has additional joint venture and land acquisition projects that have been executed since the inception of the Company.

Plans have been discussed and are currently being implemented on the disposal of the said properties, which will enhance the sales figure and bottom line of the Company. On average, most of these projects must be sold over a period of three to four years. Developments shall also take two to three years.

### ***On Organization Design***

The Company now has the assistance of professionals leading its reorganization and is still in the process of hiring highly-skilled professionals who will be involved in its daily operations.

In addition, the creation of the Executive Committee and Management Committee will make decision making more responsive to the needs of the business.

### ***Off-Balance Sheet Arrangements***

As of the date of this Prospectus, the Company did not have any material off-balance sheet arrangements or obligations that were likely to have current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity and capital expenditures or capital resources.

### ***Liquidity and Capital Resources***

The Company was able to meet its capital requirements through its capital resources, including those obtained from borrowings, prepaid sales and internally generated cash. Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Company manages its

liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Company intends to use internally generated funds and proceeds from debt and equity offerings

The Group actively manages its liquidity position to ensure that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments, matches debt maturities with the assets being financed, and maintains a diversity of funding sources with its unhampered access to bank financing and the capital markets. As of December 31, 2024 and 2023, the Group has no undrawn facilities. As part of the liquidity risk management, the Group is currently transacting with local banks for longer term corporate notes and negotiation of higher undrawn credit lines to meet the debtors', suppliers' and contractors' obligations and the Company's expansion.

Through scenario analysis and contingency planning, the Company also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost, and ensures the availability of ample unused credit facilities as back-up liquidity. As of December 31, 2024, the Company's capital commitments amounted to ₱7,540.80 million.

Cash are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise.

## **FACTORS THAT MAY HAVE MATERIAL EFFECT ON THE OPERATIONS**

### ***Effects of Economic Conditions***

The results of the Company's operations and financial condition are affected by the general economic condition in the Philippines, including inflation rates, interest rate levels and currency exchange rate movements. For instance, the general performance of the Philippine economy affects demand for residential and commercial products, and inflation affects the Company's costs and its margins.

### **Capital Expenditures**

The Registrant's cash disbursement for project development and land banking amounted to P6,784 million in 2024. For 2025, the Registrant allocated P7,541 million for its capital expenditures, including P6,348 million for project development and P1,191 million for land acquisitions.

This will be funded by the Registrant's capital resources as mentioned above.

## Projected Income Statement

|                                            | Year 1           | Year 2           | Year 3           | Year 4           | Year 5           |
|--------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Initial Capital / Opening Cash             | 12,900,000       |                  |                  |                  |                  |
| Beginning Cash                             |                  |                  |                  |                  |                  |
| Cash Inflow                                |                  |                  |                  |                  |                  |
| Rooms                                      | 11,192,821       | 14,550,667       | 17,908,514       | 21,266,360       | 23,504,924       |
|                                            |                  |                  |                  |                  |                  |
| Less: Cash Outflow                         |                  |                  |                  |                  |                  |
| Office furniture and Supplies              | 381,280          | -                | -                | -                | -                |
| Housekeeping equipment                     | 160,713          | -                | -                | -                | -                |
| Guest supplies                             | 10,809,471       | -                | -                | -                | -                |
| Guest and Service vehicle                  | 1,802,679        | -                | -                | -                | -                |
| Information technology and communications; | 1,187,088        | -                | -                | -                | -                |
| Operating Expenses                         |                  |                  |                  |                  |                  |
| Direct Operating expenses                  | 4,618,245        | 6,003,719        | 7,389,193        | 8,774,666        | 9,698,315        |
| Indirect Operating expenses                | 4,558,448        | 5,925,983        | 7,293,517        | 8,661,051        | 9,572,741        |
| Depreciation Expense                       | 597,953          | 597,953          | 597,953          | 597,953          | 597,953          |
| <b>Net Income</b>                          | <b>1,418,174</b> | <b>2,023,013</b> | <b>2,627,851</b> | <b>3,232,689</b> | <b>3,635,915</b> |

## Financial Ratios

| Ratio                | Formula                               | Rate |
|----------------------|---------------------------------------|------|
| Return on Investment | Net Income / Cost of Investment       | 20%  |
| Return on Equity     | Net Income / Equity                   | 20%  |
| Profitability Rate   | Net Income / Revenue                  | 15%  |
| Payback Period       | Initial Investment / Annual Cash Flow | 4.98 |

## Summary Financial Information

Prospective purchasers of the Offer should read the summary financial data below together with the financial statements, including the notes thereto, included in this Prospectus and “Management's Discussion and Analysis of Results of Operations and Financial Condition”. The summary financial data for the years ended December 31, 2022, 2023 and 2024 are derived from the audited financial statements of the Company, including the notes thereto. The detailed financial information for the years ended December 31, 2022, 2023, and 2024 are found on pages 124 to 126 of the Prospectus and the six months ended June 30, 2024 and 2025 are found on pages 126 to 127]of the Prospectus.

The summary of financial and operating information of the Company presented below as of and for the years ended December 31, 2022, 2023 and 2024 were derived from the consolidated financial statements of the Company, audited by SyCip Gorres Velayo & Co. (SGV & Co.) and prepared in

compliance with the Philippine Financial Reporting Standards (“PFRS”). The financial and operating information of the Company presented below as of and for the six months ended June 30, 2024 and 2025 were derived from the unaudited consolidated financial statements of the Company prepared in compliance with Philippine Accounting Standards (“PAS”) 34, “Interim Financial Reporting” in accordance with Philippine Standards on Reviewing Engagements (“PSRE”) 2410, “Review of Interim Financial Information performed by the Independent Auditors of the Entity.” The historical financial condition, results of operations and cash flows of the Company are not a guarantee of its future operating and financial performance.

| (in millions except per share figures or where otherwise indicated)     | For the Years Ended<br>December 31, |               |              | For the Six Months<br>Ended June 30, |              |
|-------------------------------------------------------------------------|-------------------------------------|---------------|--------------|--------------------------------------|--------------|
|                                                                         | 2024                                | 2023          | 2022         | 2025                                 | 2024         |
|                                                                         | (Audited)                           |               |              | (Unaudited)                          |              |
| <b>REVENUE</b>                                                          |                                     |               |              |                                      |              |
| Real estate sales                                                       | 8,213                               | 8,454         | 7,790        | 3,322                                | 5,296        |
| Rental income                                                           | 760                                 | 763           | 771          | 373                                  | 362          |
| Interest income on receivables and contract assets                      | 856                                 | 733           | 573          | 342                                  | 259          |
| Commission income                                                       | 136                                 | 117           | 83           | 122                                  | 73           |
| Other revenue                                                           | 2,092                               | 1,199         | 650          | 563                                  | 624          |
|                                                                         | <b>12,057</b>                       | <b>11,265</b> | <b>9,867</b> | <b>4,722</b>                         | <b>6,615</b> |
| <b>OTHER INCOME</b>                                                     |                                     |               |              |                                      |              |
| Interest income on cash and cash equivalents and short-term investments | 42                                  | 45            | 9            | 21                                   | 12           |
| Dividend income                                                         | 4                                   | 6             | 7            | 2                                    | 0            |
|                                                                         | <b>46</b>                           | <b>51</b>     | <b>16</b>    | <b>22</b>                            | <b>13</b>    |
|                                                                         | <b>12,102</b>                       | <b>11,315</b> | <b>9,883</b> | <b>4,744</b>                         | <b>6,627</b> |
| <b>COST OF SALES AND SERVICES</b>                                       |                                     |               |              |                                      |              |
| Cost of real estate sales                                               | 2,034                               | 2,406         | 1,946        | 731                                  | 1,298        |
| Cost of rental income                                                   | 625                                 | 599           | 601          | 302                                  | 289          |
|                                                                         | <b>2,659</b>                        | <b>3,005</b>  | <b>2,547</b> | <b>1,032</b>                         | <b>1,587</b> |
| <b>SELLING AND ADMINISTRATIVE EXPENSES</b>                              |                                     |               |              |                                      |              |
| Commissions                                                             | 947                                 | 972           | 855          | 452                                  | 588          |
| Taxes, licenses and fees                                                | 288                                 | 209           | 167          | 140                                  | 127          |
| Salaries and wages and other benefits                                   | 166                                 | 132           | 140          | 81                                   | 72           |
| Repairs and maintenance                                                 |                                     |               |              | 3                                    |              |

|                                                                                                  |              |              |              |              |              |
|--------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                                                                                  | 153          | 127          | 117          |              | 4            |
| Representation                                                                                   | 80           | 68           | 79           | 31           | 23           |
| Advertising                                                                                      | 41           | 34           | 60           | 13           | 21           |
| Transportation, travel, office supplies and miscellaneous                                        | 66           | 74           | 60           | 38           | 31           |
| Professional fees                                                                                | 51           | 17           | 21           | 10           | 13           |
| Depreciation and amortization                                                                    | 32           | 24           | 20           | 7            | 23           |
| Legal expense                                                                                    | 11           | 12           | 19           | 4            | 2            |
| Utilities                                                                                        | 23           | 21           | 18           | 5            | 8            |
| Surcharges and penalties                                                                         | 45           | 30           | 18           | 1            | 8            |
| Insurance expense                                                                                | 6            | 5            | 6            | 2            | 2            |
| Software maintenance                                                                             | -            | 1            | 3            | -            | -            |
| Provision for (Recovery from) expected credit loss                                               | 15           | 35           | (16)         | -            | -            |
|                                                                                                  | <b>1,923</b> | <b>1,762</b> | <b>1,567</b> | <b>788</b>   | <b>923</b>   |
|                                                                                                  |              |              |              |              |              |
| <b>INTEREST EXPENSE</b>                                                                          | 1,889        | 1,597        | 1,219        | 943          | 933          |
| <b>INCOME BEFORE INCOME TAX</b>                                                                  | 5,632        | 4,951        | 4,550        | 1,981        | 3,185        |
| <b>PROVISION FOR INCOME TAX</b>                                                                  | 1,392        | 1,217        | 1,117        | 491          | 794          |
| <b>NET INCOME</b>                                                                                | 4,240        | 3,734        | 3,434        | 1,490        | 2,391        |
|                                                                                                  |              |              |              |              |              |
| <b>OTHER COMPREHENSIVE INCOME</b>                                                                |              |              |              |              |              |
|                                                                                                  |              |              |              |              |              |
| Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods |              |              |              |              |              |
| Unrealized losses on fair value of financial assets at FVOCI                                     | 32           | 70           | (25)         | (134)        | 57           |
| Remeasurement gains on pension - net of tax                                                      | 1            | (2)          | 0            | -            | -            |
|                                                                                                  | <b>34</b>    | <b>68</b>    | <b>(25)</b>  | <b>(134)</b> | <b>57</b>    |
|                                                                                                  |              |              |              |              |              |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                                                | <b>4,274</b> | <b>3,802</b> | <b>3,408</b> | <b>1,356</b> | <b>2,448</b> |

|  | For the Years Ended<br>December 31, |      | For the Six Months Ended<br>June 30, |      |
|--|-------------------------------------|------|--------------------------------------|------|
|  | 2024                                | 2023 | 2025                                 | 2024 |

|                                                                           | (Audited)     |               | (Unaudited)   |               |
|---------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| <b>ASSETS</b>                                                             |               |               |               |               |
|                                                                           |               |               |               |               |
| <b>Current Assets</b>                                                     |               |               |               |               |
| Cash and cash equivalents                                                 | 3,391         | 2,968         | 2,356         | 3,092         |
| Receivables                                                               | 6,032         | 5,198         | 5,908         | 5,269         |
| Contract assets                                                           | 2,600         | 2,825         | 2,633         | 2,927         |
| Real estate inventories                                                   | 40,085        | 34,866        | 41,365        | 36,683        |
| Other current assets                                                      | 2,835         | 2,611         | 3,826         | 2,963         |
| <b>Total Current Assets</b>                                               | <b>54,943</b> | <b>48,467</b> | <b>56,087</b> | <b>50,934</b> |
|                                                                           |               |               |               |               |
| <b>Noncurrent Assets</b>                                                  |               |               |               |               |
| Installment contracts receivables - net of current portion                | 1,556         | 1,600         | 1,824         | 1,661         |
| Contract assets - net of current portion                                  | 2,698         | 3,359         | 2,734         | 3,488         |
| Investment in Subsidiaries                                                | -             | -             | -             | -             |
| Investment properties                                                     | 6,722         | 6,559         | 6,711         | 6,641         |
| Property and equipment                                                    | 70            | 76            | 82            | 65            |
| Financial assets at fair value through other comprehensive income (FVOCI) | 760           | 727           | 625           | 785           |
| Pension asset                                                             | -             | -             | -             | -             |
| Other noncurrent assets                                                   | 1,273         | 1,109         | 658           | 836           |
| <b>Total Noncurrent Assets</b>                                            | <b>13,078</b> | <b>13,432</b> | <b>12,635</b> | <b>13,476</b> |
|                                                                           |               |               |               |               |
| <b>Total Assets</b>                                                       | <b>68,021</b> | <b>61,899</b> | <b>68,723</b> | <b>64,410</b> |
|                                                                           |               |               |               |               |
| <b>LIABILITIES AND EQUITY</b>                                             |               |               |               |               |
|                                                                           |               |               |               |               |
| <b>Current Liabilities</b>                                                |               |               |               |               |
| Short-term debt                                                           | 7,045         | 8,345         | 6,199         | 8,242         |
| Accounts and other payables                                               | 7,456         | 6,122         | 6,757         | 6,086         |
| Income tax payable                                                        | 107           | 100           | 14            | 20            |
| Contract liabilities - current portion                                    | 440           | 1,518         | 220           | 758           |
| Long-term debt - current portion                                          | 4,597         | 5,072         | 5,097         | 3,651         |
| <b>Total Current Liabilities</b>                                          | <b>19,645</b> | <b>21,157</b> | <b>18,287</b> | <b>18,757</b> |
|                                                                           |               |               |               |               |
| <b>Noncurrent Liabilities</b>                                             |               |               |               |               |

|                                                                |               |               |               |               |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|
| Long-term debt - net of current portion                        | 13,372        | 10,423        | 13,891        | 12,358        |
| Contract liabilities - net of current portion                  | 336           | 257           | 168           | 128           |
| Deferred tax liabilities - net                                 | 4,499         | 3,533         | 4,853         | 4,191         |
| Retirement liabilities                                         | 15            | 15            | 15            | 12            |
| <b>Total Noncurrent Liabilities</b>                            | <b>18,222</b> | <b>14,228</b> | <b>18,927</b> | <b>16,690</b> |
| <b>Total Liabilities</b>                                       | <b>37,867</b> | <b>35,384</b> | <b>37,213</b> | <b>35,447</b> |
|                                                                |               |               |               |               |
| <b>Equity</b>                                                  |               |               |               |               |
| Capital stock                                                  | 10,796        | 10,796        | 10,796        | 10,796        |
| Additional paid-in capital                                     | 580           | 580           | 580           | 580           |
| Retained earnings                                              | 20,074        | 16,469        | 21,564        | 18,860        |
| Treasury shares                                                | - 1,600       | (1,600)       | (1,600)       | (1,600)       |
| Net unrealized gain on fair value of financial assets at FVOCI | 303           | 271           | 168           | 328           |
| Remeasurement gains on pension - net of tax                    | 0             | (1)           | 0             | (1)           |
| <b>Total Equity</b>                                            | <b>30,153</b> | <b>26,515</b> | <b>31,509</b> | <b>28,963</b> |
|                                                                |               |               |               |               |
| <b>Total Liabilities and Equity</b>                            | <b>68,021</b> | <b>61,899</b> | <b>68,723</b> | <b>64,410</b> |

|                                                    | Years Ended December 31 |         |         | For the Six Months Ended |
|----------------------------------------------------|-------------------------|---------|---------|--------------------------|
|                                                    | 2024                    | 2023    | 2022    | 2025                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>        |                         |         |         |                          |
| Income before income tax                           | 5,632                   | 4,951   | 4,550   | 1,981                    |
| Adjustments for:                                   |                         |         |         |                          |
| Interest expense                                   | 1,889                   | 1,597   | 1,219   | 943                      |
| Depreciation and amortization                      | 168                     | 160     | 158     | 80                       |
| Retirement expense                                 | 4                       | 3       | 13      | -                        |
| Dividend income                                    | (4)                     | (6)     | (7)     | (2)                      |
| Gain on repossession of inventories                | (1,491)                 | (386)   | (261)   | -                        |
| Interest income                                    | (898)                   | (778)   | (582)   | (362)                    |
| Operating income before changes in working capital | 5,300                   | 5,542   | 5,089   | 2,641                    |
| Changes in working capital:                        |                         |         |         |                          |
| Decrease (increase) in:                            |                         |         |         |                          |
| Receivables                                        | (921)                   | (1,536) | (328)   | (67)                     |
| Contract assets                                    | 887                     | (1,025) | (1,043) | (69)                     |
| Real estate inventories                            | (3,552)                 | (2,607) | (3,008) | (1,95)                   |
| Other current assets                               | (123)                   | 1,204   | 1,267   | (691)                    |
| Other noncurrent assets                            | (164)                   | -       | -       | -                        |
| Increase (decrease) in:                            |                         |         |         |                          |
| Accounts and other payables                        | 782                     | (290)   | (660)   | (656)                    |

|                                                                |              |              |              |                |
|----------------------------------------------------------------|--------------|--------------|--------------|----------------|
| Contract liabilities                                           | (998)        | (1,010)      | (1,032)      | (389)          |
| Net cash generated from operations                             | 1,210        | 278          | 285          | (512)          |
| Interest received                                              |              |              |              | 288            |
| Income taxes paid including applied creditable withholding tax | (157)        | (315)        | (254)        | (230)          |
| Contribution to plan asset                                     | (4)          | -            | (2)          | -              |
| Net cash provided by operating activities                      | 1,737        | 644          | 661          | (454)          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |              |              |              |                |
| Additions to:                                                  |              |              |              |                |
| Investment properties                                          | (289)        | (338)        | (599)        | (51)           |
| Property and equipment                                         | (25)         | (33)         | (39)         | (31)           |
| Increase in short-term investment                              | (100)        | -            | (300)        | (300)          |
| Decrease (increase) in other noncurrent assets                 | -            | 115          | (469)        | 615            |
| Dividends received                                             | 2            | 3            | 7            | -              |
| Net cash used in investing activities                          | (412)        | (253)        | (1,399)      | 233            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |              |              |              |                |
| Proceeds from loans, net of transaction costs                  | 19,193       | 20,260       | 21,769       | 6,169          |
| Payment of loans                                               | (18,069)     | (19,155)     | (18,428)     | (5,996)        |
| Payment of interest (including capitalized borrowing costs)    | (1,900)      | (1,590)      | (1,178)      | (987)          |
| Dividend paid                                                  | (125)        | (269)        | (332)        | -              |
| Reissuance of treasury shares                                  | -            | -            | 290          | -              |
| Increase (decrease) in payable to related parties              | -            | (14)         | 14           |                |
| Net cash provided by (used in) financing activities            | (902)        | (767)        | 2,135        | (814)          |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>    | <b>423</b>   | <b>(376)</b> | <b>1,397</b> | <b>(1,035)</b> |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>          | <b>2,968</b> | <b>3,344</b> | <b>1,947</b> | <b>3,391</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                | <b>3,391</b> | <b>2,968</b> | <b>3,344</b> | <b>2,355</b>   |
|                                                                |              |              |              |                |

## Information on Independent Accountant and other Related Matters

### *External Audit Fees and Services*

SyCip Gorres Velayo & Co., independent auditors, has audited the Issuer's financial statements as of and for the years ended 31 December 2019, 31 December 2020, and 31 December 2021, in accordance with Philippine Financial Reporting Standards (PFRSs).

The Issuer has not had any material disagreements on accounting and financial disclosures with its current external auditors for the same period or any subsequent interim period. SyCip Gorres Velayo & Co. has neither shareholdings in the Issuer nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SyCip Gorres Velayo & Co. will not

receive any direct or indirect interest in the Issuer or in any securities thereof (including options, warrants, or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The external auditor has rendered audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years.

The external auditor has not rendered other assurance and related services that are reasonable related to the performance of the audit or review of the registrant's financial statements.

#### *Audit Fees*

The following table shows the fees paid by the Registrant to its external auditor for the past three years: (VAT inclusive)

| Year        | Audit and Audit related fees | Tax Fees | Other Fees |
|-------------|------------------------------|----------|------------|
| <b>2024</b> | 5,112,800*                   |          |            |
| <b>2023</b> | 4,150,000*                   |          |            |
| <b>2022</b> | 3,450,000*                   |          |            |

#### Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with SGV & Co. on accounting, financial disclosure, or auditing scope or procedure.

#### **Taxation**

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Certificates. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Certificates and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Certificates under applicable tax laws of other applicable jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. Prospective buyers of the Certificates are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Certificates.

#### *Philippine Taxation*

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion ("**TRAIN Law**") took effect. The TRAIN Law, which contained an initial package of the tax reforms, amended various provisions of the National Internal Revenue Code of 1997 ("**Philippine Tax Code**"), including those on ordinary income tax of individuals, capital gains tax on the sale and disposition of shares of stock, estate tax, donor's tax, and documentary stamp tax ("**DST**"). On April 11, 2021, the second package of the Comprehensive Tax Reform Program ("**CTRP**") became effective. While the first package of the TRAIN Law brought about extensive changes to individual income taxation, the second package, Republic Act No. 11534, or CREATE, lowered corporate income tax rates for micro-, small-, and medium-sized enterprises, from 30% to 20%; while Large Corporations are now

taxed at a lowered rate of 25%. CREATE also provided other forms of tax relief and a new tax incentive system. On November 11, 2024, Republic Act No. 12066, or the CREATE MORE was signed into law, further amending the CREATE. The CREATE MORE established a simplified VAT refund system which aims to reduce delays in tax processes and to streamline procedures for projects that are eligible for incentives, by raising the investment capital thresholds for approval by investment promotion agencies, from ₱1 billion to ₱15 billion. Significantly, the CREATE MORE extended the maximum duration of availment of tax incentives from 17 years to 27 years. It also amended Section 32(B) of the Tax Code, which now provides that income of any kind, to the extent required by any treaty obligation, shall not be included in the gross income and shall be exempt from income taxation under the Tax Code.

#### *Taxation of Final Share in Revenue*

The Certificate Holders shall be entitled to receive share in the net profits earned by the pooled units made available as hotel rooms for paying guests (the “**Final Share in Participation Interest**”). The Final Share in Participation Interest shall be treated as interest income of the Certificate Holders and the payment thereof will be recorded by the Issuer as an interest expense.

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine sourced income subject to Philippine income tax. Participation Interest derived by Philippine citizens and alien resident individuals from the Certificates is thus subject to income tax, which is withheld at source, at the rate of 20% based on the gross amount of interest. Generally, Participation Interest received by non-resident aliens engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident aliens not engaged in trade or business is subject to a 25% final withholding tax. Participation Interest received by domestic corporations and resident foreign corporations from the Certificates is subject to a 20% final withholding tax. Participation Interest received by non-resident foreign corporations from the Certificates of Participation is subject to a 25% final withholding tax. The tax imposed on the interest is a final withholding tax which constitutes a final settlement of Philippine income tax liability with respect to such interest.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 10% to 15% in cases where the interest which arises in the Philippines is paid to a resident of the other contracting state.

However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

#### *Tax-Exempt Status or Entitlement to Preferential Tax Rate*

Certificate Holders who are exempt from or are not subject to final withholding tax on interest income may avail of such exemption by submitting the necessary documents. Said Certificate Holder shall submit the following requirements to the Issuer:

- (i) a current and valid BIR certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the Certificate Holder confirming the exemption in accordance with BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto;

- (ii) with respect to tax treaty relief, a copy of the duly filed request for confirmation or tax treaty relief application, as may be applicable, with the International Tax Affairs Division as required under Revenue Memorandum Order No. 14 2021, including any clarification, supplement or amendment thereto and, once available, a BIR certified certification, ruling or opinion addressed to the relevant Certificate Holder confirming the entitlement to the preferential tax rate under the applicable treaty;
- (iii) a duly notarized undertaking, in the prescribed form, executed by the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption or entitlement to preferential tax treaty rates based on his official functions, if the Certificate Holder purchases the Certificate for its account, declaring and warranting such entity's tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and
- (iv) such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities;

provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Certificate Holder on the interest payments to such Certificate Holder; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges (or with reduced rates, as the case may be), subject to the submission by the Certificate Holder claiming the benefit of any exemption or preferential rate of reasonable evidence of such exemption or preferential rate treatment to the Issuer.

#### *Documentary Stamp Tax*

A documentary stamp tax is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as the Certificates at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the offer price of such debt instruments.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for the account of the Certificate Holders.

### **Taxation on Sale or Other Disposition of the Certificates**

#### *Income Tax*

Any gain realized from the sale, exchange or retirement of Certificate of Participation will, as a rule, form part of the gross income of the sellers, for purposes of computing the relevant taxable income subject to the regular rates of 20% to 35%, or 30%, as the case may be. If the Certificate of Participation is sold by a seller, who is an individual and who is not a dealer in securities, who has held such Certificate of Participation for a period of more than 12 months prior to the sale, only 50% of any capital gain will be recognized and included in the sellers' gross taxable income.

However, under the Tax Code, any gain realized from the sale, exchange or retirement of bonds, debentures and other certificates of indebtedness with an original maturity date of more than five years (as measured from the date of issuance of such bonds, debentures or other certificates of indebtedness) shall not be subject to income tax.

Moreover, any gain arising from such sale, regardless of the original maturity date of the securities, may be exempt from income tax pursuant to various income tax treaties to which the Philippines is a party, and subject to procedures prescribed by the BIR for the enjoyment of tax treaty benefits.

#### *Estate and Donor's Tax*

The transfer by a deceased person, whether a Philippine resident or a non-Philippine resident, to his heirs of the Certificate of Participation shall be subject to an estate tax which is levied on the net estate of the deceased at the rate of 6%. A holder of the Certificate of Participation shall be subject to donor's tax based on the net gift on the transfer of the Certificate of Participation by gift at rate of 6%, if the net gifts made during the calendar year exceed Php250,000.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and the donor's tax, in respect of the Certificate of Participation, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

#### *Documentary Stamp Tax*

No documentary stamp tax is imposed on the subsequent sale or disposition of the Certificates, provided that such sale or disposition does not constitute a renewal or extension of maturity of the Certificates. If the transfer constitutes a renewal or extension of the maturity of the Certificates, documentary stamp tax is payable anew.

## **INDEPENDENT AUDITORS AND COUNSELS**

### **Tax and Legal Matters**

Certain legal matters in connection with the issuance and offer of the Certificates of Participation will be passed upon by Martinez Vergara & Gonzalez Sociedad for the Company. Martinez Vergara & Gonzalez Sociedad has no interest, direct or indirect, in the Company, or any right, whether legally enforceable or not to nominate persons or to subscribe to the securities of the Company in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

The validity of the Offer Shares and other matters concerning the Offer, including the relevant permits, were passed upon for the Company by Cayetano Sebastian Ata Dado & Cruz, independent legal and tax counsel of the Company. The independent legal counsel and tax counsel have no shareholdings or any interest, direct or indirect, in the Company, or any right, whether legally enforceable or not to nominate persons or to subscribe to the securities of the Company in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

### **Independent Auditors**

The consolidated financial statements of the Company as at and for the years ended have been audited by SGV and Co, independent auditors, in accordance with Philippine Standards on Auditing as set forth in their report thereon appearing elsewhere in this Prospectus.

The Audit Committee of the Company, reviews and monitors, among others, the integrity of all financial reports and ensures compliance with both internal financial management manual and pertinent accounting standards, including regulatory requirements.

There is no arrangement that experts and independent counsels will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

### List of Litigation

- I. The following investigations involve the Registrant's directors and officers with their status as of 30 June 2025:

| NO | CASE TITLE                                                                                                              | NATURE OF CASES                                                                                                                                                                                                                                                                                                         | PROPERTY INVOLVED        | PENDING COURT           | CASE NO.                          | STATUS                                                     |
|----|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|-----------------------------------|------------------------------------------------------------|
| 1  | LA MIRADA ROYALE RESIDENTIAL I,II,III,IV AND V<br>VS.<br>VICENTE R. SANTOS AND LA MIRADA ROYALE RESIDENTIAL ASSOCIATION | CANCELLATION OF CERTIFICATES OF REGISTRATION<br><br>DATE INSTITUTED: AUGUST 22, 2013                                                                                                                                                                                                                                    | LA MIRADA                | HLURB QUEZON CITY       | HLURB CASE NO. NTR-HOA-082213-575 | FILED<br>APPEAL<br>MEMORANDUM<br>AT OP<br><br>PENDING      |
| 2  | BAYBREEZE EXECUTIVE VILLAGE HOMEOWNERS ASS.<br>VS.<br>EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI                | DEVELOPMENT<br><br>DATE INSTITUTED: NOVEMBER 26, 2013                                                                                                                                                                                                                                                                   | BAYBREEZE                | OFFICE OF THE PRESIDENT | HLURB CASE NO. NCRHOA-112613-1932 | FILED<br>APPEAL<br>MEMORANDUM<br>AT OP<br><br>PENDING      |
| 3  | PTOLYME DIMENSIONS INC AND SIAPORE MICRO VS.<br>EXEQUIEL D. ROBLES AND VICENTE R. SANTOS AND SLRDI, EAGLERIDGE AND RS   | FRAUDULENT MACHINATION, UNSOUND BUSINESS PRACTICE, ELECTION OF HOA OFFICERS, ANNULMENT OF PROPERTY MANAGEMENT CONTRACT, QUO WARRANTO WITH PRAYER FOR THE ISSUANCE OF A CEASE AND DESIST ORDER/APPLICATION FOR TEMPORARY RESTRAINING ORDER AND OR WRIT OF PRELIMINARY INJUNCTION<br><br>DATE INSTITUTED: APRIL 13,, 2015 | EAGLE RIDGE              | OFFICE OF THE PRESIDENT | HLURB CASE NO. RIV-041315-0741    | FILED<br>APPEAL<br>MEMORANDUM<br>AT OP<br><br>PENDING      |
| 4  | VISTA VERDE COUNTRY HOMES VS.<br>EXEQUIEL D. ROBLES, JOHNIELLE KEITH NIETO                                              | VIOLATION OF SEC. 3 (A) GRAVE MISCONDUCT OPPRESSION AND CONDUCT PREJUDICIAL TO THE BEST INTEREST PF THE                                                                                                                                                                                                                 | VISTA VERDE COUNTRY HOME | OFFICE OF THE OMBUDSMAN | OMB-L-C-15-0169                   | DISMISSED<br><br>WITH APPEAL AT SC<br><br>FILED<br>COMMENT |

|   |                                                                                                                                    |                                                                                                   |                                             |                                                    |                                  |                                                                                     |
|---|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------------|
|   |                                                                                                                                    | SERVICE<br><br>SUMMONS<br>RECEIVED ON:<br>JULY 30, 2015                                           |                                             |                                                    |                                  |                                                                                     |
| 5 | SPS. MARTIN ERICSON<br>CRUEL AND CZARINA<br>CRUEL<br>VS.<br>MARIZA SANTOS-TAN,<br>SLRDI                                            | SPECIFIC<br>PERFORMANCE<br><br>DATE<br>INSTITUTED:<br>DECEMBER 23,<br>2015                        | VALLEY VIEW<br>EXEC.<br>P 1C<br>B 2<br>L 12 | HLURB<br>QUEZON CITY                               | REM-<br>122315-<br>15873         | PENDING                                                                             |
| 6 | CLOVIS RANCHO,<br>AMADO JOSE GARCIA<br>ET., AL.<br>VS.<br>EXEQUIEL D. ROBLES,<br>MARIZA SANTOS-TAN,<br>VICENTE R. SANTOS<br>ET.AL. | VIOLATION OF<br>PD 957<br>AND ART. 318 OF<br>RPC<br><br>SUMMONS<br>RECEIVED ON: 15<br>AUGUST 2016 | ROYALE CEBU<br>ESTATE                       | PROSECUTORS<br>OFFICE OF CEBU                      | I.S. NO.<br>VII-INV-<br>16G-0925 | FILED<br>COUNTER AFFIDAVIT<br><br>PENDING<br>RESOLUTION AT DOJ<br>MANILA            |
| 7 | JERRY GALOPE<br>VS.<br>EXEQUIEL D. ROBLES,<br>SLRDI, ET., AL.                                                                      | QUIETING OF<br>TITLE<br><br>DATE<br>INSTITUTED:<br>APRIL 20, 2016                                 | MEADOWOOD<br>CAVITE                         | REGIONAL TRIAL<br>COURT<br>BR. 19<br>BACOR, CAVITE | BSC-<br>2016-04                  | FILED ANSWER<br>JULY 06, 2018<br><br>WITH MOTION TO<br>SET PRE-TRIAL<br><br>PENDING |

**Part II - The following proceedings involve the Registrant with their status as of 30 June 2025**

| N<br>O | CASE TITLE                                                                                                                      | NATURE OF<br>CASES                                                                                                                                                                       | PROPERTY<br>INVOLVED       | COURT                                                   | CASE<br>NO.                              | AMOUNT<br>INVOLVED | STATUS                                                                                                                                                                                                                                                                                  |
|--------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | MANUEL<br>MORATO<br>ET., AL. VS.<br>EXEQUIEL D.<br>ROBLES, STA.<br>LUCIA LAND<br>INC. AND<br>LIBERATO D.<br>ROBLES, ET.,<br>AL. | ANNULMENT<br>OF TITLE WITH<br>PRAYER FOR<br>ISSUANCE OF<br>PRELIMINARY<br>INJUNCTION<br>AND/OR<br>TEMPORARY<br>RESTRAINING<br>ORDER (TRO)<br><br>DATE<br>INSTITUTED:<br>NOVEMBER<br>2019 | THE TRIBUTE                | REGIONAL<br>TRIAL<br>COURT<br>BR. 219<br>QUEZON<br>CITY | N/A<br><br>R-QZN-<br>19-<br>17722-<br>CV | -                  | SLI'S MOTION TO DISMISS<br>GRANTED. CASE<br>DISMISSED<br><br>PLAINTIFF FILED MR,<br>GRANTED.<br><br>DECISION: JV PARTNER IS<br>THE OWNER OF 3 LOTS<br>SUBJECT OF THE CASE. MR<br>FILED. PENDING.<br>NOVEMBER. 2019                                                                      |
| 2      | SPS<br>JERAMEEL I<br>PABLO                                                                                                      | SPECIFIC<br>PERFORMANCE<br><br>DATE<br>INSTITUTED:<br>2022                                                                                                                               | GOLDEN<br>MEADOWS<br>BINAN | HSAC                                                    | RIV-<br>REM -<br>220317<br>-00413        | -                  | ANSWER FILED<br><br>SLI MANIFESTED DURING<br>THE MEDIATION<br>PROCEEDINGS THAT THE<br>DOCUMENTS HAD LONG<br>BEEN PREPARED FOR THE<br>SIGNING OF THE<br>COMPLAINANTS.<br><br>DECISION DATED 27 APRIL<br>2023<br>FOR EXECUTION OF DEED<br>OF SALE AND DELIVERY OF<br>TCT, SLI IS READY TO |

| N<br>O | CASE TITLE                                                                        | NATURE OF<br>CASES                                                                                                        | PROPERTY<br>INVOLVED               | COURT                                            | CASE<br>NO.                       | AMOUNT<br>INVOLVED | STATUS                                                                                                                                                                   |
|--------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------|-----------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                                                                   |                                                                                                                           |                                    |                                                  |                                   |                    | DELIVER PROVIDED<br>COMPLAINANTS PAY THE<br>REGISTRATION FEES.                                                                                                           |
| 3      | MARIA<br>TERESITA<br>CANLAS VS.<br>SLLI                                           | WAIVER OF<br>PENALTIES AND<br>EXTENSION OF<br>CONTRACT<br><br>DATE<br>INSTITUTED:<br>JUNE 20, 2023                        | BLUE MOUNTAIN                      | HSAC NCR                                         | NCR-<br>REM-<br>230620<br>- 00892 | -                  | ANSWER FILED 3/13/24<br>1ST MEDIATION ON<br>4/16/2024<br>DECISION: ALLOW<br>COMPLAINANT TO PAY<br>W/O ADDITIONAL<br>INTEREST<br>APPEAL MEMORANDUM<br>FILED ON 12/13/2024 |
| 4      | S.A.M.<br>MARQUES<br>DE L'ETAT DE<br>MONACO<br>VS. SLLI                           | OPPOSITION TO<br>REGISTRATION<br>OF<br>TRADEMARK<br>MONTE CARLO<br><br>DATE<br>INSTITUTED:<br>JANUARY 8,<br>2024          | MONTE CARLO                        | IPO-BLA                                          |                                   | -                  | DISMISSED IN A DECISION<br>DATED 27 DECEMBER<br>2024, WHICH WAS<br>RECEIVED ON 05<br>FEBRUARY 2025                                                                       |
| 5      | NOTICE TO<br>COMMENT<br>RAYTANA,<br>MIRRIAM                                       | ILLEGAL<br>SETTLER<br><br>DATE<br>INSTITUTED:<br>APRIL 2024                                                               | GREENLAND<br>NEWTOWN 2B            | DHSUD                                            |                                   | -                  | COMMENT SUBMITTED                                                                                                                                                        |
| 6      | NOTICE TO<br>COMMENT<br>TRAJECO,<br>MARK                                          | INSTALLATION<br>OF ELECTRICAL<br>FACILITIES<br><br>DATE<br>INSTITUTED:<br>APRIL 2024                                      | MESILO NUEVA<br>VIDA P1 B14 L20    | DHSUD                                            |                                   | -                  | COMMENT SUBMITTED                                                                                                                                                        |
| 7      | ATTY. MARIA<br>SHEILA<br>ARNESTO<br>AND JOVEN<br>ARNESTO VS.<br>SLLI AND<br>SLRDI | DELIVERY OF<br>DOAS, TCT AND<br>TAX DEC AND<br>TURN OVER OF<br>POSSESSION<br><br>DATE<br>INSTITUTED:<br>MARCH 21,<br>2024 | SOUTHCOAST<br>P1A B35<br>L25,26&27 | HSAC RAB<br>4A RIVA-<br>REM-<br>240321-<br>00939 |                                   | -                  | SUMMONS RECEIVED ON<br>JULY 26<br>ANSWER DUE ON AUG 15,<br>2024<br>TRO HEARING AUG 13;<br>1ST MEDIATION 1/30/25                                                          |
| 8      | EDGAR CRUZ<br>AND ELSA<br>MARQUEZ<br>VS. SLLI,                                    | COLLECTION OF<br>SUM OF<br>MONEY AND<br>DAMAGES                                                                           | PINEWOODS<br>GOLF                  | MTC<br>CAINTA,<br>RIZAL<br>MTC-24-               |                                   | 1,348,200          | PRE-MARKING EXHIBITS 28<br>FEBRUARY 2025<br>PRE-CONFERENCE ON 14<br>MARCH 2025                                                                                           |

| N O | CASE TITLE                                                                                                                                  | NATURE OF CASES                                                                                          | PROPERTY INVOLVED          | COURT                                        | CASE NO. | AMOUNT INVOLVED                                                                           | STATUS                                                                                                        |
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|     | SLVI, LTM, JEDE                                                                                                                             | (AGENT'S COMMISSION)<br><br>DATE INSTITUTED: APRIL 15, 2024                                              |                            | 0583                                         |          |                                                                                           |                                                                                                               |
| 9   | ANDY BATALLONES                                                                                                                             | WAIVER OF PENALTIES<br><br>DATE INSTITUTED: AUGUST 2024                                                  | GREENMEADOWS ILO-ILO       | DHSUD                                        |          | -                                                                                         | WITH DRAFT OF COMPROMISE AGREEMENT BUT BUYER REFUSED TO SIGN                                                  |
| 10  | REGINA FALLORIN                                                                                                                             | DELAY ON HOUSE CONSTRUCTION<br><br>DATE INSTITUTED: AUGUST 2024                                          | HACIENDA VERDE ILO-ILO     | DHSUD                                        |          | -                                                                                         | COMMENT SUBMITTED                                                                                             |
| 11  | SPS. WILFREDO PEREDO AND MARINEL V. SLRDI                                                                                                   | REFUND THE REDUCED AREA,<br><br>SEGREGATE TCT, DEMAND FOR DAMAGES<br><br>DATE INSTITUTED: AUGUST 5, 2024 | GREENWOODS EXECUTIVE PASIG | HSAC RAB 4A<br><br>RIVA-REM-240805-01038     |          | 929,096.00<br><br>DAMAGES 200,000<br>MORAL 100K<br>EXEMPLARY 100K<br>ATTORNEY'S FEES 100K | MEDIATION 01/17/14, COMPLAINANT DID NOT ATTEND                                                                |
| 12  | CAPITAL HOMES                                                                                                                               | REQUEST TO TRANSFER RIGHTS TO ANOTHER COMPANY<br><br>DATE INSTITUTED: SEPTEMBER 2024                     | SOTOGRADE BAGUIO           | DHSUD BAGUIO                                 |          | -                                                                                         | CONCILIATION 10/10/24; WAITINGFOR BANK'S ENDORSEMENT                                                          |
| 13  | MICHAL GATCHALIAN VS. SLRDI DIRECTORS (EXEQUIEL D. ROBLES, VICENTE R. SANTOS, LIBERATO ROBLES, MARIZA TAN, EXALTACION JOSEPH, AND FELIZARDO | VIOLATION OF SEC 27 OF PD 957<br><br>SUMMONS RECEIVED ON: 28 OCTOBER 2024                                | ALTA VISTA CEBU            | OCP CEBU NPS DOCKET NO. VII-09-INV-24J-02870 |          | -                                                                                         | COUNTER AFFIDAVIT FILED<br><br>DISMISSED FOR INSUFFICIENCY OF EVIDENCE IN A RESOLUTION DATED 18 FEBRUARY 2025 |

| N<br>O | CASE TITLE                                                                                                                             | NATURE OF<br>CASES                                                      | PROPERTY<br>INVOLVED             | COURT                                                                               | CASE<br>NO. | AMOUNT<br>INVOLVED | STATUS                                                                                                                                          |
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|        | SANTOS)<br>AND RSPM                                                                                                                    |                                                                         |                                  |                                                                                     |             |                    |                                                                                                                                                 |
| 14     | AIDA REYES<br>VS SLLI AND<br>RUEL GARAY                                                                                                | REFUND OF<br>PAYMENTS<br><br>DATE<br>INSTITUTED:<br>DECEMBER 3,<br>2024 | NEOPOLITAN<br>CONDOMINIUM        | HSAC NCR<br>NCR-<br>REM-<br>241203-<br>01341                                        |             | 3,700,000          | ANSWER FILED:<br>TRO HEARING 12/19/24;<br>MEETING WITH COUNSEL<br>01/15/25<br>ONGOING NEGOTIATION;<br>SETTLED; WAITING FOR<br>COMPROMISE 2/4/25 |
| 15     | SPS. PETER<br>AND GIRLIE<br>SING, LIANG<br>SING AND<br>XIAN SING V<br>SLLI AND<br>MARIE<br>ANTOINETTE<br>LIMBAGO                       | EXECUTION OF<br>DOAS<br><br>DATE<br>INSTITUTED:<br>2022                 | GREEN PEAK<br>HEIGHTS<br>PALAWAN | HSAC NCR<br>NCR-<br>REM-<br>220607-<br>00517                                        |             | -                  | FILED MOTION TO SET THE<br>CASE FOR THE<br>COMPLIANCE HEARING<br>11/15/14                                                                       |
| 16     | IN THE<br>MATTER OF<br>LABOR<br>INSPECTION<br>CONDUCTED<br>AT NIVEL<br>HILLS<br>TOWER (SLI<br>AND NRM<br>AGUILA<br>GLASS &<br>ALUMINUM | LABOR<br>INSPECTION<br><br>DATE<br>INSTITUTED:<br>JUNE 2024             | 128<br>CONDOMINIUM<br>PROJECT    | DOLE RO<br>NO. VII,<br>CENTRAL<br>VISAYAS<br>R07-<br>TCFO-LI-<br>2024-07-<br>0338-O |             | -                  | SUBMISSION/COMPLIANC<br>E BY CONTRACTOR (PCAB)                                                                                                  |
| 17     | IN THE<br>MATTER OF<br>LABOR<br>INSPECTION<br>CONDUCTED<br>AT NIVEL<br>HILLS<br>TOWER (SLI<br>AND JNJ<br>INTEGRATED<br>SYSTEM          | LABOR<br>INSPECTION<br><br>DATE<br>INSTITUTED:<br>JUNE 2024             | 128<br>CONDOMINIUM<br>PROJECT    | DOLE RO<br>NO. VII,<br>CENTRAL<br>VISAYAS<br>R07-<br>TCFO-LI-<br>2024-07-<br>0335-O |             | -                  | SUBMISSION/COMPLIANC<br>E BY CONTRACTOR (PCAB)                                                                                                  |
| 18     | IN THE<br>MATTER OF<br>LABOR<br>INSPECTION<br>CONDUCTED<br>AT NIVEL<br>HILLS<br>TOWER (SLI<br>AND<br>WESWIN CO.<br>INC.)               | LABOR<br>INSPECTION<br><br>DATE<br>INSTITUTED:<br>JUNE 2024             | 128<br>CONDOMINIUM<br>PROJECT    | DOLE RO<br>NO. VII,<br>CENTRAL<br>VISAYAS<br>R07-<br>TCFO-LI-<br>2024-07-<br>0336-O |             | -                  | SUBMISSION/COMPLIANC<br>E BY CONTRACTOR (PCAB)                                                                                                  |

| N O | CASE TITLE                                             | NATURE OF CASES                                                                                                                                                                                             | PROPERTY INVOLVED             | COURT                      | CASE NO. | AMOUNT INVOLVED                                                        | STATUS                                                                                                                                                                                                                                                |
|-----|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------|----------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19  | RAY ANTHONY GATPANDAN                                  | NON-DELIVERY OF TITLE<br><br>DATE INSTITUTED: AUGUST 27, 2024                                                                                                                                               | SOUTH SPRING LAGUNA P1H B4 L7 | DHSUD                      |          |                                                                        | CONCILIATION DATED 10/18/24<br><br>FOR TRANSFER TO LOT WITH TCT                                                                                                                                                                                       |
| 20  | DANICA VILLANUEVA ET AL                                | COLLECTION OF DUES, WATER RATE, INTERNET CONNECTION AND REPAIRS OF RESTROOMS<br><br>DATE INSTITUTED: MARCH 20, 2024                                                                                         | HAMPTON RESIDENCES ANGONO     | DHSUD                      |          |                                                                        |                                                                                                                                                                                                                                                       |
| 21  | RENZ MARTIN ROSALES AND MARY ANN JOY ROSALES           | EXECUTION OF DOAS AND TCT DELIVERY<br><br>DATE INSTITUTED: MAY 24, 2023                                                                                                                                     | GRAND VILLAS BATANGAS         | DHSUD                      |          |                                                                        |                                                                                                                                                                                                                                                       |
| 22  | SPS. KELVIN PENUS AND LEOSA PENUS                      | DISCREPANCY IN AREA AND ALLEGED OVERPAYMENT OF P917,840.00; LEASING RESTRICTIONS; DEFECTS IN THE CONDOMINIUM UNIT; FINANCIAL LOSSES ARISING FROM FOREGOING ISSUES<br><br>DATE INSTITUTED: FEBRUARY 10, 2025 | SOTOGRADE BAGUIO              | DHSUD                      |          | P917,840.00                                                            | 1 <sup>ST</sup> CONCILIATION DATED 24 FEBRUARY 2025<br><br>2 <sup>ND</sup> CONCILIATION SCHEDULED ON 25 MARCH 2025<br><br>COMPLAINANTS TO SEND PROPOSAL ON OR BEFORE 28 FEBRUARY 2025<br><br>REQUESTED WITH BAGUIO ENGINEERS TO PROVIDE SURVEY REPORT |
| 23  | CARLOS DELFIN VALIX V. SLLI AND MA. LOURDES CONCEPCION | 2 LOTS WERE REOPENED WITHOUT CASH SURRENDER VALUE; COMPLAINANT PRAYED TO CONTINUE                                                                                                                           | GREENMEADOWS TARLAC           | HSAC: III-REM-250131-00006 |          | MORAL DAMAGES: P20,000.00<br><br>EXEMPLARY: P20,000.00<br><br>NOMINAL: | ANSWER DUE ON 3 MARCH 2025                                                                                                                                                                                                                            |

| N<br>O | CASE TITLE           | NATURE OF<br>CASES                                                                                                                                                                                                              | PROPERTY<br>INVOLVED | COURT                                  | CASE<br>NO. | AMOUNT<br>INVOLVED                                                                                                      | STATUS                                                                                    |
|--------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
|        |                      | WITH<br>PURCHASE<br><br>DATE<br>INSTITUTED:<br>JANUARY 31,<br>2025                                                                                                                                                              |                      |                                        |             | P20,000.00<br><br>ATTORNEY'S<br>FEES:<br>P50,000.00                                                                     |                                                                                           |
| 24     | JOHN BELL<br>V. SLLI | COMPLAINANT<br>PRAYED TO<br>DECLARE<br>CERTAIN<br>PROVISIONS IN<br>CTS AS NULL<br>AND VOID;<br>COMPEL SLLI<br>TO EXECUTE<br>DOAS; IN THE<br>ALTERNATIVE,<br>REFUND<br>PAYMENT<br><br>DATE<br>INSTITUTED:<br>FEBRUARY 4,<br>2025 | SOTOGRADE<br>ILOILO  | HSAC: III-<br>REM-<br>250204-<br>00068 |             | P5,080,959.9<br>1<br><br>MORAL:<br>P50,000.00<br><br>EXEMPLARY:<br>P100,000.00<br><br>ATTORNEY'S<br>FEES:<br>P50,000.00 | ENDORSED TO ILOILO<br>OFFICE ON 12 FEBRUARY<br>2025<br><br>ANSWER DUE ON 04<br>MARCH 2025 |